
Name of Applicant

PART 2 APPLICATION FORM
FirstEnergy Ohio Utilities 2009 CBP
December 2008 Solicitation
PART 2 APPLICATION DATE: December 12, 2008

This Part 2 Application Form is the application form to become a Registered Bidder in the FirstEnergy Ohio Utilities' 2009 CBP.

Before completing this form, please review the Competitive Bidding Process Rules ("the CBP Rules"), the Master Standard Service Offer Supply Agreement ("SSO Agreement"), the Price Matrix, and the Communication Protocols so that you understand the conditions under which the CBP will be conducted. These documents were established through an application to the Public Utilities Commission of Ohio ("PUCO" or "Commission") under Chapter 4901:1-135 of the Ohio Administrative Code.

Any information and materials that you submit in this Application will be provided on a confidential basis to the CBP Manager Team and the Public Utilities Commission of Ohio ("PUCO" or "Commission") and its representatives. Representatives from the FirstEnergy Ohio Utilities will decide whether the form of Pre-Bid Security submitted is acceptable; Pre-Bid Security documents will be redacted so as not to reveal your identity or the amount of your Indicative Offer.

If you become a Registered Bidder for the CBP, your name will be provided to other Registered Bidders for the CBP on a confidential basis. You will be provided with total initial eligibility for the CBP as well as a list of the names of other Registered Bidders participating in the CBP. As part of this Application, you are required to certify that if you become a Registered Bidder for the CBP, you will keep confidential the list of Registered Bidders and total initial eligibility for the CBP.

Name of Applicant

INSTRUCTIONS FOR APPLICATION

There are two parts to the application process.

Applicants submit the Part 1 Application Form and all documents required therein to become Qualified Bidders for the CBP. Qualified Bidders for the CBP submit the Part 2 Application Form, in which they make certifications regarding associations and handling of Confidential Information, submit Indicative Offers, and post Pre-Bid Security to become Registered Bidders.

I. Application Submission

Please submit **three original** completed Part 2 Application Forms (with original signatures). In addition to the completed Part 2 Application Forms, each Qualified Bidder must:

- Submit an Indicative Offer for the CBP;
- Submit a Bid Bond (or a Letter of Credit) and submit any additional Pre-Bid Security, as necessary;
- Make required certifications on Bidder Associations and Confidential Information and, if unable to do so, make required information disclosures; and
- Manually include the name of the Applicant on every page of the Application.

The completed Part 2 Application MUST be received by the CBP Manager no later than 12:00 p.m. (noon) EST¹ on December 12, 2008

at

CBP Manager Team

XXX

XXX

Columbus, OH XXX

Inquiries may be directed to the CBP Manager by:

- telephone (614) XXX-XXXX
- fax (614) XXX-XXXX
- through the "Ask a Question" page on the web site:
<http://www.firstenergy-cbp.com>

Photocopies and facsimiles of completed forms will not be accepted under any circumstances. It is in your interest to seek independent legal and financial advice before deciding to participate in the CBP.

¹ Unless noted otherwise, all times are Eastern Prevailing Times (EPT).

Name of Applicant

II. Application Review

Confirmation

If your Part 2 Application is received by post, a confirmation consisting of a photocopy of the first page of your Application stamped with the time and date that it was received will be faxed to your Authorized Representative. This confirmation of receipt will be faxed after an initial review, either with a confirmation that your Application is complete, or with a deficiency notice. If your Part 2 Application is hand-delivered, a confirmation consisting of a photocopy of the first page of your Application stamped with the time and date that it was received will be provided to the deliverer.

Incomplete Applications

If your Part 2 Application is incomplete or requires clarification, the CBP Manager will send a deficiency notice to your Authorized Representative by fax. You will have until noon on the Part 2 Application Date or 6 p.m. on the business day following the business day during which a deficiency notice is faxed to you, whichever comes later, to respond. If you do not correct or adequately explain the deficiency within the time allowed, your Part 2 Application may be rejected and you may be unable to participate in the CBP. One copy of your Part 2 Application and all supporting documents will be returned to you.

Late Applications

No late Part 2 Applications will be accepted under any circumstances.

Deficient Pre-Bid Security

If your Bid Bond or Letter of Credit is not in a form acceptable to the FirstEnergy Ohio Utilities, your Authorized Representative will be faxed a deficiency notice and you will have until noon on the Part 2 Application Date or 6 p.m. of the second business day following the business day during which you are notified, whichever comes later, to submit revised documents. If you fail to meet this deadline, your Application will be rejected.

If your Bid Bond or Letter of Credit is insufficient for your Indicative Offer, or if your other Pre-Bid Security is in a form that is not acceptable to the FirstEnergy Ohio Utilities, your Authorized Representative will be faxed a deficiency notice. You will have until noon on the Part 2 Application Date or 6 p.m. of the second business day following the business day during which you are notified, whichever comes later, to submit revised documents. If you cannot correct the deficiency, your Application may be rejected or your Indicative Offer may be reduced by the CBP Manager so that your Pre-Bid Security is sufficient to cover your Indicative Offer.

Name of Applicant

Certifications Regarding Associations

You may be required to provide additional information to the CBP Manager and to the Commission and its representatives if you are unable to make the certifications in Section 1.3 of this Part 2 Application.

Notification of Registration

If you become a Registered Bidder for the CBP, the CBP Manager will send a Notification of Registration to your Authorized Representative by fax no later than five business days after the Part 2 Application Date. The Notification of Registration will also be sent to your Authorized Representative by courier.

Name of Applicant

APPLICATION FORM

1.1 Applicant Basic Information

Name of Applicant

Name of Authorized Representative

Telephone No.

Fax No.

Email Address

Name of Delegate (If Applicable)

Telephone No.

Fax No.

Email Address

Name of Applicant

1.2 Indicative Offer and Pre-Bid Security

In Table 1.1 below, provide your Indicative Offer at the Minimum Starting Price of XX.XX \$/MWh and the Maximum Starting Price of XX.XX \$/MWh. Your Indicative Offer should be the maximum number of tranches that you would be willing to supply at the Starting Prices in aggregate for all products. In Table 1.2 below, provide your preliminary interest in each product. The number of tranches indicated as preliminary interest on any one product at a given price cannot exceed the Qualified Bidder’s indicative offer at that price.

You are required to submit a Bid Bond or Letter of Credit for an amount equal to \$500,000 times the number of tranches in your Indicative Offer. If you were required to do so upon qualification, please provide additional Pre-Bid Security in the form of a Letter of Reference, or a Letter of Intent to Provide a Guaranty, or both, for the amount not covered by the Bid Bond or Letter of Credit. Instructions regarding the amount of the Letter of Reference and the amount of the Letter of Intent to Provide a Guaranty were provided to you upon qualification. Samples of these forms can be downloaded from our web site www.firstenergy-auction.com.

Please also use Table 1.1 below to fill in the amounts of the Bid Bond or Letter of Credit and additional Pre-Bid Security that you are providing with this Application.

Table 1.1 Indicative Offer and Pre-Bid Security

<p>Indicative Offer at Minimum Starting Price of XX.XX \$/MWh (Number of Tranches)</p>	
<p>Indicative Offer at Maximum Starting Price of XX.XX \$/MWh (Number of Tranches)</p>	
<p>Amount of Bid Bond or Letter of Credit (This amount is equal to \$500,000 multiplied by the number of tranches in your Indicative Offer at the Maximum Starting Price of XX.XX \$/MWh)</p>	

Name of Applicant

Table 1.2 Preliminary Interest in each Product

Product	Tranches @ Minimum Starting Price	Tranches @ Maximum Starting Price
17-Month		
29-Month		
41-Month		

<p>Amount of Additional Pre-Bid Security</p> <p>In your letter informing you that you are a Qualified Bidder, the CBP Manager indicated to you whether any additional Pre-Bid Security is required, the amount of such additional Pre-Bid Security, and the form of the additional Pre-Bid Security.</p> <ul style="list-style-type: none"> • Please enter the amount of additional Pre-Bid Security in the box on the right. • Please enter the form of the additional Pre-Bid Security in the box on the right (Letter of Reference, Letter of Intent to Provide a Guaranty, Both, or None). 	

Please check here if you are submitting a Letter of Intent to Provide a Guaranty from the named Guarantor on the Part 1 Application Form [Section 1.8] as additional Pre-Bid Security.

Please check here if you are submitting a Letter of Reference from a bank as additional Pre-Bid Security.

If you are submitting a Letter of Credit, and you would like to provide special instructions for returning the Letter of Credit once it can be cancelled, please provide these special instructions in the space below.

Name of Applicant

Name of Applicant

1.3 Certifications by Authorized Representative

Please consult the list of Qualified Bidders for the CBP provided to you upon qualification. The following certifications are those contained in the “Association and Confidential Information Rules” of the Competitive Bidding Process Rules (“CBP Rules”). Please consult the criteria for associations and the definition of Confidential Information in the CBP Rules. Please also consult the Communications Protocol to understand the requirements regarding the treatment of Confidential Information.

Please make the following certifications. All Qualified Bidders, including each party to a bidding consortium, bidding agreement or joint venture for the purpose of bidding in the CBP, must make these certifications. The following certifications (1) to (8) will apply from the time of qualification until the Commission decision on the CBP results. Completion of the following certifications also signifies your acknowledgement that you do not know of or cannot reasonably anticipate, at the time of this Part 2 Application, any events that might cause these certifications to become untrue during the period to which each certification applies. If you cannot make one or more of these certifications, please disclose the necessary information to explain why you cannot make these certifications.

- (1) Please certify that you are not associated with another Qualified Bidder according to the criteria as defined in the CBP Rules.

Signature of Authorized Representative

Date

If unable to make certification (1) requested above please identify the Qualified Bidder(s) in the CBP with whom you are associated and the nature of the association.

Name of Applicant

If unable to make certification (8) requested above please explain.

The following certifications (9) and (10) will apply from the date on which you make the certifications.

- (9) Please certify that if you are registered to participate in the CBP, you will not disclose at any time information regarding the initial eligibility in the CBP or the list of Registered Bidders, including the number of Registered Bidders, the identity of any one or all entities that have been registered, or the fact that an entity has not been registered for participation in the CBP.

Signature of Authorized Representative

Date

- (10) Please certify that you will not disclose any Confidential Information regarding the CBP to any party except your advisors and bidders with which you are associated as disclosed in certification (1).

Signature of Authorized Representative

Date

If unable to make certification (10) requested above please explain.

Name of Applicant

The following certification will be required of each Registered Bidder following a successful Part 2 Application. Such certification will apply from the date at which it is made, no later than five days before the start of the CBP.

Please certify that you will continue to abide by your prior confidentiality certifications. You will not disclose any Confidential Information regarding the CBP to any party except to your advisor and bidders with which you are associated. Please certify that you will destroy all documents, written or electronic, provided by the CBP Manager that contain Confidential Information regarding the CBP within five days of the final CBP results.

Name of Applicant

1.4 Justification of Omissions

If you are unable to provide all documents or all information requested in this Application, please justify fully any omissions in the space provided below.

Name of Applicant

Appendix A – Enclosures to the Part 2 Application

This is a checklist of documents to be enclosed with this Part 2 Application.

- Three completed Part 2 Application Forms (with original signatures) [*Application Submission Section I*]
- Bid Bond or Letter of Credit [*Section 1.2*]
- Letter of Intent to provide a Guaranty (if applicable) [*Section 1.2*]
- Letter of Reference (if applicable) [*Section 1.2*]

Appendix B – Glossary

Defined terms used in the Application Form and these notes to the Application Form shall have the meaning given to such terms in the CBP Rules; definitions for such terms are summarized here for convenience. Other terms are also defined below.

Applicant's Authorized Representative

The Authorized Representative is authorized to represent the Applicant in the CBP. The Authorized Representative must ensure that only authorized persons act on behalf of the Applicant in the CBP and is responsible for ensuring that no Confidential Information is disclosed improperly.

Applicant's Legal Representative in Ohio

The Applicant's Legal Representative in Ohio is a legal counsel or a representative agent that has an address in Ohio and is authorized and agrees to accept service of process on the Applicant's behalf.

Association

A relationship that a party participating in the CBP may have with another party participating in the same CBP, as defined in the CBP Rules.

Bid Bond for CBP

Issued by an approved surety company to a Qualified Bidder prior to the CBP. The bid bond must be in the amount of \$500,000 per tranche of the Qualified Bidder's Indicative Offer at the Maximum Starting Price of XX.XX \$/MWh. The bid bond may be forfeited if the bidder:

1. has made any omission or misrepresentation in its application to participate in the CBP (Part 1 Application or Part 2 Application), or has violated the rules, and such omission, misrepresentation or violation materially affects the determination of the winning bids in the CBP; or

2. has a winning bid in the CBP and fails to execute the SSO Agreement within two business days of the certification of the CBP results by the Commission; or
3. has a winning bid in the CBP and fails to meet the creditworthiness requirements of the SSO Agreement within two business days of the certification of the CBP results by the PUCO;

Bidding Agreement (Bidding Arrangement)

Any agreement between two or more parties, each of whom intends to participate in the CBP, to share information regarding bidding strategy in the CBP, to share information regarding round results, to agree upon bids, to agree upon bidding strategy or to coordinate bids during the CBP.

Bidding Consortium

A group of separate businesses or business people joining together to submit joint bids in the CBP, or a set of companies joining together to supply SSO Load with each providing different expertise or components.

CBP Manager

The person retained by the FirstEnergy Ohio Utilities to manage the CBP under the PUCO's oversight.

CBP Tranche

A 0.87% share of the FirstEnergy Ohio Utilities' SSO Load as determined for the purposes of the CBP. The fixed percentage of load (0.87%) is the tranche size for the FirstEnergy Ohio Utilities.

Commission or PUCO

The Public Utilities Commission of Ohio.

Confidential Information

There are two types of Confidential Information. Confidential Information relative to the bidding strategy means information relating to a bidder's bid, written or oral, which if it were to be made public would be likely to have an effect on any of the bids that another bidder would be willing to submit at the CBP. Confidential Information regarding the CBP means information, written or oral, that is not released publicly by the Commission or the CBP Manager and that a bidder acquires as a result of participating in the CBP, which if it were to be made public could impair the integrity of current or future Auctions, impair the ability of the FirstEnergy Ohio Utilities to hold future Auctions, harm consumers, or injure bidders or applicants.

Current Liabilities

Amount owed for salaries, interest, accounts payable and other debts due within one year.

Current Ratio

A measure of a company's ability to meet short-term debt obligations. It is calculated by dividing current assets by current liabilities.

Delegate

The Delegate is authorized by the Applicant's Authorized Representative to be the point of contact for the CBP Manager when so designated by the Authorized Representative.

EBITDA

EBITDA is used to analyze a company's operating profitability before non-operating expenses (such as interest and "other" non-core expenses) and non-cash charges (depreciation and amortization). It is calculated from earnings before the deduction of interest expenses, taxes, depreciation, and amortization.

FirstEnergy Ohio Utilities

The Cleveland Electric Illuminating Company, the Toledo Edison Company and the Ohio Edison Company.

Fixed Assets [Plant]

A measure of long-term, tangible assets held for business use and not expected to be converted to cash in the current or upcoming fiscal year, such as manufacturing equipment, real estate, and furniture.

Indicative Offer

An Indicative Offer is the number of tranches that the Qualified Bidder is willing to supply at the Minimum Starting Price of XX.XX \$/MWh or at the Maximum Starting Price of XX.XX \$/MWh.

Joint Venture

An enterprise entered into by two or more people for profit with the purpose of bidding in the CBP. A joint venture has most of the elements of a partnership, such as shared management, the power of each venturer to bind the others in the business, division of profits and joint responsibility for losses. However, unlike a partnership, a joint venture anticipates a specific area of activity and/or period of operation, so after the purpose is completed, bills are paid, profits (or losses) are divided, and the joint venture is terminated.

Letter of Credit

Issued by a bank with a senior unsecured debt rating of at least "A" from Standard & Poor's or Fitch, or "A2" from Moody's. The letter of credit must be in the amount of \$500,000 per tranche of the Qualified Bidder's Indicative Offer at the Maximum Starting Price of XX.XX \$/MWh. The letter of credit may be drawn if the bidder: a) has made any material omission or misrepresentation in the Part 1 Application or the Part 2 Application submitted to participate in the CBP, or has violated the CBP Rules; or b) has a winning bid in the CBP and fails to execute the SSO Agreement within two business days of the certification of the CBP results by

the Commission; or c) has a winning bid in the CBP and fails to meet the creditworthiness requirements of the SSO Agreement within two business days of the certification of the CBP results by the Commission.

Long-term Debt [Funded Debt]

An obligation having a maturity of more than one year from the date it was issued.

Part 1 Application Date

The Part 1 Application due date is November 11, 2008.

Part 2 Application Date

The Part 2 Application due date is November 18, 2008.

Pre-Bid Security

In the CBP, Pre-Bid Security consists of a Bid Bond or a Letter of Credit and, if necessary, a Letter of Reference and/or a Letter of Intent to Provide a Guaranty. A Qualified Bidder in the CBP is notified upon qualification whether a Letter of Reference and/or a Letter of Intent to Provide a Guaranty is required.

Qualified Bidder

An Applicant who has been approved to submit a Part 2 Application based on financial and other qualifications submitted in the Part 1 Application.

Registered Bidder

A Qualified Bidder who has been approved to participate in the CBP based on requirements submitted in the Part 2 Application.

SSO Supplier

An entity that has been selected through the CBP and has accepted the obligations and associated rights to provide SSO Supply to the FirstEnergy Ohio Utilities for retail customers within the State of Ohio in accordance with the Applicable Legal Authorities and has entered into the SSO Agreement with the FirstEnergy Ohio Utilities as a party.

SSO Agreement

The SSO Agreement is the standard contract, approved by the PUCO, that will be used by the winners of the CBP and the FirstEnergy Ohio Utilities.

Starting Price

A Starting Price is a price in \$/MWh. The Minimum Starting Price in the CBP is XX.XX \$/MWh and the Maximum Starting Price is XX.XX \$/MWh. All Qualified Bidders submit, in their Indicative Offer, a number of tranches that they are willing to supply at each of the two Starting Prices.

Total Capital

Is made up of long-term debt, short-term debt, preferred stock, common stock and retained earnings.

Total Debt

Long-term debt (including amounts for operating lease debt equivalent) plus current maturities, commercial paper and other short term borrowings.

Tranche

See CBP Tranche.

Web Site

The web site for the CBP is www.firstenergy-auction.com.

End of Part 2 Application Form
