
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 will agree to comply with the CBP Rules, accept the terms of the SSO Agreement, make certifications regarding associations and handling of Confidential Information, submit indicative offers, and post Pre-Bid Security to become Registered Bidders.

I. Application Submission

To become a Qualified Bidder for the CBP, Applicants must:

- Submit **three original** completed Part 1 Application Forms (with original signatures);
- Submit one copy of financial statements, and other requested documents supporting the Application as specified in Appendix A;
- Pay the **Bid Participation Fee**; and
- Manually include the name of the Applicant on every page of the Application.

The completed Part 1 Application MUST be received by the CBP Manager no later than 12:00 p.m. (noon) EST¹ on December 2, 2008

at

CBP Manager
The Brattle Group
1850 M Street N.W.; Suite 1200
Washington, DC 20036-5823

Inquiries may be directed to the CBP Manager by:

- telephone (202) 955-5050
- fax (202) 955-5059
- through the “Ask a Question” page on the web site:
<http://www.firstenergy-auction.com>

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

Name of Applicant

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.

II. Application Review

Confirmation

If your Part 1 Application is received by post, a confirmation consisting of a photocopy of the first page of your Application stamped with the time and the 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 (see below). If your Part 1 Application is hand-delivered, a confirmation consisting of a photocopy of the first page of your Application stamped with the time and the date that it was received will be provided to the deliverer.

Incomplete Applications

If your Part 1 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 1 Application Date, or until 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 1 Application may be rejected and you may be unable to participate in the CBP. One copy of your Part 1 Application and all supporting documents will be returned to you.

Late Applications

No late Part 1 Applications will be accepted under any circumstances.

Notification of Qualification

If you become a Qualified Bidder for the CBP, the CBP Manager will send a Notification of Qualification to your Authorized Representative by fax no later than three (3) business days after the Part 1 Application Date. The Notification of Qualification will also be sent to your Authorized Representative by courier. The Notification will include instructions that detail the Pre-Bid Security that you will be required to post should you submit a Part 2 Application to become a Registered Bidder in the CBP.

Name of Applicant

The Applicant hereby acknowledges that any notification or other communication given by the CBP Manager to the Applicant shall be delivered by hand to the address provided above or sent by fax to the fax number provided above and shall be deemed received by the Applicant at the time of delivery or transmission, provided that where delivery or transmission occurs after 6 p.m. on a business day or on a day which is not a business day, receipt shall be deemed to occur at 9 a.m. on the following business day. Any notification or other communication given by the CBP Manager to the Applicant on or after the start date of the CBP may be given using the Bidding Procedure or by fax as set out above.

This certification must be signed by the Authorized Representative and the signature must be notarized.

I hereby certify that I am authorized by the Applicant to serve as Authorized Representative, to represent the Applicant in general in the CBP and to represent the Applicant for purposes of this Part 1 Application in particular. I further certify that I will be responsible for all Confidential Information regarding the CBP and I will distribute Confidential Information only to other individuals who are authorized to act on behalf of the Applicant.

Signature of Authorized Representative

Date

Signature and Seal from Notary Public

Date

Name of Applicant

1.3 Designation of the Applicant’s Authorized Representative and Delegate for the CBP

This certification should be signed by an officer or director of the Applicant and should either be notarized or attested with the corporate seal. The person making this certification cannot be either the Authorized Representative or the Delegate.

I certify that I am an officer or director of the Applicant, empowered to undertake contracts and bind the Applicant. I have read and accept the CBP Rules, the provisions contained in the SSO Agreement, and the provisions of the Communications Protocol pertaining to bidders in the CBP. These documents were filed through an application to the Public Utilities Commission of Ohio (“PUCO” or “Commision”) under Chapter 4901:1-135 of the Ohio Administrative Code.

All the information contained in this Application is true and correct to the best of my knowledge. I designate _____ to act as the Authorized Representative of the Applicant in the CBP and _____ to act as Delegate for the Authorized Representative. I am not designating myself as Authorized Representative or Delegate.

Signature

Date

Printed Name

Title

Signature and Seal from Notary Public

Date

Name of Applicant

1.4 Applicant's Legal Representative in Ohio

Please check here if the Applicant's Authorized Representative is also the Applicant's Legal Representative.

The Applicant's Legal Representative in Ohio

- must be a legal counsel or a representative agent;
- must have an address in Ohio; and
- must be authorized and agree to accept service of process on the Applicant's behalf.

The person designated below is the Applicant's Legal Representative or Representative Agent.

<i>Last Name</i>	<i>Given Name(s)</i>	<i>Mr/Mrs/Ms/Dr/(other)</i>
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
<i>Title</i>		
<input style="width: 95%;" type="text"/>		
<i>Street Address</i>		
<input style="width: 95%;" type="text"/>		
<input style="width: 95%;" type="text"/>		
<i>City</i>	<i>State</i>	<i>Zip Code</i>
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
<i>Telephone No.</i>	<i>Fax No.</i>	<i>Email Address</i>
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>

This certification must be signed by the Legal Representative and the signature must be notarized.

I agree to serve as Legal Representative of the Applicant. I am authorized and I agree to receive service of process on the Applicant's behalf.

Signature of Legal Representative

Date

Signature and Seal from Notary Public

Date

Name of Applicant

1.6 General Requirements to Participate in the CBP

- 1. If the Applicant already is a Transmission Customer of the Midwest ISO** who has executed the Network Integration Transmission Service Agreement and the Network Operating Agreement, please check and please provide a copy of the signature page of each agreement.

Otherwise, please certify that there exist no known impediments for the Applicant to become a Transmission Customer of the Midwest ISO and to execute the Network Integration Transmission Service and the Network Operating Agreements prior to the start of the supply period.

Signature of Authorized Representative

Date

- 2. If the Applicant already is a Market Participant of the Midwest ISO**, please check and please provide documentation from the Midwest ISO that the Applicant is a Market Participant.

Otherwise, please certify that there exist no known impediments for the Applicant to become a Market Participant of the Midwest ISO by the start of the supply period.

Signature of Authorized Representative

Date

3. Further, please certify that:

- (1) The Applicant and its corporate officers have no indictments or pending criminal litigation in any federal, state or local jurisdiction relating to the Applicant;
- (2) The Applicant and its corporate officers have no criminal convictions;
- (3) The Applicant has no civil penalties, judgments, sanctions or consent decrees arising out of the violation of any law, rule, regulation or ordinance in connection with its business activities;
- (4) The Applicant has not had any permit or authority to do business in any jurisdiction revoked or suspended; and

Name of Applicant

(5) The Applicant has never been barred from public bidding or sanctioned for unauthorized disclosure of confidential information.

Signature of Authorized Representative

Date

If you are unable to make these certifications (1) to (5), please state which certifications you are unable to make and explain all reasons in the space given below.

Name of Applicant

Please provide a statement disclosing any existing, pending or past adverse rulings, judgments, litigation, contingent liabilities, revocations of authority, administrative, regulatory (State, FERC, SEC or DOJ) investigations and any other matters relating to financial or operational status for the past three years that arise from the sale of electricity or natural gas, or that materially affect current financial or operational status.

Name of Applicant

1.8 Guarantor Information

The Guarantor information is required only if the Applicant expects to have a third party act as a Guarantor should the Applicant become an SSO Supplier.

Please check here if this section does not apply to you because you will not have a third party act as a Guarantor and proceed to the next section.

Basic Information for the Guarantor

Name of Guarantor

Legal Name of Guarantor (if different from above)

Place of Incorporation, if applicable

Federal Tax I.D.

D&B DUNS #

Please state whether the Guarantor is a corporation, partnership, etc

Years in Business

Guarantor's Contact Information

Last Name

Given Name(s)

Mr/Mrs/Ms/Dr/(other)

Title

Street Address

City

State

Zip Code

Telephone No.

Fax No.

Email Address

Name of Applicant

1.9 Additional Certifications

Each of the CBP Rules, the SSO Agreement and the Communications Protocol were filed through an application to the Public Utilities Commission of Ohio (“PUCO” or “Commision”) under Chapter 4901:1-135 of the Ohio Administrative Code.

- (1) Please certify that you have read the CBP Rules and that you will comply with these Rules.

Signature of Authorized Representative Date

- (2) Please certify that you have read the SSO Agreement and that you accept its terms. Please also certify that if you become a winner, you will execute the SSO Agreement within three (3) days of Commission approval of the results:

Signature of Authorized Representative Date

- (3) Please certify that if you become a winner, you will join the MISO Planning Reserve Sharing Group:

Signature of Authorized Representative Date

- (4) Please certify that if you qualify to participate in the CBP, you will not disclose at any time information regarding the list of Qualified Bidders in the CBP, including but not limited to the number of Qualified Bidders, the identity of any one or all entities that have qualified (including yourself), or the fact that an entity has not qualified for participation in the CBP. Further, please certify that you will destroy any document distributed by the CBP Manager that lists the Qualified Bidders within five (5) days of the Commission rendering a decision concerning the CBP results, or earlier if so instructed by the CBP Manager.

Name of Applicant

Signature of Authorized Representative

Date

- (5) No Qualified Bidder in the CBP shall substitute another party, transfer its rights to another party, or otherwise assign its status as a Qualified Bidder to another party. Any such substitutions, transfers, or assignments shall be null and void and will result in the exclusion of the Qualified Bidder from the CBP. Please certify that you agree to the limitation set forth in this paragraph:

Signature of Authorized Representative

Date

Please note that, as part of your Part 2 Application to become a Registered Bidder, you will agree to maintain the confidentiality of Confidential Information relative to your bidding strategy as well as Confidential Information regarding the CBP, including, but not limited to, the list of Registered Bidders and the total initial eligibility in the CBP.

Name of Applicant

1.10 Bidding Agreements

Please note that the FirstEnergy Ohio Utilities will not review information provided in this section.

Please check here if you will be bidding independently and not as a party to any bidding agreement with another party or through any other arrangement involving joint or coordinated bidding with any other party and proceed to the next section. Otherwise, please indicate below whether you are part of a bidding agreement, a joint venture for purposes of participating in the CBP, a bidding consortium or other arrangements pertaining to bidding in the CBP. Please also provide the names of the other parties to the bidding agreement or other arrangement.

Name of Applicant:

Other parties to the agreement:

Bidding Agreement _____

Bidding Consortium _____

Joint Venture _____

Other (define) _____

If you are part of a bidding agreement, bidding consortium or joint venture, you must nominate a single party to the bidding agreement, bidding consortium or joint venture to fulfill the creditworthiness requirements. This party may have a Guarantor. Please indicate here which party from the bidding agreement, bidding consortium or joint venture will be fulfilling the creditworthiness requirements:

The Authorized Representative of the party named above must sign here to acknowledge the fact that this party has agreed to fulfill the creditworthiness requirements:

Signature of Authorized Representative

Date

Name of Applicant

1.13 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 1 Application

This is a checklist of documents to be enclosed with this Application. Please submit only one copy or required supporting documents to the application unless noted otherwise.

- Three original copies of the completed Part 1 Application Form (with original signatures and original notarized signatures of Sections 1.2, 1.3 and 1.4) [*Instructions Part I*]
- Bid Participation Fee [*Section 1.12*]

For the Applicant:

- A copy of the signature page of: the Network Integration Transmission Service Agreement; and the Network Operating Agreement [*Section 1.6*]
- Most recent Annual Report, if available [*Section 1.7*]
- Most recent SEC Form 10-K; if unavailable, please provide most recent audited annual financial information (including a balance sheet, income statement, and cash flow statement) [*Section 1.7*]
- Most recent SEC Form 10-Q; if unavailable, please provide most recent audited quarterly financial information (including a balance sheet, income statement, and cash flow statement); if both the SEC Form 10-Q and audited quarterly financial information are unavailable, please provide most recent quarterly or monthly financial data accompanied by an attestation by the Applicant's Chief Financial Officer that the information submitted is true, correct and a fair representation of Applicant's financial condition [*Section 1.7*]
- Senior unsecured debt ratings or, if unavailable, corporate issuer ratings [*Section 1.7*]
- If the Applicant has not been incorporated or otherwise formed under the laws of the United States, the Applicant is asked to additionally provide (Current Ratio, Total Debt/EBITDA, Total Debt to Total Capital, Tangible Fixed to Total Assets) [*Section 1.7*]
- If the Applicant has not been incorporated or otherwise formed under the laws of the United States, any additional information that the Applicant wishes to give that could provide comparable credit assurances to those that are provided by other Applicants that have at least two credit ratings from accepted credit ratings agencies. [*Section 1.7*]

Appendix B – Alternate Guaranty Forms (Optional)

The criteria used to review the alternate form of guaranty are:

1. The alternate form must be a financial guaranty; performance guaranties are not acceptable.
2. The FirstEnergy Ohio Utilities will consider alternate forms of guaranty only if the guaranty is for unlimited liability.
3. The alternate guaranty must be an unconditional guaranty of payment of all amounts due by the SSO Supplier to the FirstEnergy Ohio Utilities under the SSO Agreement. The SSO Agreement must be expressly identified and the satisfaction of obligations through performance may not be authorized;
4. The alternate guaranty may be terminated upon not less than thirty (30) days advance written notice to the FirstEnergy Ohio Utilities and termination shall not discharge liabilities and obligations of the Guarantor that have been incurred before the effective date of the termination;
5. The alternate guaranty must not be subject to any monetary limit;
6. Alternate guaranty must be accompanied by a certification that this form of guaranty, subject to changes needed to conform with the specific requirements of the FirstEnergy Ohio Utilities, has been in general use by the submitting party in its ordinary course of business over the past twelve months;
7. Alternate guaranty must be a guaranty of payment and not of collection;
8. Assignment of the alternate guaranty shall not be permitted except with the prior written consent of the FirstEnergy Ohio Utilities;
9. The Applicant must provide an enforceability opinion with respect to the alternate form of guaranty from its outside counsel. The accompanying enforceability opinion must be from a law firm of national (i.e., United States) standing, must not be weaker than would be industry norm and must contain only those qualifications that would be typical. The opinion shall name the FirstEnergy Ohio Utilities and explicitly state that the FirstEnergy Ohio Utilities are entitled to rely on the opinion.

The alternate forms of guaranty will be reviewed in accordance with the following process:

- Upon receipt of the Part 1 Application, the CBP Manager Team will redact the proposed alternate form of guaranty to remove any information identifying the Applicant. The CBP Manager will then forward the redacted version to a credit representative of the FirstEnergy Ohio Utilities and to outside counsel retained on behalf of the FirstEnergy Ohio Utilities.
- The credit representative will determine, with the consultation of outside counsel, whether the alternate form of guaranty provides sufficient assurances of payment,

taking into account the following considerations (i) whether the alternate form of guaranty conforms with the specific requirements identified by the FirstEnergy Ohio Utilities (listed above) (ii) whether the alternate form of guaranty provides substantially similar credit protections to the credit protections provided to FirstEnergy Ohio Utilities by the standard form of guaranty and (iii) whether the alternate form of guaranty includes defenses in favor of the Guarantor not found in the standard form of guaranty. The FirstEnergy Ohio Utilities representative may also identify specific changes that would permit the alternate form of guaranty to be acceptable, if such changes are of a limited nature. The credit representative shall inform the CBP Manager of its decision no later than 6:00 PM on Wednesday, December 3, 2008.

- The CBP Manager will notify the Applicant of the FirstEnergy Ohio Utilities' decision on Thursday, December 4, 2008. The FirstEnergy Ohio Utilities' decision will either state:
 - The proposed alternate guaranty is acceptable to the FirstEnergy Ohio Utilities in the form in which it was submitted.
 - The proposed alternate guaranty is not acceptable to the FirstEnergy Ohio Utilities in the form in which it was submitted, but would be acceptable subject to specific changes of a minor nature. The correspondence from the CBP Manager will set forth the required changes.
 - The proposed alternate guaranty is not acceptable to the FirstEnergy Ohio Utilities.
- If specific changes are required to the proposed alternate guaranty, the Applicant will be required to resubmit the alternate guaranty form with changes identified by the FirstEnergy Ohio Utilities prior to 6:00 PM on Friday, December 5, 2008. The proposing party will be notified by the CBP Manager of the FirstEnergy Ohio Utilities' final decision prior to noon on Monday, December 8, 2008.

All proposing parties that qualify as bidders under the Part 1 Application process, but whose alternate guaranties are rejected by the FirstEnergy Ohio Utilities, are required to submit with their Part 2 Application a supplemental certification that the Applicant unconditionally accepts all terms and conditions of the SSO Agreement.

Appendix C – 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 process 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 one 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 Starting Price. The bid bond may be forfeited if the bidder: 1) has made any omission or misrepresentation in its application to participate in the CBP 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 three 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 Commission.

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. 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 process under the PUCO's oversight.

CBP Tranche

A .87 percent share of the FirstEnergy Ohio Utilities' SSO Load as determined for the purposes of the CBP. The fixed percentage of load (.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 CBPs, impair the ability of the FirstEnergy Ohio Utilities to hold future CBPs, 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. Calculated by dividing current assets by current liabilities.

Delegate

The Delegate is authorized by the Applicant 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 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 Starting Price of XX.X ¢/kWh.

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 “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. 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 Date is December 2, 2008.

Pre- 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 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 Companies 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

The Starting Price is a price in ¢/kWh. The Starting Price in the CBP is XX.X ¢/kWh. All Qualified Bidders submit, in their Indicative Offer, a number of tranches that they are willing to supply at the Starting Price.

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 1 Application Form