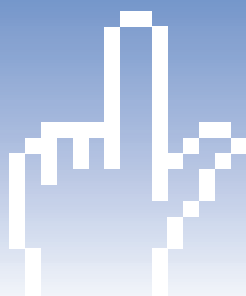


## WHO IS FIRSTENERGY SOLUTIONS?

*FirstEnergy Solutions is a subsidiary of FirstEnergy Corp., the nation's fourth-largest investor-owned electric utility which produces more than \$12 billion in revenues and sells 124 billion kilowatt-hours of electricity annually. As part of a company with more than 200 years of combined experience in the electric and natural gas industries, FirstEnergy Solutions is comprised of energy professionals who can offer a solution specific to your business. FirstEnergy Solutions and its affiliates provide a wide range of energy and energy-related products and services, including the generation and sale of electricity; exploration and production of oil and natural gas; transmission and marketing of natural gas; mechanical and electrical contracting and construction; energy management; and telecommunications.*



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## Your Choices in NEW JERSEY'S HEP MARKET

*New Jersey's large business customers will be entering a very different energy market when the state begins Hourly Energy Pricing (HEP) beginning in August. Instead of your current end-of-the-month electric settlement price, there can be 724 different prices each month (one for each hour). Not only is this complex, but risky as well. In other words, you won't know what your monthly budget will be.*

You will assume the price risk because your bill will be calculated using a published price for each unit of power (kWh). In the past, this price has been as low as \$.02 and as high as \$1.00 per kWh.

Despite all these changes in New Jersey's energy market, it's important to realize that you have a choice. One choice is to do nothing and stay with your local utility, bearing the burden of any and all price risks in the future.

The most appealing choice is one that offers you the most options - a third-party supplier. An experienced third-party supplier can give you a thorough analysis of the volatile energy market and can tailor an energy product for your business. Requirements of the third-party supplier include access to the New Jersey energy market, along with resources that you can rely on to help support your energy needs. The supplier's understanding of pricing fluctuations and market volatility can help you shape an energy program that allows you to mitigate risk.

If you do choose a variable product, you should hedge your risk. You can control your usage by simply using less power when the prices are higher and increasing your usage when prices are lower. Can you buy less when the price is high? If so, you need the proper management tools that can project your next hour's or day's energy spend. This is vital when dealing with a variable rate because the price and usage must be analyzed to see if you can achieve savings.

*Continued on next page*

## NJ HEP MARKET

CONTINUED FROM FRONT PAGE.

However, this may not be a viable choice if your facilities lack flexibility in overall usage patterns.

FirstEnergy Solutions can provide an hourly energy management solution to effectively manage your energy usage. This service evaluates real-time prices with real-time usage that enables you to mitigate the risk associated with an hourly price. With this desktop technology, FirstEnergy Solutions has the resources to manage your energy while helping you spend more efficiently.

August is approaching - now is the time to make a choice. For more information on how FirstEnergy Solutions can help you, call us at 1-800-977-0500.

## A FAMOUS CUSTOMER

FirstEnergy Solutions' customer list now includes a well-known figure - the Statue of Liberty. Recently, we won the honor of serving



that national icon over six other competing companies.

The long-term contract consists of 50% non-renewable/50% renewable energy for Ellis Island as well as the Statue of Liberty.

FirstEnergy Solutions is proud to add this New Jersey customer to our other 150,000 green customers in the state.

## Trends

### GAS

**Natural gas prices will likely remain high as long as above-normal storage injection demand competes with industrial and power sector demand for natural gas.** Above average prices and strong gas-directed drilling efforts this year will be needed to ensure that gas in storage reaches at least minimally adequate levels by the beginning of the next heating season. If adverse weather intervenes, the task could be made more difficult and even place additional upward pressure on prices. Moreover, if the summer is unusually hot, particularly in the Western and South Central regions, where natural gas is heavily used for the power generation needed to meet cooling demand, marginal gas prices may experience additional pressure. Indeed, occasional sharp price increases could occur as the difficulty of building adequate storage increases. Assuming normal weather, spot prices in the \$5.50-\$6.00 per million btu range are expected for the rest of 2003.

Source: EIA's Short-term Energy Outlook, June 6, 2003

### ELECTRICITY

**Electricity demand is expected to increase by 1.7 percent this year** in response to the ongoing recovery in the economy. If normal temperatures for the remainder of the year persist, little or no net weather-related demand growth is expected. This situation contrasts sharply with the hot weather conditions that prevailed in 2002. In 2004, annual electricity demand is projected to continue to grow.

Natural gas-generated electricity production is expected to have a slight increase in 2003. This is in part due to fuel substitution related to high natural gas prices, increasing oil and coal utilization beyond what otherwise would have prevailed. In 2003, petroleum-generated electricity production is expected to increase by about 28 percent. In 2004, petroleum-generated electricity production is projected to fall back but still remain above 2002 levels.

Source: EIA's Short-term Energy Outlook, June 6, 2003