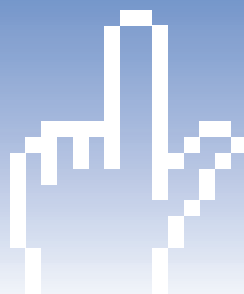


WHO IS FIRSTENERGY SOLUTIONS?

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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▶ 10 KEYS TO WINNING

▶ TRENDS

WHO IS YOUR ENERGY ADVISOR?

BENEFITS OF A THIRD-PARTY EXPERT

What approach do you take when it comes to managing your energy?

Many companies faced with the need to hold down staffing costs and a lack of in-house expertise in this area decide to partner with an energy advisor.

A qualified energy advisor can help you take advantage of today's deregulating energy markets - and improve your utility efficiency.

Using data you may already collect to analyze your utility spending and make recommendations to save you money, an advisor may offer a selection of information management tools, services and expertise, including data organization, benchmarking, monthly bill analysis and interval metering.

Through your energy-usage data, an advisor can identify gaps in the information and develop strategies to gather missing data and define appropriate data gathering systems and billing information that is critical to make the most of deregulation.

An advisor can determine if the various utilities you use for electricity, natural gas, water and so on are billing you the proper rates as well as the correct amounts. By analyzing your billing history, checking for billing errors, identifying fees from which you may be exempt, and benchmarking your facilities for money-saving opportunities, an advisor can prevent lost savings in the future.

A skilled energy advisor can tailor an energy procurement strategy for your business using knowledge and experience in deregulated markets to give you a valuable edge. The advisor's understanding of pricing fluctuations and market volatility can help you shape an energy program that helps you mitigate risk.

Interval metering services offered by some companies will maximize your operational efficiency by identifying opportunities to reduce demand peaks or tap into distributed generation resources.

You may be missing an opportunity to save on one of the key aspects of your operations. For a better approach to utility management, contact FirstEnergy Solutions at 1-800-977-0500. We are already serving as an energy advisor to many Fortune 500 companies and can assist you.

10 KEYS TO WINNING IN A DEREGULATED POWER MARKET

1. THERE IS NO FREE LUNCH

Reduced power costs are not automatic, particularly after a state's transition period ends. To increase your savings, play an active role in managing your business' energy usage.

2. PREPARATION = SUCCESS

Develop a load information database of how much electricity and natural gas you use. Load uncertainty translates into higher prices from power suppliers. Load information + load control = cost savings

3. ELECTRIC IS HARDER THAN NATURAL GAS

Deregulated retail power markets are much more complex than retail gas markets. Past success in internalizing the gas procurement process does not guarantee success in power procurement.

4. WELCOME TO THE WORLD OF RISK

Understand that when you enter the deregulated retail power market you will be subject to four major risks that were previously assumed by the local utility in the regulated world: price risk, volumetric risk, supplier risk and delivery risk.

5. DON'T TRY TO PASS THE RISK BUCK

In the long run, the most expensive way to procure power in the deregulated retail market is to pass the risks you now face off to your power supplier. Power suppliers will increase price significantly to cover risk.

6. THINK INTEGRATED RISK MANAGEMENT

Develop an integrated risk management program jointly with your power supplier. Integrated risk management extends beyond power supply procurement to total facilities

management. Balance the risk between you and your supplier based on your risk appetite.

7. LEARN POWER SUPPLY PORTFOLIO MANAGEMENT

As power markets mature, develop a portfolio approach to power supply procurement. This blend is made of fixed and indexed price products, spot purchases and varying contract lengths.

8. BE SURE YOUR SUPPLIER HAS A BACK-UP PLAN WHEN MARKETS RISE

Make sure that your supplier has generating assets or the financial resources to provide your contracted power when the markets rise above that price. Many suppliers are merchant vendors who purchase their generation needs in the wholesale market and sell it to you as firm power – gambling that it will not be interrupted.

9. RELIABILITY DOES MATTER

Contracts won't protect you financially from a supplier's failure to deliver. Economic consequences to you of a supplier's failure to deliver are severe – your local utility will charge you incremental costs if they supply the power. Bottom line – *reliability* is more important than price.

10. BE NICE TO YOUR POWER SUPPLIER

Take an appropriate term partnership approach in structuring a contract with a power marketer. Major power marketers will avoid customers who are driven purely by the lowest commodity price. Create a win/win environment that provides your supplier with an incentive to save you money through an integrated power supply agreement.

Trends

GAS

To start December, the 12-month strip of futures contracts was trading at \$4.09 (versus \$2.75 last year at this time). Prices have been driven up by higher-than-normal storage withdrawals. However, the possibility of another El Nino phenomenon this winter, which could lead to a warmer-than-normal January and February, continues to temper futures prices.

ELECTRICITY

The cold temperatures prevailing throughout the region continue to dominate the short end power prices. On 12/9, Cinergy traded at \$32.40 and PJM was at \$40.25. In both instances, balance-of-the-week prices are lower at \$25.50 and \$35.50, respectively, in anticipation of the warmer weather pattern expected by mid-week and carrying over through the coming weekend. Term prices are unchanged. The balance of the month is trading at \$24.50 and \$32.50 for Cinergy and PJM, respectively, due to milder weather and the holidays. Term prices are up slightly with Calendar 2003, PJM onpeak trading around \$39.50/MWh.