

**Glossary for the
FirstEnergy Ohio Utilities'
CBP Auctions**

This Glossary applies to the competitive bidding process ("CBP") auctions for The Cleveland Electric Illuminating Company, The Toledo Edison Company, and Ohio Edison Company (hereafter referred to as "the FirstEnergy Ohio Utilities" or "the Companies") to procure supply for the provision of Standard Service Offer supply ("SSO Supply") for all of their retail customers that take retail generation service from the FirstEnergy Ohio Utilities.

In the event of a conflict between this Glossary and the prevailing Master SSO Supply Agreement with respect to the definitions provided, the definitions included in the prevailing Master SSO Supply Agreement shall control.

Advisor is a person or persons who will be advising or assisting the Qualified Bidder with respect to bidding strategy, estimation of the value of any Tranche, or estimation of the risks associated with any Tranche.

Affiliate has the meaning set forth in the prevailing Master SSO Supply Agreement.

Announced Price is the price of a Product in effect during a bidding round of the auction.

Applicant refers to a Party that has submitted or has indicated that it intends to submit a Part 1 Application or a Part 2 Application.

Associated Bidders are two or more bidders with ties that could allow them to act in concert or that could prevent them from competing actively against each other.

Association exists between two or more Qualified Bidders if they are Associated Bidders.

Auction Manager for this CBP is the team at CRA International, Inc. d/b/a Charles River Associates ("CRA") working on this CBP.

Auction Software has the meaning set forth in the Bidding Rules document.

Authorized Representative is a designated person that 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.

Backup Bidding Fax Number means any telephone number provided to Registered Bidders in advance of the auction for use in submitting a bid by fax in the event of a complication with access to the Bidding Website.

Bidder means any party that may become a Qualified Bidder in the CBP or that submits bids in the CBP.

Bidding Agreement is an arrangement involving joint or coordinated bidding with any other Party.

Bidding Consortium is a group of separate businesses or business people joining together to submit joint bids in the auction.

Bidding Website means the secure Website used by Registered Bidders to participate in the CBP auction. The URL address for the Bidding Website will be provided to Registered Bidders.

Business Day has the meaning set forth in the prevailing Master SSO Supply Agreement.

Capacity has the meaning set forth in the prevailing Master SSO Supply Agreement.

CBP stands for Competitive Bidding Process.

Charge has the meaning set forth in the prevailing Master SSO Supply Agreement.

Commission (PUCO) is the Public Utilities Commission of Ohio.

Companies (FirstEnergy Ohio Utilities) means The Cleveland Electric Illuminating Company, The Toledo Edison Company, and Ohio Edison Company, or their representatives.

Competitive Retail Electric Service Supplier (CRES Supplier) has the meaning set forth in the prevailing Master SSO Supply Agreement.

Confidential Information is non-public, competitively-valuable information that is meant to be kept non-public and for which precautions have been taken to have it remain non-public. Confidential information relative to bidding strategy includes information relating to a Bidder's bid, written or oral, which if it were to be made public or known to another Bidder would be likely to have an effect on any of the bids that another Bidder would be willing to submit in the CBP. Confidential information regarding the CBP includes information, written or oral, that is not released publicly by the PUCO or the Auction 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 the current or future CBPs, impair the ability of the Companies to hold future CBPs, harm consumers, or injure Bidders or Applicants.

Confirmed Bid is a bid submitted by a Bidder that is confirmed by the Bidding Website. A bid submitted by a Bidder is confirmed only if the Bidder receives a unique confirmation ID and time-stamp by the Bidding Website server. If the Bidder submits a bid but fails to complete the last step to confirm the bid, that bid will not be considered a Confirmed Bid.

Credit-Based Tranche Cap is the maximum possible Initial Eligibility for a Qualified Bidder based on its credit rating.

Credit Representative is the Applicant's designated in-house Credit Representative who can answer questions or provide information about the Applicant's credit with respect to the requirements for the CBP.

Customer has the meaning set forth in the prevailing Master SSO Supply Agreement.

Day(s) refer to Business Day(s), unless noted otherwise.

Default Bid refers to the bid that is assigned to a bidder with positive eligibility that does not confirm a bid in a round.

Defaulting Party has the meaning set forth in the prevailing Master SSO Supply Agreement.

Delegate is authorized by the Applicant to be a secondary point of contact for the Auction Manager.

Delivery Period has the meaning set forth in the prevailing Master SSO Supply Agreement.

Eligibility is the maximum number of Tranches a Bidder can bid across all Products in a bidding round. From round to round, a Bidder's Eligibility cannot increase; it can only stay the same or decrease.

Energy has the meaning set forth in the prevailing Master SSO Supply Agreement.

FERC has the meaning set forth in the prevailing Master SSO Supply Agreement.

FirstEnergy Ohio Utilities (Companies) means The Cleveland Electric Illuminating Company, The Toledo Edison Company, and Ohio Edison Company, or their representatives.

Form of SSO Supplier Letter of Credit is an attachment to the Master SSO Supply Agreement.

Goodwill is an intangible asset which is the amount by which the purchase price of an acquired entity exceeds its net tangible asset value.

Guarantor has the meaning set forth in the prevailing Master SSO Supply Agreement.

Guaranty has the meaning set forth in the prevailing Master SSO Supply Agreement.

Help Desk means the Auction Manager's resource available to provide technical assistance during a CBP auction.

Indicative Offer made by a Qualified Bidder specifies two (2) numbers of Tranches for each Product in the auction. For each Product, the first number represents the number of Tranches that the Qualified Bidder is willing to serve at the Minimum Starting Price for the Product and the second number represents the number of Tranches that the Qualified Bidder is willing to serve at the Maximum Starting Price for the Product.

Information Website means <http://www.firstenergyCBP.com> which is the website that will be the primary online source of information about the CBP auctions.

Initial Eligibility is the Bidder's Eligibility for round 1 of the auction.

Joint Venture is 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.

Legal Representative is a legal counsel authorized and willing to accept service of process on the Applicant's behalf, and having an address in Ohio.

Load Cap is a limit on the number of tranches that can be bid on and won by any individual bidder. The load cap will be a specified percentage on an aggregated load basis across all auction products for each auction date such that no bidder may bid on and win more tranches than the load cap.

Load Serving Entity (LSE) has the meaning set forth in the applicable PJM Agreements.

Master Standard Service Offer Supply Agreement (or Master SSO Supply Agreement or Agreement) is the standard contract that will be used by the SSO Suppliers and the FirstEnergy Ohio Utilities.

Maximum Starting Price is the maximum Announced Price for a Product that can be set for round 1.

Minimum Starting Price is the minimum Announced Price for a Product that can be set for round 1.

Notification of Qualification is sent by the Auction Manager to an Applicant once the Applicant becomes a Qualified Bidder. The Notification is in the format set forth in Part 1 Application.

Notification to Registered Bidders is sent by the Auction Manager to the Qualified Bidder once the Qualified Bidder becomes a Registered Bidder. The Notification is in the format set forth in Part 2 Application.

Over-Subscribed Product is a Product with supply (i.e., the number of Tranches bid) greater than the Product's Tranche Target.

Part 1 Application is the first of the two parts of the application process for prospective Bidders to participate in the CBP.

Part 1 Application Due Date is the date specified in the timeline on the Information Website.

Part 2 Application is the second of the two parts of the application process for prospective Bidders to participate in the CBP.

Part 2 Application Due Date is the date specified in the timeline on the Information Website.

Party has the meaning set forth in the prevailing Master SSO Supply Agreement.

Person has the meaning set forth in the prevailing Master SSO Supply Agreement.

PJM has the meaning set forth in the prevailing Master SSO Supply Agreement.

PJM Agreements has the meaning set forth in the prevailing Master SSO Supply Agreement.

Pre-Bid Security Letter of Credit is an acceptable form for Pre-Bid Security, subject to the letter of credit itself complying with FirstEnergy Ohio Utilities' requirements.

Pre-Bid Security is posted by each Qualified Bidder in amount sufficient for the Bidder's Indicative Offer. Pre-Bid Security to be posted by a Qualified Bidder must be included as part of its Part 2 Application and must be in the form of cash or a Pre-Bid Security Letter of Credit.

Price Decrement is the reduction in the Announced Price for a given Product from one round to the next round of the auction.

Product is the SSO Load of the FirstEnergy Ohio Utilities for the Delivery Period.

PUCO has the meaning set forth in the prevailing Master SSO Supply Agreement.

PUCO Consultant means any firm and/or individual(s) retained by the PUCO for purposes of assisting the PUCO or PUCO Staff.

Qualified Bidder refers to a Party that in the judgment of the Auction Manager has successfully completed a Part 1 Application.

Registered Bidder refers to a Party that has successfully completed a Part 2 Application.

Registered User refers to a Party that has registered through the Information Website to receive information about the CBP.

Secure Application Process is the process by which a prospective bidder submits a Part 1 Application to become a Qualified Bidder and a Part 2 Application to become a Registered Bidder.

SSO Customers has the meaning set forth in the prevailing Master SSO Supply Agreement.

SSO Load has the meaning set forth in the prevailing Master SSO Supply Agreement.

SSO Service has the meaning set forth in the prevailing Master SSO Supply Agreement.

SSO Supplier has the meaning set forth in the prevailing Master SSO Supply Agreement.

SSO Supply has the meaning set forth in the prevailing Master SSO Supply Agreement.

Standard Service Offer has the meaning set forth in the prevailing Master SSO Supply Agreement.

Starting Price is the announced price in effect for round 1 of the auction.

Subscribed Product is a Product with supply (i.e., the number of Tranches bid) equal to the Product's Tranche Target.

Total Initial Eligibility means the sum across all Registered Bidders of the Indicative Offers at the Maximum Starting Prices.

Tranche has the meaning set forth in the prevailing Master SSO Supply Agreement.

Tranche Size means the fixed percentage of SSO load assigned to each tranche.

Tranche Target for a Product is the number of Tranches intended to be procured for the Product in the auction.

Under-Subscribed Product is a product with supply (i.e., the number of Tranches bid) less than the Product's Tranche Target.