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FIRSTENERGY CORP
Form 35-CERT
August 24, 2004

SEC File No. 70-10122

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

CERTIFICATE PURSUANT TO

RULE 24

OF PARTIAL COMPLETION OF

TRANSACTIONS

FirstEnergy Corp.

-----:
In the matter of :
FirstEnergy Corp. : Certificate Pursuant
: to Rule 24 of Partial
: Completion of
: Transactions
:
SEC File No. 70-10122 :
(Public Utility Holding Company Act :
of 1935) :

TO THE MEMBERS OF THE SECURITIES AND EXCHANGE COMMISSION:

The undersigned, FirstEnergy Corp. (FirstEnergy) hereby certifies pursuant to Rule 24 of the Rules and Regulations under the Public Utility Holding Company Act of 1935 (the Act), that certain of the transactions proposed in the Applications, as amended, filed in SEC File No. 70-10122 have been carried out in accordance with the Commission's Order dated June 30, 2003 as follows:

- (1) During the period April 1, 2004 through June 30, 2004, there were no sales of common stock or preferred securities by FirstEnergy.
- (2) During the second quarter of 2004, 315,332 shares of common stock were issuable pursuant to options granted under employee benefit plans and dividend reinvestment plans.
- (3) During the period April 1, 2004 through June 30, 2004, no FirstEnergy common stock was transferred to a seller of securities of a company being

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acquired.

(4) During the period April 1, 2004 through June 30, 2004, there were no Long-term Debt and Preferred Securities issued by FirstEnergy. FirstEnergy issued the following Short-term Debt during the second quarter of 2004:

	Transaction Date	Maturity Date	Rate	Transaction Amount	Loan Balance
	-----	-----	----	-----	-----
CitiBank (FirstEnergy Revolver - 500mm 3 Year Facility)					
FirstEnergy	4/16/2004	4/23/2004	2.58%	\$100,000,000.00	\$200,000,000.00
FirstEnergy	4/20/2004	4/27/2004	2.58%	\$50,000,000.00	\$250,000,000.00

(5) During the period April 1, 2004 through June 30, 2004, the following short-term debt was issued by the Utility Subsidiaries:

	Transaction Date	Maturity Date	Rate	Transaction Amount	Loan Balance
	-----	-----	----	-----	-----
CitiBank (Ohio Edison Company (OE) Revolver)					
OE	6/2/2004	6/9/2004	2.25%	\$50,000,000.00	\$50,000,000.00
OE	6/21/2004	6/22/2004	4.13%	\$20,000,000.00	\$20,000,000.00
OE	6/22/2004	6/23/2004	4.13%	\$5,000,000.00	\$5,000,000.00

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FirstMerit (OE Bi-Lateral Facility)					
OE	4/2/2004	4/5/2004	1.75	\$14,000,000.00	\$14,000,000.00
OE	4/9/2004	4/13/2004	1.75	\$7,500,000.00	\$14,000,000.00
OE	6/21/2004	6/23/2004	1.75	\$14,000,000.00	\$14,000,000.00

KeyBank (OE Bi-Lateral Facility)					
OE	6/3/2004	6/4/2004	2.00	\$2,000,000.00	\$2,000,000.00
OE	6/21/2004	6/24/2004	2.00	\$20,000,000.00	\$20,000,000.00

Under the Utility Money Pool, the principal balance of borrowings at the end of the second quarter of 2004 and average interest rate during the second quarter of 2004 are as follows:

Regulated Money Pool Loan to/(Borrowing from):	Average Interest Rate	Principal Balance
-----	-----	-----
OE	1.3862%	\$ 98,194,725
Pennsylvania Power Company (Penn)	1.3862%	(33,710,464)
The Cleveland Electric Illuminating Company (CEI)	1.3862%	(97,417,896)
The Toledo Edison Company (TE)	1.3862%	(238,893,199)
American Transmission Systems, Incorporated (ATSI)	1.3862%	111,509,053
Jersey Central Power & Light Company (JCP&L)	1.3862%	(158,793,303)

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Metropolitan Edison Company (Met-Ed)	1.3862%	27,477,270
Pennsylvania Electric Company (Penelec)	1.3862%	(87,916,243)
York Haven Power Company	1.3862%	12,060,565

(6) During the second quarter of 2004, there were no financings consummated by any Non-Utility subsidiary that were not exempt under rule 52.

(7) During the second quarter of 2004, the following guarantees were made by FirstEnergy to support activities of its subsidiaries:

Beneficiary	Amount	Terms	Purpose of Guarantee
FirstEnergy Solutions Corp. (FES) (Trading - Electric)			
The Energy Authority	\$1,000,000	(a)	(b)
FES (Trading - Gas)			
Columbia Gas of Ohio	7,000,000	(a)	(b)

(a) Such guarantees are issued for a one-year term, with a ten-day termination right by FirstEnergy

(b) Parental guarantees issued by FirstEnergy to provide credit support for electric power and natural gas purchases by subsidiary

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The following Letters of Credits (LOC) were issued during the second quarter of 2004:

Beneficiary	Amount	Purpose of LOC
Penn		
US Department of Labor	\$ 250,000	(a)
Pennsylvania Dept of Environmental Protection Bureau of Land Recycling & Waste Management	210,000	(b)
FirstEnergy		
PJM Interconnection, LLC	19,900,000	(c)
Deutsche Bank Trust Company Americas	400,000	(d)

(a) Collateral held for the Pennsylvania employees' Workers Compensation Program.

(b) Renewed collateral for the Harborcreek Ash Disposal site in Erie, PA. Original LOC was issued in the fourth quarter 2002.

(c) Collateral for entering into purchase power agreements with PJM.

(d) Renewed collateral for the sale of the Termobarranquilla, S.A. facilities. Original LOC was issued in the fourth quarter 2003.

(8) During the Second Quarter of 2004, FirstEnergy Corp. entered into seven

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(7) transactions designed to hedge the fair value of a portion of its fixed-rate long-term debt portfolio against decreases in interest rates. The hedge structures are fixed - for - floating interest rate swaps, whereby FirstEnergy Corp. will receive fixed payments equivalent to the fixed coupon rate of the bond being hedged, and pay floating rate payments based on the 3-month and 6-month London Interbank Offering Rates (LIBOR) plus or minus an applicable spread. The debt instruments being hedged, notional amounts, counterparties, and principal terms of the fair value hedges are filed pursuant to request for confidential treatment.

(9) Investments made during the second quarter of 2004 in any intermediate subsidiary or financing subsidiary are as follows:

Company -----	Investment ----- (In Thousands \$)
Centerior Funding Corp.	\$53,309
GPU Power, Inc.	\$16,032*

* Non cash goodwill adjustment relating to income tax reserves.

(10) During the second quarter of 2004 FirstEnergy filed the following U-6B-2 forms:

Company -----	Filing Date -----
Penelec	April 9, 2004
JCP&L	April 27, 2004

(11) JCP&L engaged in jurisdictional financing transactions during the second quarter of 2004. Consolidated balance sheets of JCP&L for the quarter ended June 30, 2004 are incorporated by reference to JCP&L's Form 10-Q Quarterly Report to SEC for the quarter ended June 30, 2004 (File No. 1-3141).

(12) The following table presented in thousands, provides the capital structure of FirstEnergy on a consolidated basis and each Utility Subsidiary as of the end of the second quarter 2004.

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FirstEnergy -----	Amount -----	Ratio -----
Common Equity	\$8,432,963	41.67%
Preferred Stock	335,123	1.66%
Long-Term Debt	11,393,700	56.30%
Short-Term Debt	74,436	0.37%
	-----	-----
Total Capitalization	\$20,236,222	100.00%
	-----	-----
 OE		

Common Equity	\$2,576,620	59.35%
Preferred Stock	100,070	2.30%
Long-Term Debt	1,559,754	35.93%
Short-Term Debt	105,061	2.42%
	-----	-----
Total Capitalization	\$4,341,505	100.00%

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CEI		

Common Equity	\$1,727,160	40.40%
Preferred Stock	96,404	2.26%
Long-Term Debt	2,333,664	54.59%
Short-Term Debt	117,458	2.75%
	-----	-----
Total Capitalization	\$4,274,686	100.00%
	-----	-----

TE		
--		
Common Equity	\$773,445	44.24%
Preferred Stock	126,000	7.21%
Long-Term Debt	610,083	34.89%
Short-Term Debt	238,893	13.66%
	-----	-----
Total Capitalization	\$1,748,421	100.00%
	-----	-----

Penn		

Common Equity	\$244,120	48.93%
Preferred Stock	39,105	7.84%
Long-Term Debt	182,141	36.51%
Short-Term Debt	33,537	6.72%
	-----	-----
Total Capitalization	\$498,903	100.00%
	-----	-----

JCP&L		

Common Equity	\$3,176,438	68.81%
Preferred Stock	12,649	0.27%
Long-Term Debt	1,268,408	27.48%
Short-Term Debt	158,793	3.44%
	-----	-----
Total Capitalization	\$4,616,288	100.00%
	-----	-----

Met-Ed		

Common Equity	\$1,285,212	62.28%
Preferred Stock	-	%
Long-Term Debt	778,427	37.72%
Short-Term Debt	-	%
	-----	-----
Total Capitalization	\$2,063,639	100.00%
	-----	-----

Penelec		

Common Equity	\$1,295,799	65.75%
Preferred Stock	-	%
Long-Term Debt	588,867	29.88%
Short-Term Debt	86,146	4.37%
	-----	-----
Total Capitalization	\$1,970,812	100.00%
	-----	-----

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(13) The following table presented in thousands provides retained earnings analysis of FirstEnergy on a consolidated basis and each Utility Subsidiary as of the end of the second quarter 2004.

	FirstEnergy	OE	CEI	TE
	-----	-----	-----	-----
Balance, December 31, 2003	\$1,604,385	\$522,934	\$494,212	\$113,620
Net Income	378,044	163,433	98,200	29,109
Cash Dividends on Preferred Stock	-	(1,220)	(3,496)	(4,423)
Cash Dividends on Common Stock	(243,786)	171,000	(145,000)	-
Other	-	-	-	-
	-----	-----	-----	-----
Balance, June 30, 2004	\$1,738,643	\$514,147	\$443,916	\$138,306
	-----	-----	-----	-----

	Penn	JCP&L	Met-Ed	Penelec
	----	-----	-----	-----
Balance, December 31, 2003	\$54,179	\$ 22,132	\$27,011	\$18,038
Net Income	37,614	50,234	24,709	8,708
Cash Dividends on Preferred Stock	(1,280)	(249)	-	-
Cash Dividends on Common Stock	(23,000)	(20,000)	(25,000)	(5,000)
Other	-	-	-	-
	-----	-----	-----	-----
Balance, June 30, 2004	\$67,513	\$ 52,117	\$26,720	\$21,746
	-----	-----	-----	-----

(14) During the Second Quarter of 2004, there was no change to any of the credit ratings of FirstEnergy Corp. or any of its subsidiaries by any of the nationally recognized credit rating agencies.

(15) FirstEnergy's aggregate investment includes all amounts invested, or commitments to be invested, in exempt wholesale generators (EWGs), for which there is recourse, directly or indirectly, to the registered holding company. Accordingly, FirstEnergy's aggregate investment as of June 30, 2004 is as follows:

	(In Thousands)

FE Generation Corp.	\$ 923,167
Termobarranquilla S. A.	60,400

Aggregate Investment in EWGs	\$ 983,567*
	=====

* Aggregate investment amounts reflected here include LOCs and guarantees, but do not include any goodwill or other fair value adjustments.

Aggregate Investment as a Percentage of FirstEnergy and Subsidiary Companies:

Total capitalization	\$ 20,236,222	4.9%
Net utility plant	\$ 13,301,681	7.4%
Total consolidated assets	\$ 32,009,600	3.1%

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Market value of common equity \$ 12,339,175 8.0%

(16) Set forth below is a summary of the direct or indirect investments as defined in SEC Rule 53(a) by FirstEnergy, as of June 30, 2004 in EWGs, as well as the percentage of equity ownership.

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Associate Company	First Energy's Investment at 06/30/04 (\$000)*	First Energy's % Equity Owner- ship	Owners not affiliated with FirstEnergy	
-----	-----	-----	Name of Entity	Type of Entity
-----	-----	-----	-----	-----
Termobarranquilla S.A. (a)	60,400	0%	ABB Energy Ventures, Inc. Lancaster Steel Distral Group Corp. Electrica De la Costa Atlantica Darby Mazzanine Holdings, LLC	Foreign Foreign Foreign Foreign
FE Generation Corp.	923,167	100%	Not Applicable	N/A
Total Aggregate Investment in EWGs	\$ 983,567 =====			

(*) Aggregate investmelected here include LOCs and guarantees, but do not include any goodwill or other fair value adjustments.

(a) FirstEnergy sold Termobarranquilla S.A. on January 31, 2004. The remaining investment represents outstanding LOCs issued by FirstEnergy.

(17) FirstEnergy and Subsidiary Companies Consolidated Capitalization Ratios as of June 30, 2004:

	Amount (000's)	%
	-----	-----
Common equity	\$ 8,432,963	41.7
Preferred stock not subject to mandatory redemption	335,123	1.6
Long-term debt-		
Subordinated debentures to affiliated trusts	103,093	0.5
Other	11,290,607	55.8
Notes payable	74,436	0.4
	-----	-----

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Total capitalization	\$ 20,236,222 =====	100.0% =====
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(18) Market-to-book ratio of FirstEnergy and Subsidiary Companies common stock at June 30, 2004:

Closing Market Price per Share	\$ 37.41
Book Value per Share	\$ 25.72
Market-to Book Ratio of Common Stock	145.5%

(19) No new EWG/FUCO project covered by the Modified Rule 53 Test in which Firstenergy has invested or committed to invest during the second quarter of 2004.

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(20) Analysis of Growth in Retained Earnings for FirstEnergy and Subsidiary Companies:

	(In Thousands)
Retained Earnings as of 06/30/04	\$1,738,643
Retained Earnings as of 12/31/03	1,604,385

Growth in Retained Earnings	\$ 134,258 =====

Analysis of Growth in Retained Earnings:

Income contribution from regulated utility companies	\$ 377,553
Income contribution from EWGs	72,078
Income contribution from all other companies	31,797
FirstEnergy Holding and Service companies	(103,384)
Cash dividends declared on common stock	(243,786)

Growth in Retained Earnings	\$ 134,258 =====

(21) Statements of Operations for the period ended June 30, 2004 for FirstEnergy Generation Corp. will be filed separately under a request for confidential treatment under Rule 104 (b)

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SIGNATURE

The undersigned registered holding company has duly caused this quarterly report to be signed on its behalf by the undersigned officer thereunto duly authorized pursuant to the requirements of the Public Utility Holding Company Act of 1935.

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FIRSTENERGY CORP.

August 24, 2004

By: /s/ Harvey L. Wagner

Harvey L. Wagner
Vice President, Controller
and Chief Accounting Officer
(Principal Accounting Officer)

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