

Attachment F – Appendix 1

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”) 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. Some terms contained in this Glossary may also be defined in the Master Standard Service Offer Supply Agreement (“Master SSO Supply Agreement”). When there is a conflict between this Glossary and the Master SSO Supply Agreement, the Master SSO Supply Agreement will take precedence.

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 means, with respect to any entity, any other entity that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such entity. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

Alternate Guaranty Form has the meaning set forth in Part 1 Application.

Ancillary Services has the meaning set forth in the PJM Agreements.

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 indicated that it is going to submit a Part 1 Application.

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.

Associated and **Association**: A Qualified Bidder is associated with another Qualified Bidder if the two Bidders have ties that could allow them to act in concert or that could prevent them from competing actively against each other. If two Qualified Bidders are Associated, then there is an Association between them.

Auction Software means the suite of tools available on the Bidding Website during a live auction.

Authorized Delegate (Delegate) is authorized by the Applicant to be the point of contact for the CBP Manager when so designated by the Authorized Representative.

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.

Bidders are any parties that may become Qualified Bidders in the CBP, or that submit bids in the CBP.

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

Bidding Consortium: A 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. The URL address for the Bidding Website will be provided to Registered Bidders.

Business Day means any day except a Saturday, Sunday or a day that PJM declares to be a holiday, as posted on the PJM Website. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m. prevailing Eastern Time.

Capacity means “Unforced Capacity” as set forth in the PJM Agreements, or any successor measurement of the capacity obligation of an LSE as may be employed in PJM (whether set forth in the PJM Agreements or elsewhere).

CBP stands for Competitive Bidding Process.

CBP Manager for this CBP is the CRA International, Inc. / Charles River Associates (“CRA”) team working on this CBP.

Charge means any fee, charge, PJM charge, the PMEA/FMEA Adjustment if in favor of the Companies, or any other amount that is billable by the Companies to the SSO Supplier under this 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 the Ohio Edison Company.

Competitive Retail Electric Service Supplier (CRES Supplier) means a Person that is duly certified by the PUCO to offer and to assume the contractual and legal responsibility to provide Standard Service Offer to Customers who are not SSO Customers of the Companies.

Confidential Information comprises two types of information. Confidential information relative to bidding strategy means 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 means information, written or oral, that is not released publicly by the PUCO 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 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.

Contingency Plan: In the event that fewer Tranches than a Product's Tranche Target are purchased in the auction, the Companies will implement a Contingency Plan for the unfilled Tranches.

Costs mean, with respect to the Non-Defaulting Party, all reasonable attorney's fees, brokerage fees, commissions, PJM charges and other similar transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged its obligations or entering into new arrangements which replace this Agreement; and all reasonable attorney's fees and expenses incurred by the Non-Defaulting Party in connection with the termination of this Agreement as between the Companies and the applicable SSO Supplier.

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

Credit Documents are Letter of Credit, Letter of Intent to Provide a Guaranty, Letter of Reference, or any other credit support documents.

Credit Limit has the meaning set forth in Section 6.6 of the Master SSO Supply Agreement.

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 means any Person who receives distribution service from the Companies in accordance with the Applicable Legal Authorities.

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

Defaulting Party has the meaning set forth in Section 5.1 of the Master SSO Supply Agreement.

Delegate (Authorized Delegate) is authorized by the Applicant to be the point of contact for the CBP Manager when so designated by the Authorized Representative.

Delivery Period means the Original Delivery Period, unless this Agreement is terminated earlier in accordance with the provisions hereof.

Effective Date has the meaning set forth in the preamble of the 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 means three-phase, 60-cycle alternating current electric energy, expressed in units of Kilowatt-hours or Megawatt-hours.

FERC means the Federal Energy Regulatory Commission, or any successor thereto.

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

Full Requirements Service includes Energy, capacity, market-based transmission service and market-based transmission ancillaries, and any other LSE service or other service as may be required by PJM to serve the SSO Load of the FirstEnergy Ohio Utilities.

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

Governmental Authority means any federal, state, local, municipal or other governmental entity, authority or agency, department, board, court, tribunal, regulatory commission, or other body, whether legislative, judicial or executive, together or individually, exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power over a Party to this Agreement.

Guarantor means any Person having the authority and agreeing to guarantee an SSO Supplier's financial obligations under the Master SSO Supply Agreement, provided that such party meets the Companies' creditworthiness requirements for SSO Suppliers.

Guaranty means the ICT Guaranty or the Total Exposure Amount Guaranty, as applicable.

Help Desk means the resource available to provide technical assistance during a live auction.

ICR Collateral has the meaning set forth in Section 6.4(d) of the Master SSO Supply Agreement.

ICRT has the meaning set forth in Section 6.3 of the Master SSO Supply Agreement.

ICT Guaranty means a guaranty, in the form substantially set forth in Appendix E of the Master SSO Supply Agreement, provided by a Guarantor in favor of the Companies guaranteeing an SSO Supplier's financial obligations in connection with ICT.

Independent Credit Requirement (ICR) means an amount per Tranche required as security under Section 6.3 of the Master SSO Supply Agreement, to mitigate the financial risk to the Companies between the date of an Early Termination caused by an Event of Default by an SSO Supplier and the date the final calculation of Default Damages owing to the Companies under Section 5.2(b) of the Master SSO Supply Agreement is made.

Independent Credit Threshold or **ICT** has the meaning set forth in Section 6.4 of the Master SSO Supply Agreement.

Indicative Offer: A Qualified Bidder's Indicative Offer 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 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.

Kilowatt (kW) means a unit of measurement of useful power equivalent to 1,000 watts.

Kilowatt-hour (kWh) means one Kilowatt of electric power used over a period of one hour.

Legal Representative is a legal counsel or a representative agent that is authorized and agrees to accept service of process on the Applicant's behalf; must have an address in Ohio.

Letter of Credit means a standby irrevocable letter of credit acceptable to the Companies issued by a bank or other financial institution with a minimum "A" senior unsecured debt rating (or, if unavailable, corporate issuer rating) from S&P or a minimum "A2" senior unsecured debt rating (or, if unavailable, corporate issuer rating) from Moody's, in substantially similar form as set forth in Appendix D of the Master SSO Supply Agreement and including all of the requirements specifically set forth in Section 6.9(b) of the Master SSO Supply Agreement.

Letter of Intent to Provide a Guaranty may be issued by Qualified Bidder's Guarantor during the Part 2 Application process. The letter indicates that an ICT Guaranty will be provided once the Master SSO Supply Agreement is signed.

Letter of Reference may be issued by a Qualified Bidder's bank during the Part 2 application process. The letter specifies the amount of revolving credit provided to the Bidder by the bank. The letter also states that there is sufficient unused availability to issue a Letter of Credit for the amount indicated in the Bidder's Part 2 Application.

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 80 percent 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 (Master SSO Supply Agreement or Agreement):

The Master SSO Supply Agreement is the standard contract that will be used by the winning Bidders and the FirstEnergy Ohio Utilities.

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

Megawatt (MW) means one thousand Kilowatts.

Megawatt-hour (MWh) means one Megawatt of electric power used over a period of one hour.

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

NERC means the North American Electric Reliability Council or its successor.

Network Integrated Transmission Services (NITS) the meaning set forth in the applicable PJM Agreements.

Notification of Qualification is sent by the CBP 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 CBP 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: A product is Over-Subscribed if supply (i.e., the number of Tranches bid) is 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 preamble to the Master SSO Supply Agreement, and includes such Party's successors and permitted assigns.

Person means an individual, partnership, joint venture, corporation, limited liability company, trust, association or unincorporated organization, any Governmental Authority, or any other entity.

PIPP Customers are customers served under the Percentage of Income Payment Plan.

PJM means the PJM Interconnection, LLC or any successor organization thereto.

PJM Agreements means the PJM OATT, PJM Operating Agreement, PJM RAA and any other applicable PJM manuals or documents, or any successor, superseding or amended versions thereof that may take effect from time to time.

PJM Control Area means the control area recognized by NERC as the PJM Control Area.

PJM E-Account means an account obtainable through PJM which provides access to web-based PJM settlement, accounting, marketing and other informational and economic systems.

PJM OATT (PJM Tariff) means the Open Access Transmission Tariff of PJM or the successor, superseding or amended versions of the Open Access Transmission Tariff that may take effect from time to time.

PJM Operating Agreement means the Amended and Restated Operating Agreement of PJM or the successor, superseding or amended versions of the Amended and Restated Operating Agreement that may take effect from time to time.

Pre-Bid Security: Each Qualified Bidder must post Pre-Bid Security sufficient for its Indicative Offer. Pre-Bid Security to be posted by a Qualified Bidder included in its Part 2 Application consists of cash 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.

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 means the Public Utilities Commission of Ohio, or any successor thereto.

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 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.

Service Territory means the geographic areas of the State of Ohio in which the Companies serve Customers.

Solicitation means the Competitive Bidding Process by which the counterparty, quantity, pricing and other terms of the Master SSO Supply Agreement are established.

Special Contract Customers take retail generation service from the FirstEnergy Ohio Utilities under terms and conditions different than the otherwise applicable tariff.

SSO Customers means Residential Customers, Commercial Customers and Industrial Customers, including Special Contract (SC) Customers, taking SSO Supply during the Delivery Period.

SSO Load means the full electricity requirements for SSO Service by SSO Customers. SSO Load excludes load related to PIPP Customers.

SSO Service means Standard Service Offer service that is not provided by a CRES Supplier.

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

SSO Supplier Responsibility Share means, for each SSO Supplier, the fixed percentage share of the SSO Load for which the SSO Supplier is responsible as set forth in Appendix A of the Master SSO Supply Agreement. The stated percentage share is determined by multiplying the number of Tranches won by the SSO Supplier in the Solicitation times the Tranche size percentage.

SSO Supply means unbundled Energy, Capacity and Ancillary Services, including, to the extent not expressly assumed by the Companies pursuant to Section 2.3 of the Master SSO Supply Agreement, all transmission and distribution losses and congestion and imbalance costs associated with the provision of such services, as measured and reported to PJM, and such other services or products that an SSO Supplier may be required to provide, by PJM or other Governmental Authority, in order to meet the requirements of SSO Service.

Standard Service Offer means a market-based standard service offer of all competitive retail electric services necessary to maintain essential electric service to Customers, including unbundled Energy, Capacity, Ancillary Services and Firm Transmission Service, including all transmission and distribution losses, congestion and imbalance costs associated with the provision of the foregoing services, other obligations or responsibilities currently imposed or that may be imposed by PJM, and such other services or products that are provided by a CRES Supplier or an SSO Supplier to fulfill its obligations to serve customer load, as required by Section 4928.141 of the Ohio Revised Code.

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

Subscribed: A Product is subscribed if supply (i.e., the number of Tranches bid) is equal to the Product's Tranche Target.

Summer Factor: To determine the \$/MWh price to be paid to an SSO Supplier during June 1 through August 31 for a Tranche won by the SSO Supplier, the Winning Price of the Tranche is multiplied by the Summer Factor.

Term has the meaning set forth in Section 4.1 of the Master SSO Supply Agreement.

Tranche means a fixed percentage share of the SSO Load as determined for the purposes of the Solicitation conducted to procure SSO Supply for the SSO Load.

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

Transitional Period means the two consecutive Delivery Years beginning June 1, 2011 through May 31, 2013.

UCC means the Uniform Commercial Code.

Under-Subscribed: A product is under-subscribed if supply (i.e., the number of Tranches bid) is less than the Product's Tranche Target.

Winning Bidder(s) are the Registered Bidders who have won Tranches in the auction.

Winning Price for a Product is the price to be paid to each Winning Bidder having won one or more Tranches for the Product.

Winter Factor: To determine the \$/MWh price to be paid to an SSO Supplier during January 1 through May 30 and September 1 through December 31 for a Tranche won by the SSO Supplier, the Winning Price of the Tranche is multiplied by the Winter Factor.