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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application)
of FirstEnergy Corp. on Behalf)
of Ohio Edison Company, The)
Cleveland Electric Illuminating)
Company and The Toledo Edison)
Company for Approval of their)
Transition Plans and for Authorization)
To Collect Transition Revenues)

Case No. 99/212 -EL-ETP

Case No. 99/213 -EL-ATA

Case No. 99/214 -EL-AM

Memorandum in Support of
Notice of Filing of Confidential Information Under Seal

Three items in the Companies' filing contain competitively sensitive and proprietary information that requires confidential treatment: Attachments RAK-1 to the Direct Testimony of Robert A. Kaiser, Mr. Kaiser's workpapers WP RAK A-1 through WP RAK A-73, and Attachment TCN-3 to the Direct Testimony of Thomas C. Navin. These attachments have been filed with the Commission under seal, and FirstEnergy requests that the Commission maintain the confidential nature of those documents. FirstEnergy has endeavored to limit the number of documents that were required to be filed under seal, and it has done so. Only two attachments to direct testimony and one set of workpapers required such treatment, out of multiple witnesses, numerous attachments, and thousands of pages of workpapers. The Confidential Information filed under seal is held in confidence by FirstEnergy in the course of business.

As part of his direct testimony, Mr. Kaiser sponsors the Going Forward Cost estimates for each of the Companies' plants that were used in the plant valuations presented in this case. Those estimates are contained in Attachment RAK-1 to Mr. Kaiser's testimony. Workpapers WP RAK A-1 through WP RAK A-73 contain the cost

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support data and estimates of plant performance that were used to develop Mr. Kaiser's Going Forward Cost estimates. Plant valuations were required to be filed as part of FirstEnergy's transition plan related to the determination of transition costs.

Generation plants run on very small margins; the decision to operate one plant versus another can be determined by small differences in the underlying cost structure and performance of the plants. The information from Mr. Kaiser's attachment RAK-1 would therefore be very useful to FirstEnergy's generation competitors in devising competitive strategies, both including when FirstEnergy is buying from or selling to such competitors, and when FirstEnergy is competing with such competitors to supply customers. If competitors know the detailed breakdown of FirstEnergy's costs of generation, then they will be able to manipulate their bids to customers based upon such knowledge, thereby increasing prices to consumers and harming competition. For that reason, the designated attachment RAK-1 and workpapers WP RAK A-1 through WP RAK A-73 were filed under seal and must be kept confidential. This type of information, in the past, has been filed as part of the Companies' Long Term Forecast Reports and has been treated as confidential by the Commission. While the Confidential Information filed under seal must be held in confidence, as a mitigating factor, Attachment RAK-3 to Mr. Kaiser's Direct Testimony, which provides a summary of the detail Confidential information contained in Mr. Kaiser's Attachment RAK-1, has not been marked as Confidential and is available to other parties.

Mr. Navin's testimony, in part, describes FirstEnergy's plan to restructure the Companies' financial obligations as part of the corporate separation plan included as part of the Companies' transition plan filed as required by Am. Sub. S. B. 3. A

significant element of the corporate separation plan is the treatment of the Companies' generating plant sale/leaseback arrangements. Attachment TCN-3 presents the details of the calculation of the Companies' future obligations under those leases. A summary of the net present value of the lease obligations is contained in Attachment TCN-2, which has not been marked as confidential and is available to other parties.

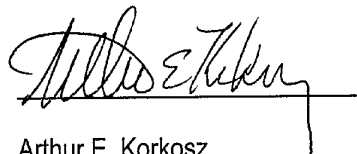
Mr. Navin testifies that the cost of terminating the leases as of January 1, 2001 could significantly exceed the discounted present value of the future lease obligations and that FirstEnergy expects that, in the near term, the leases will remain in place. However, to the extent FirstEnergy does negotiate regarding the termination of the lease arrangements, the dissemination of the information in Attachment TCN-3 would have a detrimental effect on FirstEnergy's ability to negotiate favorable terms thereby harming FirstEnergy through an unfavorable settlement. FirstEnergy's customers would also be harmed through the imposition of higher transition charges that may result from such an unfavorable settlement of the lease arrangements.

The Companies will provide copies of the confidential attachments and workpapers to representatives of parties that have been granted intervenor status, under a mutually agreeable protective agreement that will ensure the continued confidential treatment of the documents. If a mutually agreeable protective agreement cannot be executed, FirstEnergy will file a motion for protective order as appropriate.

While maintaining the Confidential Information filed under seal as confidential will not prejudice the transition plan process, it may well serve to benefit customers, directly and indirectly, through lower energy costs and transition costs.

WHEREFORE, FirstEnergy Corp., on behalf of the Companies, respectfully requests that the Commission maintain Attachment RAK-1 to the Direct Testimony of Robert A. Kaiser, Mr. Kaiser's workpapers WP RAK A-1 through WP RAK A-73, and Attachment TCN-3 to the Direct Testimony of Thomas C. Navin as confidential.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Arthur E. Korkosz", written over a horizontal line.

Arthur E. Korkosz
Trial Attorney
Stephen L. Feld
Senior Attorney
James W. Burk
Attorney
FirstEnergy Corp.
76 South Main Street
Akron, OH 44308
(330) 384-5849
Fax: (330) 384-3875