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Volume 5

Schedules S-4.1 & S-4.2

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Performance Indicators and Quantitative Comparisons

2006 Overview of KPIs and Incentive Compensation

Key Performance Indicators and Incentive Compensation

Key Performance Indicators (KPIs) measure how well we are achieving our strategy in four key areas: financial, operations, customers, and employees.

Our KPI results drive short-term incentive compensation in the form of both cash payments and stock contributions to the Company Savings Plan.

However, no short-term incentive compensation will be paid if we do not earn enough to cover the common stock dividend and the requirements of our incentive compensation plans.

CORPORATE FINANCIAL KPIs — System Target

Everyone who is eligible for annual incentive compensation has system target KPIs that ensure value is provided to our shareholders. Eligible employees will receive an incentive payment if we meet or exceed the threshold levels for these KPIs.

In 2006, Earnings Per Share and Free Cash Flow from Operations are our system targets.

SAFETY/OPERATIONAL AND BUSINESS UNIT KPIS

In addition to financial system target KPIs, employees eligible for short-term incentive compensation have a number of KPIs relating to safety, corporate operations and business unit performance. The number and weighting of these KPIs is determined by the business unit vice president, consistent with corporate guidelines. Eligible employees will receive an incentive payment if at least the threshold level for these KPIs is met.

CORPORATE KPIS — SAVINGS PLAN BONUS MATCH

To help employees' savings grow, a portion of their contributions to the Company's Savings Plan will be matched with FirstEnergy common stock. The Company will match each dollar of the first 6 percent of pay that eligible employees invest with 50 cents of FirstEnergy stock. The matching contribution can be increased by up to a maximum bonus match of 35 cents if certain Company performance goals are achieved.

The Company has established seven Savings Planbonus match KPIs for 2006:

- Customer Service Excellence
- Transmission Outage Frequency
- Distribution SAIDI
- MWH Generation
- Fleet Equivalent Forced Outage Rate
- · Corporate Safety
- · Workforce Hiring Plan

For each quarter that the KPI is achieved, 1.50 cents of additional Company match can be credited to employees' accounts. If the KPI is achieved on an annual basis, the full six cents match can be credited to employees' accounts regardless of the quarterly results. The maximum annual matching contribution available to employees is 35 cents. However, with regard to the Safety KPI, in the event of a safety-related fatality, no matching contribution will be made for the quarter in which the fatality occurred, nor can this amount be made up at year end.

To be eligible for Savings Plan bonus matching contributions, an employee must have participated in the Savings Plan during the year in which the goals are achieved and be an active employee or on an authorized leave of absence as of December 31 of that year. If you are a union-represented employee, your eligibility for FirstEnergy Savings Plan matching contributions is determined by the terms of your collective bargaining agreement. The additional matching contribution will be credited to employees' accounts as soon as possible after the end of the year.

10(c) Standards Of Performance

Dear Employees:

Our Business Practices describe the way we do business at FirstEnergy and set forth expectations for all employees. The Business Practices describe the business need, standards, authority and responsibility of each area of the Company, and provide guidance which should assist you in doing your job. These practices will help you understand our mission, organization and how you can contribute. While it replaces past manuals, such as the General Orders, it has been expanded to reflect the increasing intricacies of our organization and our industry.

This document should be used as a resource and a reference. It provides guidance for day-to-day activities as well as information on specific issues and questions. Electronic access to our Business Practices is available on Lotus Notes and the Internal Web site.

Good judgment should be used in applying these Business Practices. If you are unsure of what to do in a given situation, you should always check with your supervisor.

Thank you for taking the time to review our Business Practices and for ensuring that activities in your area are conducted in accordance with these guidelines.

Sincerely,

Anthony J. Alexander

President and Chief Executive Officer

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References

<u>Human Resources Letters</u> <u>Corporate Policies</u>

Business Practices Overview

FirstEnergy Business Practices	Business Practice #1.3
Subject: Business Practices	Date: 11/9/04
Overview	

Business Need

FirstEnergy employees are engaged in wide ranging work activities and as a result, expect and deserve guidance for issues that affect all employees generally on the way we will conduct our business. The Business Practices have been developed as a resource and reference on corporate policies and procedures and replace the General Orders, Corporate References, and rules from predecessor companies.

Authority and Responsibility

Our Business Practices are the defining standard for business conduct and accountability of all FirstEnergy employees. They describe the organization of the Company, delineate the responsibilities of various departments, state standards on matters of general interest and provide procedural direction. The President and CEO, and Senior Vice President and General Counsel must approve Business Practices. New Business Practices, revisions to existing Business Practices, and reference links to the Business Practices should be submitted to the Vice President, Corporate Affairs, by a member of Senior Management for consideration. All supervisors have responsibility for informing employees of the Business Practices. Employees are responsible for familiarizing themselves with the Business Practices, adhering to them as standard business behavior, and referencing them to resolve related procedural questions.

Scope

Business Practices apply to employees of FirstEnergy Corp. and any of its operating companies to which the Business Practices have been extended ("FirstEnergy Companies"). Such companies include the following:

FirstEnergy Corp.

American Transmission Systems, Incorporated

FirstEnergy Facilities Services Group, LLC (Holding Company Staff Only)

FirstEnergy Generation Corp.

FirstEnergy Nuclear Operating Company

FirstEnergy Service Company

FirstEnergy Solutions Corp.

Jersey Central Power & Light Company

Metropolitan Edison Company

Ohio Edison Company

Pennsylvania Electric Company

Pennsylvania Power Company

The Cleveland Electric Illuminating Company

The Toledo Edison Company

All references to FirstEnergy and the Company throughout the Business Practices Manual include FirstEnergy companies, unless otherwise noted.

Additions or deletions to this list of participating companies may be made at any time at the discretion of the CEO, President or Corporate Secretary.

The Business Practices apply to FirstEnergy employees. The Business Practices address areas of interest across the Company for the good of employees and all with whom we do business. The Business Practices will be available through the FirstEnergy Internal Web for review by all employees and a limited number of hard copies will be available to those in remote locations to ensure universal access. The Business Practices will also reference department specific policies and procedures that give more detail and department specific direction, including those where there may be changes from year to year. Employees who violate Business Practices will be subject to appropriate disciplinary action up to and including termination of employment.

FirstEnergy Corporate Vision

FirstEnergy Business Practices	Business Practice #2.1
Subject: FirstEnergy Corporate	Date: 01/30/2006
Vision	

FirstEnergy Corporate Vision

FirstEnergy will be a leading regional energy provider, recognized for operational excellence, customer service and its commitment to safety; the choice for long-term growth, investment value and financial strength; and a company driven by the leadership, skills, diversity and character of its employees.

Authority and Responsibility

The Board of Directors, in concert with the CEO, Executive Council, and Senior Management Committee, will lead the Company in updating, communicating and implementing FirstEnergy's Strategic Vision.

Employees will promote FirstEnergy's Corporate Vision.

References

Corporate Profile

FirstEnergy Corp. is a diversified energy company headquartered in Akron, Ohio. Its subsidiaries and affiliates are involved in the generation, transmission and distribution of electricity, energy management and other energy-related services. Its seven electric utility operating companies comprise the nation's fifth largest investor-owned electric system, serving 4.5 million customers within 36,100 square miles of Ohio, Pennsylvania and New Jersey; and its generation subsidiaries own or operate nearly 14,000 megawatts of capacity. Our Corporate Vision is to become the leading retail energy and related services supplier in our region.

FirstEnergy also has expanded its Internet and telecommunications technologies to improve customer service, reduce costs and increase revenues. The Company is strategically positioning itself in e-commerce through its nationally recognized interactive Customer Care Web site. And, its FirstEnergy Telecom Services subsidiary builds, operates and controls telecommunications systems. FirstEnergy also has a minority ownership position in First Communications - a company that serves more than 60,000 customers with long-distance service, local phone service and advanced data solutions.

FirstEnergy's mailing address is:

FirstEnergy Corp. 76 South Main Street

Akron, Ohio 44308

Here's a brief look at FirstEnergy

4.5 million customers

36,100-square-mile service area in Ohio, Pennsylvania and New Jersey

\$12.4 billion in annual revenues and approximately \$31 billion in assets

13,387 megawatts of generating capacity

11,502 miles of transmission lines, and 84 interconnections with 13 electric systems

Strategic Location

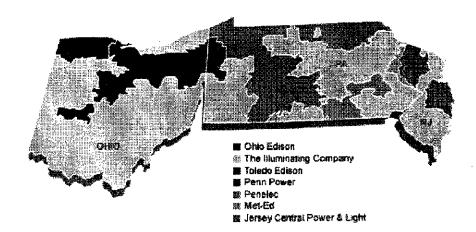
FirstEnergy's service area is within a 500-mile radius of one-half of the U.S. population

Strong Access to Wholesale Market

11,502 miles of transmission lines, and 84 interconnections with 13 electric systems -- opening sales opportunities throughout Michigan, Canada and the eastern U.S.

36,100-square-mile service area Offering opportunities for more profitable sales.

Service Area Map



FirstEnergy Mission Statement

Business Practice #2.2
Date: 11/9/04
-

FirstEnergy Mission Statement

FirstEnergy will provide competitively priced, high-quality products and valueadded services in the areas of:

- Energy sales and services
- Energy delivery
- Power supply
- Regulated and non-regulated supplemental services related to our core business

Authority and Responsibility

The Board of Directors, in concert with the Chairman and Senior Management Committee, will lead the Company in updating, communicating and implementing FirstEnergy's Mission Statement.

Employees will promote FirstEnergy's Mission Statement.

FirstEnergy Core Values

FirstEnergy Business Practices	Business Practice #2.3
Subject: FirstEnergy Core Values	1

FirstEnergy Core Values

FirstEnergy is committed to a set of core values that are fundamental to achieving its vision to provide superior value to customers and investors, and to provide a quality work environment for all employees. The FirstEnergy Core Values define what is important to our customers, stakeholders and employees:

- Safety
- Customer Service
- Diversity
- Positive Change
- Knowledge
- Open Communications
- Teamwork

Authority and Responsibility

The Chairman and Senior Management Committee will lead the Company in updating, communicating and implementing FirstEnergy's Core Values, for employees to promote.

Scope

FirstEnergy's Core Values apply to employees of FirstEnergy.

Organization

FirstEnergy Business Practices	Business Practice #3.1
Subject: Organization Overview	Date: 11/08/06

FirstEnergy Organization

FirstEnergy Corp., as a regional energy and related services supplier, is organized to deliver value to customers, shareholders, and employees.

Authority and Responsibility

Responsibility for the operations of the Company is shared among the officers of FirstEnergy and its subsidiary companies, departments, regions, and plants.

Organization

The Officers of FirstEnergy Corp. are:

Anthony J. Alexander, President and Chief Executive Officer Richard R. Grigg, Executive Vice President and Chief Operating Officer Richard H. Marsh, Senior Vice President and Chief Financial Officer Leila L. Vespoli, Senior Vice President and General Counsel Harvey L. Wagner, Vice President, Controller and Chief Accounting Officer David W. Whitehead, Vice President, Corporate Secretary and Chief Ethics Officer

James F. Pearson, Vice President and Treasurer Paulette R. Chatman, Assistant Controller Jacqueline S. Cooper, Assistant Corporate Secretary Rhonda S. Ferguson, Assistant Corporate Secretary Jeffrey R. Kalata, Assistant Controller Randy Scilla, Assistant Treasurer Edward J. Udovich, Assistant Corporate Secretary

Management of the enterprise is led by the FirstEnergy Service Company Executive Council and Senior Management Committee.

Members of the Executive Council are:

Anthony J. Alexander, Lynn M. Cavalier, Mark T. Clark, Richard R. Grigg, Charles E. Jones, Charles D. Lasky, Gary R. Leidich, David C. Luff, Richard H. Marsh, Guy L. Pipitone, Donald R. Schneider, Carole B. Snyder, Leila L. Vespoli, and Thomas M. Welsh.

Members of Senior Management Committee are:

Anthony J. Alexander Richard R. Grigg Lynn M. Cavalier Mark T. Clark Charles E. Jones

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Gary R. Leidich David C. Luff Richard H. Marsh Guy L. Pipitone Leila L. Vespoli Thomas M. Welsh Tony C. Banks David M. Blank Mary Beth Carroll Thomas A. Clark Kathryn W. Dindo Ralph J. DiNicola Michael J. Dowling Bradley S. Ewing Bennett L. Gaines Joseph J. Hagan Ali Jamshidi Mark A. Julian Charles D. Lasky Thomas C. Navin Danny L. Pace James F. Pearson Robert P. Reffner Alfred G. Roth Donald R. Schneider Ronald E. Seeholzer Eugene J. Sitarz Daniel V. Steen Stanley F. Szwed Bradford F. Tobin Harvey L. Wagner David W. Whitehead Arthur W. Yuan.

Regulatory Codes of Conduct

FirstEnergy Business Practices	Business Practice #3.2
Subject: Regulatory Codes of	Date: 11/9/04
Conduct	

Business Need

As part of the restructuring of the electric utility industry, state and federal regulatory agencies have adopted regulations governing how electric utilities and their employees must interact with affiliated and non-affiliated suppliers of competitive services and with customers in a competitive environment. Under the principals of corporate separation, we must ensure that the regulated side of FirstEnergy's business does not subsidize or otherwise benefit our competitive businesses. These regulations are generally referred to as Regulatory Codes of Conduct.

Key provisions of the *Regulatory Codes of Conduct* address the release by the utilities of proprietary customer information; non-discriminatory access to customer lists; non-discriminatory access to transmission and distribution information; confidentiality of information provided by competitive suppliers; prohibition from the tying or conditioning the provision of utility services to the purchase of services from a competitive affiliate; avoidance of subsidies; and the non-discriminatory provision of tariffed products and services.

Authority and Responsibility

FirstEnergy Management, with support from the Legal Department, is responsible for identifying those laws and regulations that affect our operations and for implementing work practices that prompt compliance and timely identification of any violations. Our Chief Ethics Officer - Vice President and Corporate Secretary David W. Whitehead - will ensure that the appropriate action is taken of reports of ethics and business conduct violations.

Scope

The policies related to *Regulatory Codes of Conduct* apply to employees of FirstEnergy.

References

FERC - ATSI Standards of Conduct

FERC - FE Solutions Market-Based Tariff

FERC - PFM Transmission Standards of Conduct

New Jersey - Affiliate Relations Standards - Summary

New Jersey - Affiliate Relations Standards - FAQs

New Jersey - Affiliate Relations Standards - State Regulation

New Jersey - Affiliate Relations Standards - Merger Settlement

Agreement

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New Jersey - JCP&L Compliance Plan

Ohio - Corporate Separation Rule - Summary

Ohio - Corporate Separation Rule - FAOs

Ohio - Corporate Separation Rule - State Regulation

Pennsylvania - Competitive Safeguards - Summary

Pennsylvania - Competitive Safeguards - FAOs

Pennsylvania - Competitive Safequards - State Regulation

Pennsylvania - GENCO Code of Conduct - FAQs

Pennsylvania - GENCO Code of Conduct - State Regulation

Affiliate Transactions Business Practice #3.3

Corporate Policy 103 - FirstEnergy Corporate Compliance Program

Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-

683-3625

Affiliate Transactions

FirstEnergy Business Practices	Business Practice #3.3
Subject: Affiliate Transactions	Date: 11/9/04

Business Need

Transactions between affiliated companies in FirstEnergy are subject to regulation by the U.S. Securities and Exchange Commission (SEC), the Federal Energy Regulatory Commission (FERC), and applicable state public utility commissions (PUCs) in order to ensure that there is no undue subsidy or advantage from the regulated utilities to the competitive businesses. In addition, as a registered public utility holding company, FirstEnergy must comply with all requirements of the Public Utility Holding Company Act of 1935 (PUHCA), which extensively regulates the types of affiliate transactions, as well as the charges for such transactions, that are permitted.

PUHCA requires the maintenance of detailed books and records for the regulated and unregulated operations, which are subject to biannual audit by the SEC. Key provisions of the Regulatory Codes of Conduct are discussed in Business Practice #3.2.

Business Standards

FirstEnergy will comply with the provisions of the Regulatory Codes of Conduct, as well as PUHCA and other regulatory standards of the SEC and FERC.

Authority and Responsibility

Managers initiating affiliate transactions are primarily responsible for ensuring that the transactions are appropriately priced and billed in accordance with FirstEnergy's affiliate transaction policies as set forth in the Cost Allocation Manual. The controller of each affiliate company is responsible for properly recording affiliate transactions in which the Controller's company participates. The FirstEnergy Controller will provide assistance to managers in pricing and billing affiliate transactions. Managers are expected to consult with their affiliated counterparts and the Legal Department before entering into affiliate transactions. The FirstEnergy Controller is responsible for overseeing and coordinating FirstEnergy's affiliate transactions and, if necessary, is the arbiter with respect to FirstEnergy's affiliate pricing issues.

Managers are responsible for ensuring that products or services provided from the utilities to a competitive affiliate are also made available to non-affiliated entities at similar prices and that such transactions are posted where required by the Regulatory Codes of Conduct. Managers are responsible for ensuring that employees properly record their time charged to utility and non-utility affiliates. Managers are responsible for ensuring that all aspects of the Regulatory Codes of Conduct are adhered

to concerning access to information, confidentiality of customer and competitive supplier information, avoiding cross subsidization, and the non-discriminatory provision of tariffed products and services.

Scope

The policies related to affiliate transactions apply to employees of FirstEnergy.

References

FERC - ATSI Standards of Conduct

FERC - FE Solutions Market-Based Tariff

FERC - PJM Transmission Standards of Conduct

New Jersey - Affiliate Relations Standards - Summary

New Jersey - Affiliate Relations Standards - FAQs

New Jersey - Affiliate Relations Standards - State Regulation

New Jersey - Affiliate Relations Standards - Merger Settlement Agreement

New Jersey - JCP&L Compliance Plan

Ohio - Corporate Separation Rule - Summary

Ohio - Corporate Separation Rule - FAOs

Ohio - Corporate Separation Rule - State Regulation

Pennsylvania - Competitive Safequards - Summary

Pennsylvania - Competitive Safeguards - FAOs

Pennsylvania - Competitive Safeguards - State Regulation

Pennsylvania - GENCO Code of Conduct - FAOs

Pennsylvania - GENCO Code of Conduct - State Regulation

Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-

3625

Regulatory Codes of Conduct Business Practice #3.2

Antitrust

	Business Practice #3.4
Subject: Antitrust	Date: 11/9/04

Business Need

Our commitment to antitrust compliance is a universal principle intended to promote fair competition and free enterprise by prohibiting activities that restrain or inhibit competition. The antitrust laws apply to such diverse activities as marketing, procurement, contracting, and mergers and acquisitions. These laws specifically prohibit agreements (including tacit or unspoken agreements):

- To fix, coordinate, or control prices and terms;
- · To allocate or divide up customers, territories, or markets; and
- Not to compete, or to compete only in some limited fashion.

The antitrust laws also prohibit certain group boycotts and "tying" arrangements, in which a seller refuses to sell one product or service unless the buyer agrees to purchase another separate product or service.

Business Standards

FirstEnergy fully supports laws that prohibit restraints to trade, unfair practices or abuse of economic power. We will compete on the merits of efficiency, effectiveness, and customer satisfaction. The antitrust laws are particularly relevant when FirstEnergy employees attend trade shows or trade association meetings, because of the opportunity to interact with competitors or potential competitors. Certain topics should not be discussed in order to avoid possible violations of the antitrust laws. In particular, employees will not discuss pricing or pricing strategies; the allocation of customers, territories, or markets; agreements not to compete or to compete only in a limited fashion; agreements to regulate or limit production; and agreements to participate in group boycotts.

Authority and Responsibility

The Legal Department is responsible for developing, administering and disseminating policies related to antitrust laws. The Legal Department will determine what actions will be taken regarding potential antitrust violations.

Management at all levels is responsible for enforcement of antitrust policies. Employees will protect and maintain the confidentiality of FirstEnergy information in order to avoid antitrust violations. Employees should contact the Legal Department for guidance on antitrust issues.

Scope

The policies related to antitrust apply to employees of FirstEnergy.

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References

Affiliate Transactions Business Practice
Confidential and Proprietary Information Business Practice
Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

Ethics; Business Conduct and Employee Concerns Line

FirstEnergy Business Practices	Business Practice #3.5
Subject: Ethics, Business Conduct and Employee Concerns Line	Date: 11/9/04

Business Need

The highest standards of business conduct and ethical behavior are the foundation for FirstEnergy achieving its vision.

Business Standards

Standards for ethical and legal behavior are set forth in FirstEnergy's Code of Business Conduct (Corporate Policy 101), supplemented by Conflict of Interest (Corporate Policy 201) and related Business Practices. All employees will be provided a work environment free of harassment, discrimination, and unlawful or unethical business activities. Employees will conduct themselves in accordance with all laws and the highest ethical standards when interacting with customers, suppliers, and other employees.

An Employee Concerns Line is provided to ensure that employees have the means to report potential violations and to provide an atmosphere for open communication of ethics and compliance issues. Any employee may use the Employee Concerns Line to report actual or suspected violations of FirstEnergy business conduct standards, including concerns regarding accounting or auditing matters, without fear of retribution and in confidence (Corporate Policy 301).

Authority and Responsibility

A designated member of the Senior Management Committee is the Chief Ethics Officer. The Chief Ethics Officer has the authority to resolve questions dealing with proper ethical conduct, including matters related to conflicts of interest. The Chief Ethics Officer's responsibilities include establishing procedures to monitor and oversee compliance with ethics and business conduct standards, ensuring that appropriate action is taken on reports of ethics and business conduct violations, developing training programs, and making appropriate changes to ethics and compliance policies to respond to violations and potential legal and/or regulatory changes.

FirstEnergy management, with assistance from the Legal Department, is responsible for identifying those laws and regulations that affect their operations and for implementing work practices that promote compliance and timely identification of any violations. If a potential violation of law or FirstEnergy's ethics and business conduct policies

occurs, it must be communicated in a timely manner to the Chief Ethics Officer by local management or through the Employees Concerns Line. Employees are also encouraged to discuss problems or concerns with their supervisors. If they are unable to resolve the issue or if employees are uncomfortable discussing the issue with them, employees should seek assistance from other channels such as: the Legal or Human Resources departments, the Chief Ethics Officer or the Employee Concerns Line. In order to comply with the Sarbanes-Oxley Act, reporting of significant potential violations must be reported to the Chief Ethics Officer so the Audit Committee of the Board of Directors is notified and the violation is properly resolved.

The Chief Ethics Officer will ensure that the appropriate action is taken on reports of ethics and business conduct violations.

Scope

The policies related to ethics and the Code of Business Conduct apply to employees of FirstEnergy. The Employee Concerns Line is available to all employees of FirstEnergy for assistance with ethics and compliance matters, reporting improper business conduct and conflicts of interest, reporting concerns regarding accounting or auditing matters and reporting potential instances of non-compliance.

References

Corporate Policy 101 - FirstEnergy Code of Business Conduct
Corporate Policy 102 - FirstEnergy Anti-Fraud Policy
Corporate Policy 103 - FirstEnergy Corporate Compliance Program
Human Resources Letter 104 - Employment of Individuals with
Disabilities

Corporate Policy 201 - Conflicts of Interest
Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

Diversity and Nondiscrimination

FirstEnergy Business Practices	Business Practice #4.1
Subject: Diversity and Nondiscrimination	Date: 8/19/05

Business Need

FirstEnergy is committed to providing a diverse and inclusive work environment for our employees. We value the diversity of employees and their ideas to ensure we are meeting the needs of customers, business partners, suppliers, and shareholders.

Business Standards

We will provide equal employment opportunity to all qualified applicants and employees regardless of race, color, creed, religion, gender, national origin, nationality, age, disability, ancestry, marital status, affectional or sexual orientation, atypical hereditary cellular or blood trait, liability for military service, or veteran status (i.e., status as a special disabled veteran, veteran of the Vietnam era, or other eligible veteran.) FirstEnergy is committed to actions and policies to assure fair employment, including equal treatment in recruiting, hiring, training, compensation, promotions, demotions, transfers, terminations and disciplinary actions. We will also take affirmative measures to employ and advance qualified females, minorities, individuals with disabilities, special disabled veterans, veterans of the Vietnam era, and other eligible veterans.

Authority and Responsibility

The Human Resources Department is responsible for defining the equal employment opportunity, affirmative action, and diversity standards for FirstEnergy. Equal employment opportunity, affirmative action and diversity responsibilities include defining communication methods of the programs, advising management on equal employment opportunity, affirmative action and diversity issues, designing auditing and reporting systems, developing, distributing and modifying policies and procedures, and serving as a liaison with enforcement agencies.

The implementation of FirstEnergy's equal employment opportunity, affirmative action and diversity policies is the responsibility of every manager and supervisor. Every supervisor has a responsibility to provide each FirstEnergy employee with an equal opportunity to develop his or her skills and abilities in order to qualify for advancement.

Scope

The policies related to diversity and non-discrimination apply to

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employees of FirstEnergy.

References

Human Resources Letter 101 - Equal Employment
Opportunity/Affirmative Action Policy
Human Resources Letter 104 - Employment of Individuals with
Disabilities
Human Resources Letter 105 - Affirmative Action Program for
Minorities and Women
Human Resources Letter 106 - Affirmative Action Program for
Individuals with Disabilities, Special Disabled Veterans, Veterans of
the Vietnam Era, and Other Eligible Veterans
Human Resources Letter 107 - Internal Discrimination Compliant
Procedure
Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

Harassment

Business Practice #4.2
Date: 8/19/05

Business Need

FirstEnergy is committed to providing an environment that is free from all forms of harassment.

Business Standards

We will provide and maintain a work environment that is free from all forms of unlawful discrimination including sexual harassment and harassment based on race, color, creed, religion, gender, national origin, nationality, age, disability, ancestry, marital status, affectional or sexual orientation, atypical hereditary cellular or blood trait, liability for military service, and veteran status (i.e., status as a special disabled veteran, veteran of the Vietnam era, or other eligible veteran). Any individual who believes that he or she has experienced or witnessed discriminatory harassment should report the situation as soon as possible to any of the following: the individual's immediate supervisor, a higher level supervisor in the individual's section or department, the local human resources representative, or the Compliance section of the Human Resources Department. No individual will be harassed, intimidated, or negatively impacted in any way as a result of filing a complaint or participating in an investigation of discrimination.

Authority and Responsibility

The Human Resources Department is responsible for defining the harassment policies for FirstEnergy. The Human Resources Department's responsibilities include defining communication methods of harassment policies, advising management on harassment issues; assisting with or investigating any reports of harassment through a thorough and confidential investigation; developing, distributing and modifying policies and procedures; and serving as a liaison with enforcement agencies.

All levels of management are responsible for ensuring compliance with harassment policies in their respective areas of operation. Any manager or supervisor who observes, has knowledge of, or receives any complaint concerning harassment will immediately contact the Human Resources Department.

Scope

This policy applies to employees of FirstEnergy companies and contractors, temporary workers, vendors, business partners, any person engaged by FirstEnergy, and visitors to FirstEnergy facilities and buildings.

References

<u>Human Resources Letter 102 - Sexual Harassment Policy</u> <u>Human Resources Letter 103 - Policy on Harassment based on Race, Color,</u>

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Religion, Gender, National Origin, Age, Disability, Ancestry, and Veteran Status
Human Resources Letter 107 - Internal Discrimination Complaint Procedure
Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

Impairment and Substance Abuse

Business Practice #4.3
Date: 11/9/04

Business Need

FirstEnergy is committed to providing an alcohol-free and drug-free work environment for our employees, customers, suppliers and neighbors.

Business Standards

We are expected to perform our responsibilities in a professional manner in the workplace, while driving Company vehicles, or operating Company equipment, and while being free from the effects of drugs, alcohol or other substances that may hinder job performance or judgment. It is unacceptable to perform a job while under the influence of alcohol or drugs.

Authority and Responsibility

The Industrial Relations Department is responsible for defining the alcohol and drug policies for FirstEnergy. The Industrial Relations Department's responsibilities include: ensuring all employees are aware of the policies; coordinating the alcohol and drug testing programs; providing assistance through the Employee Assistance Program to employees who may have problems with alcohol or drugs; providing guidance to supervisors in handling employees with alcohol- or drug-related issues; and developing, distributing and editing policies and procedures.

When known or suspected unlawful involvement with controlled substances or with alcohol results in a determination that an employee should not remain on the job, the first-line supervisor will have the authority to suspend the employee from work pending investigation and review of the matter for appropriate disciplinary action.

Scope

The policies related to impairment and substance abuse apply to employees of FirstEnergy.

References

Human Resources & Industrial Relations Letter 302 - Guidelines for Supervisors on Referring Employees to the Employee Assistance Program Human Resources & Industrial Relations Letter 303 - Company Position on Use or Possession of Alcohol and Drugs

Human Resources & Industrial Relations Letter 304 - Company Drug and Alcohol Testing Program

Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

Workplace Violence

	Business Practice #4.4
Subject: Workplace Violence	Date: 11/9/04

Business Need

FirstEnergy is committed to providing a safe and professional work environment for employees, customers, suppliers and neighbors.

Business Standards

We will not tolerate any acts or threats of physical violence in the workplace, including intimidation, harassment, and/or coercion. FirstEnergy does not allow weapons, legally permitted or not, or explosives on FirstEnergy property.

Authority and Responsibility

The Industrial Relations Department is responsible for defining the workplace violence policy for FirstEnergy. The Industrial Relations Department's responsibilities include developing, distributing and editing policies and procedures, ensuring all employees are aware of the workplace violence policy, and providing guidance to supervisors in investigating reports of workplace violence.

All FirstEnergy employees or visitors will report to management any known threats or witnessed acts that they believe to be threatening or violent behavior for investigation.

Scope

The policies related to workplace violence apply to employees of FirstEnergy. Contractors, temporary workers, vendors, business partners, any person engaged by the Company and visitors to FirstEnergy facilities and buildings must comply with all federal, state and local regulations and ordinances.

References

Human Resources and Industrial Relations Letter 412 - Position Regarding
Violence in the Workplace
Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

Hiring Practices

FirstEnergy Business Practices		
_	Date: 05/24/07	

Business Need

FirstEnergy is committed to seek and employ the best-qualified persons available for all of its companies and locations.

Business Standards

We will provide equal employment opportunity to all qualified applicants and employees regardless of race, color, creed, religion, gender, national origin, nationality, age, disability, ancestry, marital status, affectional or sexual orientation, atypical hereditary cellular or blood trait, liability for military service, or veteran status (i.e., status as a special disabled veteran, veteran of the Vietnam era, or other eligible veteran). We will also take affirmative measures to employ and advance qualified females, minorities, individuals with disabilities, special disabled veterans, veterans of the Vietnam era, and other eligible veterans. We will follow company employment procedures in order to ensure compliance with applicable employment law and consistency within the FirstEnergy companies.

Authority and Responsibility

The Human Resources Department is responsible for defining employment relationships and the internal and external employment procedures for FirstEnergy. The Human Resources Department's employment responsibilities include defining communication methods of the policies; advising management on employment issues; developing forms and procedures for the maintenance of personnel files; designing auditing and reporting systems; and developing, distributing and modifying policies and procedures.

Review by the appropriate member of Executive Council is required for manager and above positions to ensure selections are based upon objective criteria and include a diverse pool of candidates. This review applies to candidates for existing, modified or new manager and above positions.

Scope

The policies related to hiring apply to applicants and employees of FirstEnergy.

References

<u>Human Resources Letter 201 - Employment Relationships and Policy</u> <u>Human Resources Letter 202 - Hiring Process</u>

Human Resources Letter 502 - Job Pricing

227

Health and Safety

FirstEnergy Business Practices	Business Practice #5.1
- \$	Date: 11/9/04

Business Need

FirstEnergy is committed to providing a healthy and safe work environment for employees, customers, suppliers and neighbors.

Business Standards

We will all be aware of the safety issues and policies that affect our jobs. We will not perform a job unless we know how to do it safely and understand the hazards involved. We are all primarily responsible for our own safety.

Authority and Responsibility

The Industrial Relations Department is responsible for developing and communicating Health and Safety policies, programs and procedures for FirstEnergy. The Industrial Relations Department has the responsibility to assist management with conducting health and safety audits, and correcting any inconsistencies with FirstEnergy Health and Safety policies, programs and procedures. The Industrial Relations Department coordinates health and safety inspections by government agencies (such as Department of Transportation, Occupational Safety and Health Administration, Mine Safety and Health Administration, and Coast Guard at FirstEnergy locations), facilitates industrial hygiene assessments, and administrates the FirstEnergy Health and Safety Program.

Members of supervision are accountable for the health and safety of the employees they supervise; and employees are accountable for following all FirstEnergy Health and Safety policies, programs and procedures.

Scope

This policy applies to employees of FirstEnergy. Contractors, temporary workers, vendors, business partners, any person engaged by the Company, and visitors to FirstEnergy facilities and buildings must comply with all federal, state and local regulations and ordinances.

References

Human Resources and Industrial Relations Letter 401 - Health and Safety Policy

Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

Environment

 Business Practice #5.2
Date: 11/9/04

Business Need

FirstEnergy takes appropriate actions to preserve and protect the natural environment, air quality, water, land, and other natural resources.

Business Standards

FirstEnergy will conduct its operations in a manner that will comply with applicable environmental laws, and meet the standards of good business practices concerning the control of emissions, discharges and waste, and the health, safety and general welfare of its employees and surrounding communities.

Authority and Responsibility

The Environmental Department is responsible for interpreting and communicating environmental regulatory requirements within FirstEnergy; coordinating employee environmental training; coordinating all communications with environmental agencies (i.e., permitting); maintaining corporate records relating to environmental matters; assessing the administration of waste disposal contracts; coordinating environmental emergency response operations and environmental remediations; conducting compliance verification and assistance programs; managing ash utilization and disposal contracts; and conducting assessments to identify and mitigate potential environmental and health risks.

All managers and supervisors will review and control operations in regard to compliance with environmental regulations and FirstEnergy environmental policies and procedures. Each organization, department and/or facility will develop and commit resources to implement environmental programs, procedures or other actions necessary to maintain compliance and achieve environmental business goals. Employees are accountable for following all FirstEnergy environmental policies, programs and procedures.

Scope

The environmental policies apply to employees of FirstEnergy. Contractors, temporary workers, vendors, business partners, any person engaged by FirstEnergy; and visitors to FirstEnergy facilities and buildings must comply with all federal, state and local regulations and ordinances.

References

Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

Contracts and Approvals

FirstEnergy Business Practices	Business Practice #6.1
Subject: Contracts and Approvals	

Business Need

The Company's contract administration goals are: 1) to establish controls around entering into commitments; 2) to obtain appropriate service levels from qualified suppliers, vendors, contractors, and service providers; and 3) to work proactively to involve the Legal Department when entering into non-standard agreements. Contracts must be reviewed for compliance with applicable laws, regulations, our policies, Business Practices and Code of Business Conduct.

Business Standards

Standard contract agreements can be signed-off by an Officer of the Company. Non-standard agreements or proposed contract amendments require the Legal Department's involvement and approval prior to execution. Proposed contract amendments which could compromise the interests of FirstEnergy should be brought to the attention of the Legal Department. The Legal Department may engage outside counsel to assist in the review of contracts. Management cannot engage outside counsel without direct approval from the Legal Department.

The prospective suppliers, vendors, contractors and service providers with whom we wish to contract should meet the following minimum criteria:

- Be in good financial standing per submitted recent financial information;
- Meet product/service qualifications; and
- Agree to comply with Our Code of Business Conduct and applicable Business Practices.

FirstEnergy seeks vendors who will be the Company's long-term partners and who provide us with the best service and products at the lowest total cost. Therefore, the Legal Department and management should ensure that contracts do not include any side agreements that would compromise FirstEnergy's interests.

Mergers, acquisitions, joint ventures, or strategic alliance agreements should be reviewed in advance by the Legal Department.

Authority and Responsibility

The Legal Department is responsible for reviewing and approving non-standard contract terms and agreements in order to protect the interests of FirstEnergy. The Legal Department is responsible for defining, implementing and administering FirstEnergy contract policies and defining approval and

authorization procedures. No change or modification to a contract should occur without involvement by the Legal Department. The contract terms for prospective suppliers, vendors, contractors and service providers not covered under existing agreements will be negotiated by the Legal Department with the assistance of applicable subject matter experts. Management will be responsible for reviewing proposed contracts, terms, and agreements prior to forwarding them to the Legal Department. The contracts should reflect compliance with laws, regulations, and our Business Practices. Employees will enlist the assistance of the appropriate manager and the Legal Department before entering into contracts on behalf of FirstEnergy.

The Information Services Department, in coordination with other departments, is responsible for negotiating contracts for all computer equipment. The Information Services Department's responsibilities include managing vendor/contractor relationships for all FirstEnergy computer purchases.

The Fuel Supply Department will contract for fuels and manage vendor/contractor relationships regarding fuel.

The Corporate Department will maintain all executed contracts for permanent safekeeping. All employees will forward an executed copy of each contract to the Corporate Department after its execution.

Scope

The policies related to contracts apply to employees of FirstEnergy. Contracts are any form of written or verbal commitment that are binding to FirstEnergy and commit FirstEnergy resources.

References

FirstEnergy Corp. Accounting Bulletin M-3: Expenditure Approval Requirements
Corporate Policy 101 - FirstEnergy Code of Business Conduct
Corporate Policy 201 - Conflicts of Interest
Gifts and Gratuities Business Practice
Confidential and Proprietary Information Business Practice
Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

Levels of Approval

FirstEnergy Business Practices	Business Practice #6.1a
	Date: 03/28/06

Business Need

The Finance Committee of the Board of Directors has approved a Governance Process for Resource Allocation at FirstEnergy. This governance process addresses the methodology for allocating capital to capital projects. It also defines the levels of approval for entering into (1) capital projects, (2) certain types of transactions impacting our balance sheet (primarily debt and equity transactions), (3) strategic investment and divestiture activities, and (4) contractual commitments, including commodity and non-commodity contracts. This Business Practice documents the approved 'Levels of Approval'.

Business Standards

Any commitment not included in the annual budgeting process (by written contract or otherwise) to engage in business activities involving capital spending, transactions impacting our balance sheet, strategic investments and divestitures, and other contractual commitments, as described in the FirstEnergy Corp. Levels of Approval, shall receive the approvals required in the FirstEnergy Corp. Levels of Approval. Management personnel are responsible for maintaining the documentation to substantiate that these levels of approval were followed.

Note that the Contractual Commitments related to Non-Commodity items addresses 'non-routine' materials, services, leases, and benefit plans items. Non-routine items are generally characterized as discretionary in nature and are not related to the routine ongoing operation and maintenance of our business, and the commitment might not have been included in the approved budgeting process. Projects approved under the capital spending guidelines are also excluded from this category.

Authority and Responsibility

All FirstEnergy Director level employees and above need to be aware of these levels of approval and follow the requirements appropriately. Management will be responsible for reviewing proposed transactions, contracts, terms, and agreements prior to authorizing them and requesting additional levels of approval. The CFO will serve as the 'gatekeeper' for transactions requiring Finance Committee or Board approval.

Management personnel are also responsible for identifying and amending all appropriate supporting policies and procedures within their respective business unit or support group to conform to these levels of approval.

Scope

This policy applies to all employees of FirstEnergy.

Appendix (10-c) Business Practices

References

Governance and Approval Process
Business Practice 6.1 Contracts and Approvals
Business Practice 6.3 Procurement
FES Commodity Portfolio Risk Management Policy
Supply Chain Policy and Procedures - Policy 1 - Authority to
Commit/Procurement Commitment Policy (PCP)

Retaining Outside Counsel

FirstEnergy Business Practices	Business Practice #6.2
Subject: Retaining Outside	Date: 11/9/04
Counsel	

Business Need

FirstEnergy conducts segments of its business in a highly regulated environment. FirstEnergy's ability to effectively monitor compliance with all laws applicable to FirstEnergy is critical to the achievement of its business objectives.

Authority and Responsibility

The Legal Department is responsible for retaining outside counsel to represent FirstEnergy and all its subsidiaries on all legal matters.

All employees will contact the Legal Department regarding the necessity to retain outside counsel to address legal matters.

Scope

This business practice applies to employees of FirstEnergy and its subsidiaries.

References

Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

Procurement

FirstEnergy Business Practices	Business Practice #6.3
Subject: Procurement	Date: 11/9/04

Business Need

FirstEnergy must ensure that its procurement activities are effective, efficient and ethical. In the course of FirstEnergy's business, employees procure equipment, commodities, materials, supplies and services.

Business Standards

We seek to obtain the greatest value for each dollar spent consistent with maximum reliability, specified quality and required timeliness.

Authority and Responsibility

The Supply Chain Department is responsible for locating sources of materials and services, selecting suppliers, managing vendor/contractor relationships, and maintaining systems and programs to achieve purchasing and inventory management. The Supply Chain Department acts on requisitions prepared by authorized personnel, to place purchase orders and, when formal contracts are required, to contract with suppliers of equipment, commodities, materials, supplies and services. The Supply Chain Department is responsible for defining, implementing and administering FirstEnergy procurement policies and defining approval and authorizations procedures. The appropriate procurement personnel will coordinate all correspondence and contacts with suppliers with regard to purchase orders and contracts. No change or modification to a purchase order or contract should occur without involvement by appropriate procurement personnel. All requests for approval of new products, revisions of current products, resubmittal of old products, provisions of samples, etc. will be coordinated between the appropriate procurement and technical personnel. The Supply Chain Department is also responsible for evaluating inventory balances and management, and providing analytical services related to inventory (other than boiler fuel) and purchasing activities.

The Information Technology (IT) Business Services
Department, in coordination with other departments, is
responsible for purchasing all computer equipment. The IT
Business Services Department's responsibilities include
locating sources of materials and services, selecting
suppliers, and managing vendor/contractor relationships for

all FirstEnergy computer purchases.

The Fuel Supply Department will locate sources of boiler (not fleet) fuels and related transportation, place purchase orders or contract for fuels; institute appropriate procedures to be followed regarding receiving and shipping of fuels, sorbents, stabilizers and residual materials. It is also the responsibility of the Fuel Supply Department to manage vendor/contractor relationships regarding fuel.

Employees must obtain the appropriate level of approval from management required for expenditures that are not supported by an employee expense account, purchase order, lease agreement, or other similar executed contract.

Scope

The policies related to procurement apply to employees of the electric distribution companies, FirstEnergy Services, and FirstEnergy corporate departments. The object of the procurement process is to obtain the greatest value for each dollar spent and to establish contracts which are legally enforceable relationships between the buyer and the seller. Purchase orders, field purchase orders, blanket orders, continuing services contracts and other written agreements are all considered contracts which set forth the rights and responsibilities of all parties.

References

FirstEnergy Corp. Accounting Bulletin M-3: Expenditure
Approval Requirements
Corporate Policy 101 - FirstEnergy Code of Business Conduct
Corporate Policy 201 - Conflicts of Interest
Travel Policy
Corporate Travel Card Policy
Purchasing Card Instruction
Gifts and Gratuities Business Practice
Confidential and Proprietary Information Business Practice
Corporate Policy 301 - FirstEnergy Employee Concerns Line
1-800-683-3625

Conflicts of Interest

FirstEnergy Business Practices	Business Practice #6.4
	Date: 11/9/04

Business Need

When conducting FirstEnergy business, we will ensure that we are free from influence or the appearance of influence of any conflicting interests that could damage the reputation of FirstEnergy.

Business Standards

All employees will avoid situations in which personal interests are in conflict, or appear to be in conflict, with the interests of FirstEnergy or with their job responsibilities. Employees will not use knowledge gained through employment to make decisions that will lead to personal gain and that are contrary to the law or interests of FirstEnergy. Employees are expected to avoid placing personal interests ahead of FirstEnergy's when conducting business.

Authority and Responsibility

A designated member of the Senior Management Committee is the Ethics Officer. The Ethics Officer has the authority to resolve questions dealing with proper ethical conduct, including matters related to conflicts of interest. The Ethics Officer will oversee investigations into conflicts of interest.

Scope

Employees of FirstEnergy are to avoid situations in which personal interests conflict with the interests of FirstEnergy or with their job responsibilities.

References

Corporate Policy 101 - FirstEnergy Code of Business Conduct
Corporate Policy 201 - Conflicts of Interest
Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

Gifts and Gratuities

FirstEnergy Business Practices	Business Practice #6.5
Subject: Gifts and Gratuities	Date: 11/9/04

Business Need

Inappropriate gifts, gratuities or entertainment can be viewed as a means to improperly influence business relationships and can also give rise to conflicts of interest.

Business Standards

We or our immediate families will not use our employment with FirstEnergy to solicit any cash, gifts or free services from any FirstEnergy customer, vendor or contractor for our or our immediate family's personal benefit. Accepting or extending a gift, favor, service, or privilege, including travel and entertainment, from an existing or potential customer, vendor or contractor that is more than a nominal value or exceeds the level of standard business courtesies creates a conflict of interest. Accepting cash or gift certificates is prohibited.

Accepting or offering meals, beverages, or tickets to events, golf outings and other social events is acceptable as long as the cost is reasonable and attendance serves a customary business purpose such as networking. The acceptance or offering of invitations is not to be used as a business prerequisite.

Gifts or gratuities will not be accepted or extended if they could be reasonably considered to improperly influence FirstEnergy's business relationship with or create an obligation to a customer, vendor or contractor; violate laws, regulations or our Code of Business Conduct; constitute an unfair business inducement; or cause embarrassment or negative impact to FirstEnergy.

Authority and Responsibility

A designated member of the Senior Management Committee is the Ethics Officer. The Ethics Officer has the authority to set policies related to accepting gifts and gratuities. The Ethics Officer also has the authority to resolve questions regarding proper ethical conduct, including matters relating to gifts and gratuities.

If FirstEnergy employees have questions regarding the appropriateness of a gift, gratuity or invitation, address the concern with your immediate supervisor, the Legal or Human Resources departments, the Ethics Officer, or call the Employee Concerns Line.

Scope

The policies related to gifts and gratuities apply to employees of FirstEnergy.

References

Appendix (10-c) Business Practices

Corporate Policy 101 - FirstEnergy Code of Business Conduct
Corporate Policy 201 - Conflicts of Interest
Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

Company Communications

FirstEnergy Business Practices	Business Practice #6.6
Subject: Company	Date: 11/9/04
Communications	

Business Need

From time to time, employees are requested to prepare information about FirstEnergy to: 1) appear in newspapers, trade publications, college periodicals or other publications; 2) be broadcast on radio or television, 3) present before meetings of technical societies, professional organizations, civic clubs and similar groups, or 4) appear on the Internet or Internal Web.

Business Standards

It is the policy of FirstEnergy to comply with all reasonable requests for general information about its operations and practices that may be beneficial to customers, employees, shareholders, or the general public, but do not disclose actual or potential competitive information.

Authority and Responsibility

The Communications Department has responsibility for responding to, coordinating the responses to, or reviewing the responses to any request for information representing FirstEnergy's position on any issue that will appear in the general news media, as well as for broad distribution among the public and our customers. In addition, the Communications Department is responsible for disseminating corporate information to employees through publications and newsletters.

FirstEnergy employees will not respond to inquiries or requests for corporate information from news media unless they are specifically authorized to do so. Any questions about our communications policies should be directed to the Vice President of Communications.

Scope

This business practice covers employees of FirstEnergy, contractors, temporary workers, business partners, vendors, or any person engaged by FirstEnergy and granted access to FirstEnergy information.

References

Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

Emergency Notification on Behalf of the Company

FirstEnergy Business Practices	Business Practice #6.7
	Date: 11/9/04
on Behalf of the Company	

Business Standards

In the event of an emergency, FirstEnergy must follow a comprehensive procedure for communicating information to employees, customers, shareholders, regulatory groups and/or the general public, in order to ensure the messages are accurate, consistent and timely.

Authority and Responsibility

The Communications Department has responsibility for all external communications about FirstEnergy, including those relating to an emergency situation. The Communications Department will follow the procedures outlined in FirstEnergy's Emergency Communications Plan, Emergency Storm Restoration Plan and emergency plans in place at each non-nuclear generating plant. In the event of a nuclear emergency, communications will be handled in accordance with the Emergency Public Information Organization Plan.

Employees of FirstEnergy are responsible for identifying and reporting emergency situations to their immediate supervisor and taking any appropriate health and safety precautions to protect employees, assets, and property, the environment and the general public. Supervisors and managers will be responsible for reporting emergency situations to the Communications Department as outlined in the appropriate emergency response plan.

Scope

Our emergency notification policies cover any unusual event that could reasonably draw immediate, widespread public interest and media attention, such as extensive damage to a power plant, major storm-related interruption of service, electrical injury, or threat to system reliability.

The emergency notification policies apply to employees of FirstEnergy, contractors, temporary workers, business partners, vendors, or any person engaged by FirstEnergy and granted access to FirstEnergy information.

References

Emergency Communications Plan
Emergency Storm Restoration Plan
Emergency Public Information Organization Plan
Human Resources and Industrial Relations Letter 401 - Health and Safety
Policy
Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

Using the Company Name and Logo

FirstEnergy Business Practices	Business Practice #6.8
Subject: Using the Company Name and Logo	Date: 11/9/04

Business Need

It is important to ensure a consistent and appropriate identity for FirstEnergy and all its operating companies and affiliates.

Business Standards

It is necessary that all external printed communications incorporating the FirstEnergy name and/or logo or those of any subsidiaries or affiliates are consistent with the corporate identification policies developed by the Communications Department and outlined in FirstEnergy's Graphic Standards Manual.

Authority and Responsibility

The Communications Department has responsibility for directing all external use of FirstEnergy companies' names and logos. This includes, but is not limited to, vehicle identification, advertising, collateral material, Internet/Intranet, printed material for mass circulation, FirstEnergy stationery and forms, signage, posters, advertising novelties or premium items, and other merchandise.

Scope

This Business Practice covers employees of FirstEnergy, contractors, temporary workers, business partners, vendors, or any person engaged by FirstEnergy and granted access to FirstEnergy information.

References

Corporate Signature Policy

Graphic Standards Manual (available in Communications)

Advertising and Promotions

	Business Practice #6.9
	Date: 11/9/04
Promotions	

Business Need

The competitive energy marketplace requires that we engage in advertising and promotions to support the Company initiatives, promote available products and services, increase awareness of its services, recrult employees, and to promote brand recognition and enhance our image to our customers, investors, key opinion leaders, regulators, elected officials and all other constituencies important to FirstEnergy's success.

Business Standards

FirstEnergy promotes its products and services in a fair, truthful and ethical manner.

Authority and Responsibility

The Communications Department has responsibility for developing all advertising and promotional materials and implementing them in all media, including the Internet. The Communications Department also has responsibility for graphic design and copy editing or copy review for all printed materials intended for broad public distribution, including on the Internet and Intranet. In addition, the Communications Department will coordinate the implementation of research designed to measure customer attitudes and focus the messages of any advertising and promotional materials.

Scope

This business practice covers employees of FirstEnergy, contractors, temporary workers, business partners, vendors, or any person engaged by FirstEnergy and granted access to FirstEnergy information.

Political Activity

FirstEnergy Business Practices	Business Practice #7.1
	Date: 11/10/04

Business Need

It is important to separate personal political activity from FirstEnergy's political activities in order to comply with the appropriate rules and regulations related to lobbying or attempting to influence government officials.

Business Standards

FirstEnergy encourages employees to participate in the political process as private citizens. However, employees may not work on behalf of a candidate's campaign during working hours or at any time use FirstEnergy facilities or property for that purpose. FirstEnergy will not reimburse employees for money or personal time contributed to political campaigns. FirstEnergy is prohibited from making corporate contributions to candidates, office holders, and political parties at the federal, state and local level. FirstEnergy's Political Action Committee (FEPAC), through voluntary contributions from eligible employees, contributes to federal and state candidates, office holders, and political parties.

Authority and Responsibility

FirstEnergy's Governmental Affairs Department and Federal Governmental Affairs Department are responsible for developing and maintaining relationships with all elected or appointed officials, candidates, and staff members on the state and federal levels, respectively.

Scope

The policies related to political activity apply to employees of FirstEnergy.

References

Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

Government Transactions and Relations

FirstEnergy Business Practices	Business Practice #7.2
Subject: Government	Date: 11/10/04
Transactions/Relations	

Business Need

FirstEnergy's business transactions frequently involve local, state, and federal governments and sometimes foreign governments. The laws and regulations governing transactions with governmental entities impose special rules and may have requirements not usually found in transactions with private parties. For example, a gift that may be acceptable to give to a private party may be prohibited when given to a government employee.

Business Standards

All employees involved in government business activities will adhere to the ethical standards of government rules and regulations as well as our Code of Business Conduct.

The recruitment and employment of former or current government employees is subject to complex rules that change frequently and vary according to type of employment. In some cases, these rules may also apply to the immediate family of the government employee. Each situation should be considered on an individual basis.

Authority and Responsibility

The Legal Department will provide guidance on the appropriate behavior for employees due to any special legal requirements involved in government transactions/relations. Employees of FirstEnergy's U.S. Companies desiring to hire current or former government officials must obtain prior written approval from both the Human Resources and Legal Departments.

Employees whose jobs involve business with any government entity should know and understand the rules applicable to their jobs.

Scope

The policies related to government transactions/relations apply to employees of FirstEnergy.

References

Gifts and Gratuities Business Practice
Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

Charitable Contributions and Civic Activities

FirstEnergy Business Practices	Business Practice #7.3
Subject: Charitable Contributions	Date: 11/10/04
and Civic Activity	

Business Need

FirstEnergy is frequently asked to contribute to non-profit organizations to enrich the quality of life in the communities we serve. Civic activities of sharing time and talent are another way we can contribute to the communities where we work and live.

Business Standards

FirstEnergy Foundation is an avenue to engage our stakeholders and invest our resources for the public good, parallel to our business purposes. The FirstEnergy Foundation supports the arts, education, health and human services, civic and cultural areas. Corporate Contributions allow for participation in community based events. We endorse federated giving campaigns, including United Way organizations. The FirstEnergy Foundation also provides Matching Gifts for employee contributions within certain limits.

Decisions for charitable contributions and FirstEnergy Foundation grants are based on established priorities. Those priorities are to ensure the safety and health of the community, to promote economic development, to advance professional development, and to support employee involvement and investment.

Employees may choose to participate in civic activities and volunteer initiatives and are encouraged to do so for their personal benefit. FirstEnergy will inform employees of volunteer opportunities available when requested, and, from time to time, will support specific community volunteer initiatives. Civic activities allow employees to expand their skills, enhance their communities, and derive personal satisfaction from their efforts.

Authority and Responsibility

The Contributions Department will budget, process and review or approve all charitable corporate contributions, levy support and special event participation for non-profit organizations. Contributions decisions will include recommendations from the FirstEnergy operating companies on non-profit organizations located in the companies' service areas. Contributions are not to be budgeted in other areas of FirstEnergy.

On occasion FirstEnergy contributes to nonpartisan committees organized for specific issues, such as school or library levies, or other general-purpose initiatives. FirstEnergy will support such levies only if the campaign and the organization are clearly nonpartisan and the issue addresses a genuine community need.

All contribution budget requests should be submitted for recommendation to the subsidiary president or regional president where the organization is based, then forwarded to the Contributions Manager for consideration within the normal budget process cycle.

One's civic activities, while voluntary, reflect on the Company. Employees should choose to support organizations that further their own civic and cultural values and are in concert with FirstEnergy values. Employees may engage in volunteer efforts during their routine work schedule only with approval of their supervisor and when the volunteer activity does not impair their work performance.

FirstEnergy Foundation

The Contributions Department will relay all eligible requests to the FirstEnergy Foundation Contributions Committee for consideration and disposition. The FirstEnergy Foundation does not consider funding for organizations that are not tax-exempt under the U.S. Internal Revenue Code Section 501 (c)(3). Generally, the FirstEnergy Foundation will not support direct grants to individuals; political or legislative activities; organizations that receive sizable public tax funding; fraternal, religious, labor, athletic, social or veterans organizations; national or international organizations; research; equipment purchases; elementary or secondary schools; or loans or second party giving such as endowments, debt retirement, or other foundations.

The FirstEnergy Foundation Matching Gifts program encourages employees to increase their generosity. We match employee contributions, at prescribed levels, to qualifying educational, cultural, youth, civic, and health and human services organizations not supported by federated campaigns. Matching Gift forms are available from the Contributions Department.

The award value of each Foundation gift is considered separately. FirstEnergy Foundation contributions for capital or building funds are generally limited to a cap of one percent of the total campaign request. The FirstEnergy Foundation Contributions Committee reserves the right to review and revise the eligibility of organizations and all decisions of the Committee are final.

Scope

This policy applies to FirstEnergy employees.

References

Cost Allocation Manual
Contributing to Our Communities

Corporate Memberships

FirstEnergy Business Practices	Business Practice #7.4
Subject: Corporate Memberships	Date: 11/10/04

Business Need

FirstEnergy holds memberships and employees participate in selected organizations and trade associations to build professional expertise and to establish and maintain relationships with members of those organizations with whom we share common interests.

Authority and Responsibility

The Contributions Department is responsible for budgeting, reviewing, and processing all corporate membership requests, submitted by Senior Management and managerial staff members.

Corporate memberships will include:

- Major state, regional or national organizations representing the energy industry and related technologies
- Major local, regional and national business organizations concerned with economic development
- Organizations that provide standards and expertise related to our business, and
- Other specialized organizations with which we share common interests.

Corporate memberships are distinct from individual memberships. Individual membership dues to professional and technical societies are payable by the employee desiring membership, as are dues to service clubs and other organizations that an employee may choose to join. Dues for an employee's individual membership should not be charged to or otherwise paid for by FirstEnergy and should not be budgeted by the Company, unless the membership is held at the Company's specific request. Individual memberships, and the dues, fees and assessment associated with membership, held at the Company's request are chargeable to FirstEnergy and should be submitted for reimbursement through expense account reporting.

Attending any state, regional, national or international meeting must be approved in advance of the meeting by the supervising Vice President to be eligible for reimbursement. Employees should discuss the obligations with their supervisors before accepting a committee assignment or nomination for office of a state or global organization particularly when the duties of such an external assignment will entail

significant amounts of business expense and travel time.

All Corporate memberships will be budgeted and processed through the Corporate Contributions Department.

Scope

This policy applies to memberships held by the electric distribution companies; FirstEnergy Services, and FirstEnergy corporate departments.

References

Cost Allocation Manual

Travel

FirstEnergy Business Practices	Business Practice #7.5
	Date: 11/10/04
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Business Need

FirstEnergy is committed to providing creative and reasonable cost solutions to the Company's business travel needs.

Business Standards

The Supply Chain Department has established the travel policy to provide reasonable oversight and consistency of travel arrangements throughout the Company. Employees need to be aware of the benefits and requirements of the travel policy. FirstEnergy will reimburse individuals for reasonable, properly approved and substantiated travel and expenses in accordance with the travel policy.

Authority and Responsibility

The Supply Chain Department is responsible for providing travel arrangement facilities and Corporate travel contracts. The Supply Chain Department's responsibilities include defining communication methods of the travel policy; advising employees on travel issues; and developing, distributing and modifying the travel policy and procedures. The Controller's Department is responsible for expense reimbursement, and applicable expense reimbursement standards, procedures, and documentation.

Employees' travel and expense reports will be reviewed by their supervisors.

Scope

The policies related to travel apply to employees of FirstEnergy.

References

<u>Travel Policy</u>
<u>Dedicated Aircraft Policy</u>
<u>Human Resources Letter 206 - Temporary Work Assignment Policy</u>
<u>Corporate Policy 301 - FirstEnergy Employee Concerns Line **1-800-683-3625**</u>

Employee Expense Accounts

FirstEnergy Business Practices	Business Practice #7.6
Subject: Employee Expense	Date: 11/10/04
Accounts	

Business Need

Certain employees incur transportation, lodging, meal, entertainment and other expenses as a function of their job at FirstEnergy. Employee expense accounts provide a means for employees to be reimbursed for reasonable business expenses.

Authority and Responsibility

Employees have the responsibility to document all business-related expenses and the business purpose of each. All eligible employees should submit completed expense accounts to their supervisor in a timely manner, promptly after the close of the calendar month in which expenses were incurred. On request of members of Senior Management or their direct reports, the Controller may designate other management employees to approve expense accounts. When approved by a Manager or the assigned designate, properly completed forms are submitted to Transaction Accounting Services for reimbursement.

The Controller establishes and maintains procedures for Employee Expense Accounts as defined in Accounting Bulletin M-1, in accordance with prevailing IRS guidelines.

Expense accounts must document all travel costs, car mileage reimbursement, social/country club dues and expenses, professional fees, business meals/entertainment, meeting fees and related costs, and other reimbursable expenses, even if the cost was paid directly by the Company. Expenses paid directly by the Company must be identified as such on the expense account to avoid inappropriate reimbursement.

Scope

Bargaining Unit employees are covered by separate expense reimbursement policies as defined in pertinent union agreements. Expense account policies apply to all other employees who regularly incur expenses on behalf of the Company.

References

Accounting Bulletin M-1 - Employee Expense Accounts
Accounting Bulletin M-2 - Reimbursement for Meals

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Confidential and Proprietary Information

FirstEnergy Business Practices	Business Practice #8.1
	Date: 11/10/04
Proprietary Information	

Business Need

Information created or gained by FirstEnergy in the conduct of its business, such as customer or vendor information, systems information, employee data, financial data, research data, strategic plans, statistical information or trade secrets, is confidential and proprietary. Confidential information that ends up in the hands of our competitors could cause significant damage to the business of FirstEnergy.

Business Standards

Information of a private and sensitive nature will be controlled and protected to prevent arbitrary and careless disclosure. Confidential information will not be disclosed to persons outside FirstEnergy, including family members, and will be shared only with other FirstEnergy employees who have a "need to know." Confidential or proprietary information gained from FirstEnergy employment will not be used for personal purposes or for the benefit of persons outside FirstEnergy. Confidential information will not be sent over the Internet without proper security measures in place.

All employees, contractors, vendors and any other persons engaged by FirstEnergy (referred to collectively as clients) have an important role to play as well as a responsibility to protect the information entrusted to their care.

Authority and Responsibility

The Legal Department is responsible for developing and administering policies related to confidential and proprietary information. The Senior Management Committee and the Legal Department will determine what actions will be taken regarding the protection, ownership, transfer or use of any intellectual property, confidential information, trade secrets or other property of FirstEnergy.

Scope

The policies related to confidential and proprietary information apply to employees and clients of FirstEnergy using FirstEnergy's information resources. Information may be broadly defined as any document, report, intellectual property, proprietary internal data or third party data regardless of the format (e.g., electronic, printed, or spoken) or storage media.

References

Information Classification Policy Information Security Policy Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

Insider Trading

_	Business Practice #8.2
	Date: 11/10/04

Business Need

FirstEnergy is committed to fully complying with laws and rules applicable to transactions in securities of FirstEnergy or its subsidiaries based on material nonpublic information.

Business Standards

The Company has updated its Insider Trading Policy that is maintained by the Corporate Department. Use the link below to reference this policy.

Authority and Responsibility

All directors, officers and employees of FirstEnergy or its subsidiaries must refrain from buying or selling securities of the Company or its subsidiaries while aware of material information gained in their job or directly or indirectly from an Insider of the Company that is not public knowledge. As allowed under the Securities and Exchange Commission regulations, FirstEnergy employees who are frequently in possession of material nonpublic information may enter into a written 10b5-1 plan to buy or sell securities of the Company or its subsidiaries while not aware of any material nonpublic information. This plan must be approved by the Company.

The Corporate Department is responsible for monitoring the Insider Trading Policy.

Scope

This policy applies to directors, officers, and employees of FirstEnergy or its subsidiaries who engage in buying or selling securities of the Company or its subsidiaries.

Policy References

Laws and regulations applicable to insider trading include: The Securities Act of 1933; the Securities Exchange Act of 1934; The Insider Trading and Securities Fraud Enforcement Act; Regulation FD (Fair Disclosure); and the Sarbanes-Oxley Act of 2002. Additionally, we must comply with various State regulations and the New York Stock Exchange Rules

Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625
Insider Trading Policy

Financial Reporting and Records

FirstEnergy Business Practices	Business Practice #8.3
Subject: Financial Reporting and	Date: 11/10/04
Records	

Business Need

Existing and potential investors, creditors, customers, and other stakeholders rely upon the financial statements of FirstEnergy and its subsidiaries. It is vital that all financial and accounting information be accurate, complete, objective, and in compliance with generally accepted accounting principles (GAAP) in the United States and conform to all regulatory reporting requirements.

Business Standards

Employees of FirstEnergy and its subsidiary companies will record accounting transactions in an objective and timely manner. All accounting transactions will be recognized in the appropriate accounting periods and all financial statements and disclosures will be objectively prepared in accordance with GAAP and applicable laws and regulations. Our integrity will never be compromised in order to achieve targeted financial results.

All employees will fully cooperate with requests for accounting and other informational needs from the Company's internal auditors and its independent public accountants.

Authority and Responsibility

The Controller is the Chief Accounting Officer and has the authority and responsibility for accounting policies and procedures; preparing and reporting the consolidated financial statements and other financial information (external and internal); budgeting; oversight over preparing and reporting of subsidiaries' financial statements; researching, monitoring, and interpreting accounting pronouncements and standards; planning, preparing and timely filing tax returns and reports; and coordinating audits by external auditors.

Scope

FirstEnergy employees must comply with the accounting and financial policies and procedures.

References

Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

Internal Auditing

FirstEnergy Business Practices	Business Practice #8.4
	Date: 11/10/04

Business Need

Management has a fiduciary and legal obligation to provide reasonable oversight over operations, assets, and financial and operational information. The Internal Auditing Department assists management by objectively appraising operations and controls, and recommending innovative solutions to help management achieve their business objectives. The performance of audits does not relieve management of its responsibilities.

Authority and Responsibility

The Internal Auditing Department reports to the Audit Committee of the Board of Directors and the Chief Financial Officer of FirstEnergy. The Internal Auditing Department does not have direct authority over the activities or areas audited. The Internal Auditing Department has the authority and responsibility to select and perform audits; to objectively and independently report audit results and agreed upon corrective actions to appropriate levels of management; to appraise internal control systems and accounting practices as to their soundness, adequacy, and compliance with generally accepted accounting principles, applicable laws and regulations; to assess the efficient and effective purchase and use of corporate assets; to assess the reliability and integrity of systems and software; and to assess the efficiency and effectiveness of operations and compliance with objectives, policies, laws, and contracts.

Scope

The Internal Auditing Department has unrestricted access to all of FirstEnergy's and its subsidiaries' records, property, systems, and personnel necessary to conduct a comprehensive program of financial, operational, information technology, and compliance audits. All employees are expected to cooperate and provide full access to the Internal Auditing Department.

Records Accuracy and Management

FirstEnergy Business Practices	Business Practice #8.5
Subject: Records Accuracy and	Date: 11/17/06
Management	

Business Need

Accurate and complete records are crucial for operating a successful business and for compliance with legal, regulatory, tax and financial reporting requirements. Employees who enter information into a business record have a responsibility to do so in a truthful, accurate, legible and timely manner.

Business Standards

We will manage all business records, as defined in the Records Retention Policy, in accordance with legal, regulatory, tax and financial reporting requirements. While FirstEnergy prohibits the unauthorized destruction of, or tampering with, any information that constitutes a business record, it will consistently authorize the destruction of business records according to the Company's Retention Schedule, unless FirstEnergy has conducted an internal investigation or has knowledge of, or has reason to know of, threatened or a pending government investigation or litigation relating to the records. In that case, the destruction of business records will be subject to a legal hold until otherwise notified.

Authority and Responsibility

All FirstEnergy employees are responsible for creating, receiving, retaining and disposing of business records in accordance with FirstEnergy's Records Retention Policy. The Records and Information Compliance Department is responsible for maintaining and distributing the FirstEnergy records retention schedule. The Legal Department will provide guidance on the retention periods for records required by law, and for the legal hold process.

FirstEnergy employees are responsible for preparing accurate records and managing them in accordance with FirstEnergy policies. Management will ensure business records maintained by their departments are retained and disposed of in accordance with the records retention schedule. Each FirstEnergy employee is responsible for providing truthful, accurate and timely information to, or on behalf of, FirstEnergy.

Scope

FirstEnergy employees will comply with the records management policies and procedures. These policies and procedures apply to all business records on any media such as paper, electronic, and microfilm.

References

Record Retention Schedule
Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

Use of Company Assets and Property

	Business Practice #9.1
- Q	Date: 11/10/04
Assets and Property	

Business Need

The proper use of Company assets and property directly impacts financial success.

Business Standards

The use of Company assets and property for individual profit or any unlawful, unauthorized personal or unethical purpose is prohibited. Employees will not falsify documents or make false applications for FirstEnergy benefits.

Authority and Responsibility

The Industrial Relations Department is responsible for developing, implementing and distributing policies related to the use of Company assets and property. The Corporate Security Section will investigate and report on suspected theft and improper use of assets and property. The Corporate Security Section will notify the appropriate authorities if necessary. The Information Services Department is responsible for setting security policies and procedures to safeguard information assets and technology resources. Management at all levels will be responsible for the enforcement and promotion of the proper use of Company assets and property.

All employees are responsible for protecting Company assets and property from potential destruction, theft or misuse. All Company employees will prevent the unauthorized access of assets and property through the use of their passwords or other security codes.

Scope

The policies related to the proper use of FirstEnergy assets and property apply to employees of FirstEnergy.

Employees' use of FirstEnergy communications systems (i.e., Internet, Internal Web, electronic mail, voice mail, instant messaging) is not private. FirstEnergy reserves the right to monitor its communication systems.

References

Human Resources and Industrial Relations Letters 413 - Theft Policy
Information Security Policy
Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

Enterprise Risk

FirstEnergy Business Practices	Business Practice #9.2
rractices	
-	Date: 11/10/04

Business Need

Effectively managing the risks associated with achieving FirstEnergy's vision is vital, and risk management is an integral part of FirstEnergy's business decisions and culture.

Business Standards

Risks will be taken only after rigorous analysis that reflects a systematic approach to the risk management process. FirstEnergy's management team will identify risks, assess risks and prioritize exposures, control risks, and monitor risks and their effects on the achievement of our business objectives.

Authority and Responsibility The Audit Committee of the Board of Directors of FirstEnergy, on behalf of the Company and all subsidiary boards of directors, has general oversight responsibility of the activities specified in the Corporate Risk Management Policy.

A Risk Policy Committee (RPC), comprised of members of senior management, exercises an objective risk oversight function. They are responsible for promoting the effective administration of and compliance with the Corporate Risk Management Policy and prudent risk management practices. FirstEnergy's President will appoint RPC members.

The Enterprise-Wide Risk Management Department is responsible for assisting the business units in identifying and monitoring risk exposures, promoting consistency in risk management practices, and reporting aggregate risk and risk issues to the RPC on a timely basis.

FirstEnergy management has primary responsibility for assisting the business units in the risk management process, that is, the identification, measurement, management, monitoring and reporting of risks associated with their business activities. Each subsidiary is responsible for ensuring that the appropriate procedures are in place to effectively and efficiently administer Risk Management Policy responsibilities.

Scope

Policies related to enterprise risk apply to employees and subsidiaries of FirstEnergy.

References

Corporate Risk Management Policy (includes the Risk Management Framework incorporated within the Integrated Business Planning Process and all other Business Unit Risk Management Policies established by the Risk Policy Committee)

Electronic Security

<u> </u>	Business Practice #9.3
Subject: Electronic Security	Date: 11/10/04

Business Need

Electronic information is a critical resource and should be protected at a level corresponding with its value to FirstEnergy.

Business Standard

Management has fiduciary, regulatory, and legal responsibility to preserve and protect FirstEnergy information and technology resources. FirstEnergy will ensure these assets are reasonably protected from a variety of threats including error, fraud, misuse, improper disclosure, serious disruption of service, and violations of privacy agreements.

Authority and Responsibility

The Information Technology Security Department has a general charge to set security policies and procedures to safeguard FirstEnergy Information assets and technology resources; provide direction to other departments for the protection of information and other technology resources; determine the appropriate means to monitor compliance with information security policies and procedures; set the appropriate reporting procedures for actual and suspected instances of information theft, misuse, and threats; and set the procedures for approval of exceptions to these policies.

Individuals' use of FirstEnergy communications systems (i.e., Internet, Internal Web, electronic mail, voice mail, instant messaging) is not private. FirstEnergy reserves the right to monitor its communication systems.

Scope

This policy covers all electronic corporate information, regardless of storage method or media, and applies to all employees of FirstEnergy; contractors; temporary workers; vendors; joint venture companies; and any person engaged by FirstEnergy and granted access to corporate information.

References

Information Classification Policy
FirstEnergy Enterprise Cyber Security Policy

Electronic Mail; Voice Mail; Internet and Internal Web Use

FirstEnergy Business Practices	Business Practice #9.4
Subject: Electronic Mall, Voice Mail, Internet and Internal Web	Date: 11/10/04
Use	

Business Need

Electronic mail, voice mail, Internet, Internal Web, and instant messaging services are provided as an efficient and effective means to communicate and conduct business.

Business Standards

These services will be used primarily for business purposes and will not be used for any illegal purposes, unauthorized solicitation, private business, or entertainment purposes. Incidental personal use is permissible provided the use consumes a trivial amount of resources, does not interfere with worker productivity, and does not preempt any business activity. We each have a responsibility to maintain and enhance FirstEnergy's public image and to use our communication systems in a productive manner. The nature of these services necessitates strong security mechanisms to ensure the authentication and authorization of users and the reliability and integrity of the services provided.

Individuals' use of FirstEnergy communications systems (i.e., Internet, Internal Web, electronic mail, voice mail, instant messaging) is not private. FirstEnergy reserves the right to monitor its communication systems.

Authority and Responsibility

The Information Technology (IT) Infrastructure Operations Department, in coordination with other departments, is responsible for providing Internet and Internal Web services, issuing policies that promote the proper use of these services, and ensuring the compliance with all policies governing the use and security of these services.

The IT Infrastructure Operations Department is responsible for providing electronic mail services, issuing policies that promote the proper use of electronic mail, and ensuring compliance with the policies.

The IT Network Operations Department is responsible for providing voice mail services, issuing policies that promote the proper use of voice mail, and ensuring compliance with the policies.

In the event a violation of this Business Practice, or its corresponding policies is discovered, the Director of Human Resources shall be promptly notified of the same, and will work with appropriate business departments to investigate and determine the proper course of action.

Scope

Electronic mail, voice mail, Internet, Internal Web, and instant messaging services policies apply to all employees of FirstEnergy, contractors, consultants, temporary employees, joint partners, etc. who use them, including individuals representing themselves as being connected with these services. Individuals who use these services are expected to comply with all policies related to these services.

References

Network and Internet Privacy and Acceptable Use Policy

FirstEnergy Enterprise Cyber Security Policy

Electronic Mail Policy

Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

Personal Use of Computer Equipment and Software

FirstEnergy Business Practices	Business Practice #9.5
	Date: 11/1/04
and Software	denomination of the second of

Business Need

Computer equipment is a significant capital investment and will be purchased and configured for business purposes.

Business Standards

Only authorized software is permitted to reside on Company computer equipment. Only authorized personnel are permitted to add, modify, or delete software on FirstEnergy computer equipment. Computer equipment that is not owned by FirstEnergy is not permitted to have Company owned software residing on it.

Incidental personal use is permitted as long as the use does not interfere with work productivity, preempt any business activity, or result in the appearance or reality of inappropriate use.

Authority and Responsibility

Information Technology (IT), in coordination with other departments, is responsible for purchasing, maintaining, configuring and connecting computer equipment to the network. IT is also responsible for issuing policies that govern the proper use of computer equipment and software.

Scope

Policies relating to the use of computer equipment and software apply to FirstEnergy employees, contractors, consultants, temporary employees, joint partners, etc. who use FirstEnergy's computers, including any computer equipment owned by FirstEnergy or connected to FirstEnergy's network. Individuals who use FirstEnergy computer equipment will comply with all policies governing the use of these assets.

References

Electronic Security Business Practice
FirstEnergy Enterprise Cyber Security Policy
Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

Intellectual Property

FirstEnergy Business Practices	Business Practice #9.6
Subject: Intellectual Property	Date: 11/10/04

Business Need

FirstEnergy identifies, maintains and protects its Intellectual property. Our goal is to maximize FirstEnergy's ability to realize the economic potential of its intellectual property.

Business Standards

FirstEnergy intellectual property will only be used for FirstEnergy business purposes and will not be shared with or provided to anyone outside FirstEnergy. The transfer of intellectual property between our regulated and unregulated businesses is governed by affiliate transactions regulatory requirements.

Authority and Responsibility

The Legal Department is responsible for developing and administering policies related to intellectual property. The Senior Management Committee and the Legal Department will determine what actions will be taken regarding the protection, ownership, transfer or use of any intellectual property, confidential information, trade secrets or other property of FirstEnergy (e.g., patents, trademarks, copyright, etc.).

All employees, contractors, vendors and any other person engaged by FirstEnergy are responsible for protecting FirstEnergy's intellectual property. Employees are required to disclose and assign to FirstEnergy all intellectual property they conceive of, develop, modify, or work on related to their job, while at work, or using FirstEnergy personnel, facilities, equipment, knowledge, information, resources or materials.

Scope

The policies related to intellectual property apply to employees of FirstEnergy.

Intellectual property (e.g., ideas, inventions, work product, discoveries, writings, documents, software, works of authorships, etc.) created, modified, conceived, developed or worked on by FirstEnergy employees in connection with their FirstEnergy work, or which in any way deals with the business of FirstEnergy is the property of FirstEnergy.

References

Information Classification Policy
Information Security Policy
Affiliate Transactions Business Practice
Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

Copyrights

FirstEnergy Business Practices	Business Practice #9.7
Subject: Copyrights	Date: 11/10/04

Business Need

FirstEnergy ensures that all printed material, audio, video, and software are used in the legal and legitimate manner for which they were obtained and that their use does not adversely impact the FirstEnergy's integrity and systems reliability.

Business Standards

Copyrighted materials will not be reproduced, distributed or altered without permission of the copyright owner or its authorized agent. Software used in connection with FirstEnergy's business will be properly licensed and used only in accordance with that license. Using unlicensed software could constitute copyright infringement.

FirstEnergy is a licensee of the Copyright Clearance Center. The Copyright Clearance Center represents many publishers and publications and licenses users to photocopy for internal Company use, all or part of printed documents including chapters of books, or newsletters, newspapers or magazine articles.

Authority and Responsibility

The Legal Department is responsible for developing, administering and disseminating policies related to copyright laws. The Legal Department will assist in gaining FirstEnergy permission from the copyright owner or its authorized agent to copy or use all or any part of a copyrighted work. The Legal Department will determine what actions will be taken regarding potential copyright law violations. The Business Information Center maintains our Copyright Clearance Center license and distributes information regarding employees' proper use of the license. The Business Information Center can advise employees whether a document is covered by our Copyright Clearance Center license.

Employees are responsible for using copyrighted works only as legally permitted. Employees should direct questions regarding whether a work is protected by copyright to the Legal Department.

Scope

The policies related to copyrights apply to employees of FirstEnergy. Works that are extended copyright protection are any original works of authorship and include: printed works such as books, newspapers, and magazines; musical works; motion pictures and other audiovisual works; sound recordings; photographs and other original art works; and software.

References

Personal Use of Company Equipment and Software Business Practice

Appendix (10-c) Business Practices

Copyright Clearance Center website: www.copyright.com

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International Business (Foreign Corrupt Practices Act)

	Business Practice #10.1
•	Date: 11/10/04

Business Need

FirstEnergy expects directors, officers, employees and agents of FirstEnergy companies ("FirstEnergy Persons") who conduct international business for a FirstEnergy Company or on its behalf to understand and comply with the Foreign Corrupt Practices Act as well as laws of the countries where FirstEnergy has business operations. FirstEnergy is committed to fostering ethical business conduct by all FirstEnergy Persons.

Business Standards

FirstEnergy expects FirstEnergy persons to ensure that payments made by or on behalf of FirstEnergy are made only for legitimate business purposes. No FirstEnergy Person is permitted to offer or pass, directly or indirectly, anything of value (e.g. gifts, kickbacks, or other payments or consideration) to any third party (e.g. customer, supplier, employer, government official, or any other person) while knowing or having reason to know that it will be used to influence others in any transaction affecting FirstEnergy. No FirstEnergy Person is permitted to ask for or accept, directly or indirectly, any gift, favor, or other improper payment or consideration from a customer, supplier, government official, or from any other person in return for assistance or influence concerning any transaction affecting FirstEnergy. FirstEnergy considers a "Foreign Official" to be any officer or employee of a foreign government or any department, agency, or instrumentality thereof, or of a public international organization, or any person acting in an official capacity for or on behalf of any such government or department, agency, or instrumentality, or for on behalf of any such public international organization. No FirstEnergy Person may make a payment of any kind to a Foreign Official, politician, or official of a political party, with a view toward aiding, obtaining, or maintaining a business relationship within or having to do with a foreign country which may constitute a violation of the Foreign Corrupt Practices Act.

Using an expense account to deviate from any of these policies is strictly forbidden.

FirstEnergy Persons must keep financial records that accurately and fairly record business transactions and the disposition of FirstEnergy companies' assets and property, both outside and inside the United States.

Authority and Responsibility

The Legal Department is responsible for developing, administering and disseminating policies related to international business, the Foreign Corrupt Practices Act and other anti-corruption laws. The General Counsel will determine what actions will be taken to respond to potential violations.

Management at all levels is responsible for enforcement FirstEnergy's international business policies. FirstEnergy Persons are responsible for conducting FirstEnergy business ethically at all times and for avoiding any activities which could involve FirstEnergy in any unlawful practice. In their dealings with people outside of FirstEnergy, FirstEnergy Persons are expected to remain alert to possible international business corruption problems and to bring possible problems to the attention of management and the General Counsel immediately so that FirstEnergy can respond appropriately. FirstEnergy Persons should direct their questions concerning appropriate international business practices to the Legal Department or the Internal Auditing Department.

Scope

The policies related to International Business apply to all FirstEnergy directors, officers, employees and agents. Including all persons acting for, or on behalf of, FirstEnergy Corp. or any of the FirstEnergy companies covered in Business Practice 1.3 - Business Practice Overview.

References

Corporate Policy 101 - FirstEnergy Code of Business Conduct

Corporate Policy 201 - Conflicts of Interest

Business Practice 1.3 - Business Practices Overview

Business Practice 6.5 - Gifts and Gratuities

Business Practice 7.6 - Employee Expense Accounts

Business Practice 10.2 - International Gifts, Entertainment and Travel

Business Practice 10.3 - Facilitating Payments

Business Practice 10.4 - International Consultants

Business Practice 10.5 - International Political Contributions

International Gifts, Entertainment and Travel

FirstEnergy Business Practices	Business Practice #10.2
Subject: International Gifts,	Date: 11/16/04
Entertainment and Travel	

Business Need

Although the FCPA does not ban all gifts to, and entertainment of, Foreign Officials, it imposes strict requirements. FirstEnergy considers a 'Foreign Official' to be any officer or employee of a foreign government or any department, agency, or instrumentality thereof, or of a public international organization, or any person acting in an official capacity for or on behalf of any such government or department, agency, or instrumentality, or for or on behalf of any such public international organization. Even a small gift or inexpensive entertainment can violate the FCPA if its purpose is to influence an official improperly to award business to the company. In some countries, any gifts to or entertainment of Foreign Officials is illegal under local law. Care must be exercised to ensure that FirstEnergy and its employees and agents do not violate such local laws. On the other hand, in some cases, payments for travel, entertainment and related expenses, as well as nominal gifts to Foreign Officials may be permissible. If the gift or entertainment is later questioned, FirstEnergy must be able to explain why the payment or gift was made and demonstrate its reasonableness with contemporaneous and complete documentation.

FirstEnergy expects the directors, officers, employees and agents of all FirstEnergy companies ('FirstEnergy Persons') to exercise their good judgment in giving gifts to or entertaining Foreign Officials and not to take any action that might embarrass the company or expose it to legal liability. To decrease the risk of legal liability, FirstEnergy has decided that (i) gifts and entertainment reasonably valued at US\$100 or more may be made by FirstEnergy Persons only with Legal Department pre-authorization, (ii) all gifts to and entertainment of Foreign Officials, of any value, must be correctly recorded in the appropriate accounts, and (iii) all gifts to and entertainment of Foreign Officials must be reported to the Legal Department promptly, even if their value does not exceed US\$100. For purposes of this policy, a gift is defined as a token of esteem or appreciation made with no expectation of receiving anything in return.

Business Standards

Gifts to and entertainment of Foreign Officials reasonably valued at more than US\$100 may not be made without first obtaining written approval from the FirstEnergy Legal Department. Whether or not they are subject to approval under this policy, all expenses associated with gifts to and entertainment of Foreign Officials, in any amount, must be reported promptly to the Legal Department, and must be recorded appropriately in the books and records of the company, identifying the date and nature of the gift or entertainment, the recipient's name, and the business need for the gift or entertainment. Documentation of the FirstEnergy pre-approval process must also be included

if the reasonable value of the gift or entertainment exceeds US\$100.

Authority and Responsibility

- All FirstEnergy Persons are responsible for making gifts and conducting entertainment in accordance with the requirements of the Foreign Corrupt Practices Act and applicable foreign law.
- All FirstEnergy Persons are responsible for giving gifts and conducting entertainment only in ways that are unlikely to improperly influence the recipients, create embarrassment for FirstEnergy or give the appearance of impropriety.
- All FirstEnergy Persons are responsible for (I) obtaining Appropriate
 Authority approval of any gift to or entertainment of Foreign Official(s)
 that could reasonable be estimated to exceed US\$100 in value, (ii)
 recording all such gifts or entertainment properly in the appropriate
 accounting records, and (iii) promptly reporting all gifts or
 entertainment of Foreign Official(s) to the Legal Department.
- The Internal Auditing Department is responsible for confirming gifts to and entertainment of Foreign Officials have been recorded in appropriate accounting records, and for confirming these facts to the Legal Department.

Scope

The policies related to International Gifts, Entertainment and Travel apply to all FirstEnergy directors, officers, employees and agents, including all persons acting for, or on behalf of, FirstEnergy Corp. or any of the FirstEnergy companies listed in Business Practice 1.3 - Business Practice Overview.

References

Corporate Policy 101 - FirstEnergy Code of Business Conduct

Corporate Policy 201 - Conflicts of Interest

Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

Business Practice 1.3 - Business Practices Overview

Business Practice 6.5 - Gifts and Gratuities

Business Practice 7.6 - Employee Expense Accounts

Business Practice 10.1 - International Business (Foreign Corrupt Practices Act)

Business Practice 10.3 - Facilitating Payments

Foreign Corrupt Practices Act

Facilitating Payments

1	Business Practice #10.3
Subject: Facilitating Payments	Date: 11/16/04

Business Need

In some countries where FirstEnergy does business, low-level government employees may ask for - or expect - small payments in return for expediting 'Routine Governmental Actions.' Such payments are commonly known as 'Facilitating Payments.' FirstEnergy is opposed to making Facilitating Payments, and asks the directors, officers, employees and agents of all FirstEnergy U.S. companies ('FirstEnergy Persons') to make every effort to avoid them. However, we understand that it may not always be possible to do so.

Examples of Routine Governmental Actions could include clearing cargo through customs without unreasonable delay, or promptly issuing a work permit or visa. (Facilitating Payments also differ from gifts, which are tokens of esteem made without any expectation of receiving something in return.) If certain conditions are met, small payments to non-U.S. government officials in return for a Routine Governmental Action may not violate the United States Foreign Corrupt Practices Act ('FCPA'). Such payments must be recorded accurately in the company's accounting records. But deciding whether a particular payment could qualify for an exception under the FCPA is a highly technical and fact-dependent determination. The consequences of violating the FCPA are severe, both for FirstEnergy, and for its employees. Particularly after the fact, it can be difficult to distinguish a Facilitating Payment from an illegal 'bribe.' Even if the Facilitating Payments are legal under the FCPA, they may be in violation of foreign law. To minimize these risks, the Legal Department shall be consulted as to any proposed facilitating payment.

Facilitating Payments made to U.S. government officials are illegal under United States law, and FirstEnergy will never authorize such payments.

Business Standards

No FirstEnergy Person may make or offer to make a Facilitating Payments of any amount or kind to any Foreign Official without first obtaining written approval from the FirstEnergy Legal Department. All Facilitating Payments must be recorded appropriately in the books and records of the company, identifying the date and amount of payment or item of value, the recipient's name, the business need for the Facilitating Payment, and including documentation of the FirstEnergy pre-approval process. No Facilitating Payment of any kind or amount may be made to an official or employee of the U.S. government or U.S. government-related entity.

Authority and Responsibility

The Legal Department is responsible for approving all Facilitating Payments before they are made, and for reviewing the relevant accounting records to ensure all Facilitating Payments have been properly recorded. The Internal Auditing Department is responsible for confirming all pre-approved Facilitating Payments have been recorded in appropriate accounting records, and for supporting the Legal Department's analysis of those records.

Scope

The policies related to Facilitating Payments apply to all FirstEnergy directors, officers, employees and agents, including all persons acting for, or on behalf of, FirstEnergy Corp. or any of the FirstEnergy U.S. companies listed in Business Practice 1.3 - Business Practice Overview.

References

Corporate Policy 101 - FirstEnergy Code of Business Conduct

Corporate Policy 201 - Conflicts of Interest

Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-

683-3625

<u>Business Practice 1.3 - Business Practices Overview</u>

Business Practice 6.5 - Gifts and Gratuities

Business Practice 7.6 - Employee Expense Accounts

Business Practice 10.1 - International Business (Foreign Corrupt

Practices Act)

Business Practice 10.2 International Gifts, Entertainment and Travel

Foreign Corrupt Practices Act

International Consultants

FirstEnergy Business Practices	Business Practice #10.4
Subject: International	Date: 11/16/04
Consultants	DEPTH OF THE PROPERTY OF THE P

Business Need

Foreign Corrupt Practices Act ('FCPA') liability often results when companies use International Consultants to perform services for the company that involve interacting with foreign government officials. For purposes of this policy, the term 'Foreign Official' means any officer or employee of a foreign government or any department, agency, or instrumentality thereof, or of a public international organization, or any person acting in an official capacity for or on behalf of any such government or department, agency, or instrumentality, or for or on behalf of any such public international organization. An 'International Consultant' is any person or entity providing business, professional, lobbying, technical or similar advice to FirstEnergy and whose services to FirstEnergy involve interacting with Foreign Officials. The term 'International Consultant' expressly includes persons or entities hired to facilitate relationships between FirstEnergy and Foreign Officials.

Contractual protection in consulting agreements is not enough to protect FirstEnergy if a reasonable investigation of the International Consultant would have disclosed circumstances that could have alerted FirstEnergy to a possibility that the International Consultant would offer a bribe to advance FirstEnergy's interests. It is critical that FirstEnergy know the International Consultants it hires, and be able to verify their reputation for honesty. For this reason, FirstEnergy has mandatory procedures that must be followed before an International Consultant is retained by any FirstEnergy Company.

Business Standards

No FirstEnergy U.S. company director, officer, employee or agent ('FirstEnergy Person') may make a written or oral contractual commitment to any prospective or current International Consultant who will interact with Foreign Officials until after the Legal Department has approved the hiring decision in writing. No contract with such an International Consultant is ever considered a 'standard contract agreement' for purposes of Business Practice 6.1: Contacts and Approvals.

Authority and Responsibility

The Legal Department or its designee is responsible for reviewing the due diligence investigation process for all prospective FirstEnergy International Consultants who will interface with Foreign officials to ensure that all internal policies have been properly followed. The Audit Department is to perform periodic reviews for compliance. FirstEnergy Persons are responsible for notifying the Legal Department in all hiring decisions involving International Consultants, and for following the Legal Department's instructions concerning appropriate due diligence investigations relating to that International Consultant.

Scope

The policies related to International Consultants apply to all FirstEnergy directors, officers, employees and agents, including all persons acting for, or on behalf of, FirstEnergy Corp. or any of the FirstEnergy U.S. companies listed in Business Practice 1.3 - Business Practice Overview.

References

Corporate Policy 101 - FirstEnergy Code of Business Conduct
Corporate Policy 201 - Conflicts of Interest
Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625
Business Practice 1.3 - Business Practices Overview
Business Practice 10.1 - International Business (Foreign Corrupt Practices Act)
Foreign Corrupt Practices Act

Human Resource Letters

Participating Companies

Human Resources Letter 11 - Participating Companies

Equal Employment Opportunity and Affirmative Action

<u>Human Resources Letter 101 - Equal Employment Opportunity/Affirmative Action Policy</u>

Human Resources Letter 102 - Sexual Harassment Policy

<u>Human Resources Letter 103 - Policy on Harassment Based on Race, Color,</u>

Religion, Gender, National Origin, Age, Disability, Ancestry and Veteran Status

Human Resources Letter 104 - Employment of Individuals with Disabilities

Human Resources Letter 105 - Affirmative Action Program for Minorities and

Human Resources Letter 106 - Affirmative Action Program for Individuals with Disabilities, Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans

Human Resources Letter 107 - Internal Discrimination Compliant Procedure

Employment and Staffing

Human Resources Letter 201 - Employment Relationships and Policy

Human Resources Letter 202 - Hiring Practices

Human Resources Letter 204 - Relocation Program for Current Employees

Human Resources Letter 205 - Relocation Program for New Hires

Human Resources Letter 206 - Temporary Work Assignment (TWA) Policy

Human Resources Letter 207 - Alternative Work Arrangements

Human Resources Letter 208 - Access to Employee Records

Human Resources Letter 209 - Employee Referral Bonus Program

Human Resources Letter 210 - Background Investigation Procedure

Human Resources Letter 211 - Managing Contingent and Project Scope Worker

Employee Relations

Human Resources Letter 301 - Problem Resolution Procedure

Human Resources Letter 302 - Guidelines for Supervisors on Referring

Employees to the Employee Assistance Program

<u>Human Resources Letter 303 - Company Position on Use or Possession of Alcohol and Drugs</u>

Human Resources Letter 304 - Company Drug and Alcohol Testing Policy

Human Resources Letter 305 - Employee Clubs

Human Resources Letter 306 - Condolence Expression

<u>Human Resources Letter 307 - Employee Service Recognition</u>

Human Resources Letter 308 - Employee Attendance Policy

Health, Safety and Security

Human Resources Letter 401 - Health and Safety Policy

Human Resources Letter 402 - Physical Examinations

Human Resources Letter 403 - Fire Prevention and Emergencies

Human Resources Letter 404 - No Smoking Policy

Human Resources Letter 405 - Safety Eyewear and Safety Shoes

Human Resources Letter 411 - Handling Bomb Threats

Human Resources Letter 412 - Position Regarding Violence in the Workplace Human Resources Letter 413 - Theft Policy

Compensation Policies for Management and Administrative Employees

Human Resources Letter 501 - Total Compensation Program

Human Resources Letter 502 - Job Pricing

Human Resources Letter 503 - Base Pay

Human Resources Letter 504 - Employee Incentive Plan

Human Resources Letter 505 - Hiring Rates

Human Resources Letter 506 - Promotions

Human Resources Letter 507 - Temporary Promotion to Supervisor

Human Resources Letter 508 - Transfers & Special Assignments

Human Resources Letter 509 - Exempt Extra Hours Compensation

Human Resources Letter 510 - Non-Exempt Extra Hours Compensation

Human Resources Letter 511 - Shift Premiums

<u> Human Resources Letter 512 - Celebrate Success Awards</u>

Human Resources Letter 513 - Non-Bargaining Discretionary Awards

Disability Management

Human Resources Letter 601 - Administrative Procedures for All Employees with Extended Injuries or Illnesses
Human Resources Letter 602 - Catastrophic Assistance and Relief for Employees

Appendix (10-c) Business Practices

Corporate Policies

Corporate Policy 101 - FirstEnergy Code of Business Conduct
Corporate Policy 201 - First Energy Conflicts-of-Interest Policy
Corporate Policy 301 - FirstEnergy Employee Concerns Line 1-800-683-3625

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Prepared Direct Testimony

See Direct Testimony of James M. Murray (Exhibit 2)