**SECURITIES AND EXCHANGE COMMISSION**

**(Release No. 35-28078; 70-9793)**

**FirstEnergy Corp., et al.**

**Supplemental Order Authorizing Jersey Central Power & Light Company to Participate in the FirstEnergy System Service Agreement**

**December 30, 2005**

FirstEnergy Corp. ("FirstEnergy"), a registered holding company under the Public Utility Holding Company Act of 1935, as amended ("Act") and FirstEnergy's service company subsidiary, FirstEnergy Service Company ("ServeCo"), each of Akron, Ohio, have filed with the Securities and Exchange Commission ("Commission") a post-effective amendment under section 13(b) of the Act and rules 54, 90 and 91 under the Act ("Amended Application") to a previously filed application ("Application"). The Commission issued a notice of the Application on August 31, 2001 (Holding Company Act Release No. 27435).

**I. Request of Applicants**

By supplemental order dated June 30, 2003, the Commission, among other things, authorized ServeCo to perform service functions for certain associate companies and approved the form of service agreement ("Service Agreement"). The Commission reserved jurisdiction over Jersey Central Power & Light Company's ("JCP&L") participation in the Service Agreement, pending the approval of the New Jersey Board of Public Utilities ("NJBPU"). Applicants state that on December 14, 2005, the NJBPU issued an order approving the Service Agreement and the allocation formulas and methodologies applicable for ratemaking purposes, as they relate to JCP&L.

As a result, Applicants request that the Commission issue a further supplemental order releasing jurisdiction over JCP&L's participation in the Service Agreement.

**II. Rule 54 Analysis**

The proposed transaction is subject to the requirements of rules 53 and 54 under the Act. FirstEnergy currently meets all of the conditions of rule 53(a), except for clause (1). By order dated October 29, 2001 (Holding Company Act Release No. 27459) ("Merger Order"),[1] as modified by order dated June 30, 2003 (Holding Company Act Release No. 27694) ("June 2003 Order"), the Commission, among other things, authorized FirstEnergy to invest in exempt wholesale generators ("EWGs") and foreign utility companies ("FUCOs"), including investments in EWGs and FUCOs by First Energy and GPU, Inc. at the time of the merger ("Current Investments"), and amounts relating to possible transfers to EWGs of certain generating facilities owned by certain FirstEnergy operating utilities ("GenCo Investments"), as long as FirstEnergy's "aggregate investment," as defined in rule 53(a)(1) does not exceed $5 billion. The $5 billion amount is greater than the amount which would be permitted by rule 53(a)(1) which, based on FirstEnergy's "consolidated retained earnings," as defined in rule 53(a)(1), of $2.1 billion as of September 30, 2005 would be $1.05 billion.

As of September 30, 2005, pro forma to take into account the recent transfer of certain fossil and hydroelectric generating plants of certain of FirstEnergy's public utility subsidiaries to FirstEnergy Generation Corp., FirstEnergy's aggregate investment in EWGs, FUCOs, Current Investments and GenCo Investments was approximately $2.5 billion, an amount significantly below the $5 billion amount authorized in the Merger Order and June 2003 Order. Additionally, as of September 30, 2005, FirstEnergy's consolidated retained earnings were $2.1 billion. By way of comparison, FirstEnergy's consolidated retained earnings as of December 31, 2001 were $1.52 billion.

[1] In this order, the Commission authorized the merger of FirstEnergy and GPU, Inc.

FirstEnergy satisfies all of the other conditions of rule 53(a) and (b). With respect to rule 53(b), none of the circumstances enumerated in subparagraphs (1), (2) and (3) have occurred.

**III. Conclusion**

FirstEnergy states that no state or federal commission, other than this Commission, has jurisdiction over the proposed transaction. FirstEnergy estimates that the additional fees, commissions and expenses incurred or to be incurred in connection with the proposed transactions will not exceed $2,000.

Due notice of the filing of First Energy's (70-9793) Amended Application has been given in the manner described in rule 23 under the Act, and no hearing has been requested of, or ordered by, the Commission. On the basis of the facts in the record, the Commission finds that the applicable standards of the Act and the rules under the Act are satisfied, and no adverse findings are necessary.

IT IS ORDERED, that under the applicable provisions of the Act and the rules under the Act, that the Amended Application is permitted to become effectively immediately.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jonathan G. Katz
Secretary