

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Rulemaking Re Electric Distribution Companies' :
Obligation to Server Retail Customers at the : Docket No. L-00040169
Conclusion of the Transition Period Pursuant :
to 66 Pa. C.S. §2807(e)(2) :
:

**COMMENTS OF FIRSTENREGY SOLUTIONS CORP. ON PROPOSED
DEFAULT SERVICE REGULATIONS**

Introduction

FirstEnergy Solutions Corp. (“FES”) submits the following comments on the Pennsylvania Public Utility Commission’s (“Commission”) proposed regulations governing the provision of default supplier service. Default service is provided to customers who take service from the electric distribution company (“EDC”) at the conclusion of the electric industry restructuring transition period when generation service rate caps expire. FES actively participated and filed extensive comments and reply comments in the Roundtable docket (M-00041792) that preceded the issuance of proposed regulations.

The proposed regulations address many of the issues raised in the Roundtable discussions in a manner that is satisfactory to FES. For example, the timing and substance of implementation plans and the proposed commission review process is appropriate and reasonable. Also, the EDC’s appear to have been given substantial flexibility, to formulate a default service plan that meets the needs of their service territory. Therefore, FES hereby files these Comments in support of the proposed regulations.

FirstEnergy Solutions Corp.

FES is an unregulated subsidiary of FirstEnergy Corp. engaged in the purchase and resale of electricity, both wholesale and retail. FES purchases all of the output available from generating units in Ohio, Pennsylvania, and Michigan that are owned and/or operated by The Cleveland Electric Illuminating Company, Ohio Edison Company, Pennsylvania Power Company, and the Toledo Edison Company. It also purchases output from FirstEnergy Generation Corp., an affiliated generation-only company. FES controls the output of approximately 13,000 MWs of generation in Michigan, Ohio and Pennsylvania.

FES participates in wholesale markets; purchasing and selling wholesale power pursuant to a market-based tariff accepted by the FERC. FES has a retail marketing business, which provides electricity, natural gas, and related energy services to retail customers. FES is a licensed electricity supplier in Ohio, Pennsylvania, New Jersey, New York, Maryland, Michigan, Delaware, and Washington D.C. Specifically, FES is licensed by the Pennsylvania Public Utility Commission as an Electric Generation Supplier ("EGS"). FES has also executed Supplier Agreements with most EDCs in Pennsylvania and is registered to conduct business within these EDC service territories.

The perspective which FES brings to these proceedings may be somewhat unique in that FES is currently a wholesale supplier through contractual arrangements of generation service to affiliated EDCs which retain the POLR obligation, a wholesale supplier in the New Jersey BGS auction, a retail marketer with retail customers in several states including Pennsylvania, and also operates as a generator. Few other participants in this proceeding can speak from the variety of perspectives offered by FES.

Conclusion

FirstEnergy Solutions Corp. supports the general themes of the Commission's proposed default service regulations and looks forward to reviewing the comments of other interested parties.

Dated: April 27, 2005

Respectfully submitted,

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