

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

December 8, 2006

In Reply Refer To:
FirstEnergy Solutions Corp.
Docket Nos. ER06-117-000
ER06-117-001

Thelen Reid & Priest, LLP
Attn: James K. Mitchell, Esq.
Counsel for FirstEnergy Solutions Corp.
701 Eighth Street, N.W.
Washington, DC 20001

Dear Mr. Mitchell:

1. On October 17, 2006, you filed a Joint Offer of Settlement (Settlement) on behalf of FirstEnergy Solutions Corp., Cleveland Electric Illuminating Company, Ohio Edison Company and Toledo Edison Company (collectively, FE Ohio Operating Companies), Pennsylvania Power Company (Penn Power), the Public Utilities Commission of Ohio (PUCO), the Industrial Energy Users-Ohio, the Ohio Energy Group, and Mittal Steel USA ISG, Inc. (Mittal Steel). The Settlement states that the issues set for hearing in this proceeding are resolved in the Settlement.
2. On November 6, 2006, the Commission Trial Staff and the Industrial Energy Users-Ohio filed comments in support of the Settlement. No other comments were received. On November 17, 2006, the presiding administrative law judge certified the Settlement to the Commission as uncontested.
3. The Settlement is fair and reasonable and in the public interest and is hereby approved. The Commission's acceptance of this settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.
4. The Settlement provides that the standard of review that the Commission shall apply to all challenges to or proposed modifications of the Settlement thereafter, either by a party to the Settlement, by a nonsignatory, or by the Commission on its own motion, shall be the "just and reasonable" standard under sections 205 and 206 of the Federal

Power Act.¹ The Commission retains the right to investigate the rates, terms and conditions under the just and reasonable and not unduly discriminatory or preferential standard of section 206 of the Federal Power Act, 16 U.S.C. § 824e (2000).

5. This letter order terminates Docket Nos. ER06-117-000 and ER06-117-001.

By direction of the Commission.

Magalie R. Salas,
Secretary.

¹ See Settlement Agreement at 3.