



Investor FactBook

4Q 2019

Published February 7, 2020

FirstEnergy[®]

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Unless otherwise noted all numbers are as of December 31, 2019



FirstEnergy Overview





We are a forward-thinking electric utility powered by a diverse team of employees committed to making customers' lives brighter, the environment better and our communities stronger

\$42_B

Total Assets

6_M

Total Customers in
Six States

24.5_K

Transmission
Miles

65_K

Square Miles of
Service Territory

\$23_B

2020F Rate Base

12_K

Employees

A premier customer-focused, pure-play regulated utility

Driving sustainable, long-term regulated earnings growth and a competitive dividend

Improving balance sheet with investment-grade credit ratings

10 distribution utilities,
6M customers, 6 states

3 FERC-regulated
standalone transmission
utilities on formula rates

Significant organic
growth opportunities

Operating EPS CAGR

6-8%

2018 – 2021 Target



5-7%

Extending through 2023

4%

RD Rate Base
CAGR 2018-2023

10%

RT Rate Base
CAGR 2018-2023

55-65%

Targeted Dividend
Payout Ratio

~3%

Current Dividend
Yield

Proven track record of
operational execution

Strong relationships in
constructive jurisdictions

Focused on customer
satisfaction and
reliability



Not an all-encompassing legal entity view; FirstEnergy has subsidiaries that are not shown

Political Overview

(P) President
(C) Chair
(VC) Vice Chair



Governor		
Michael DeWine	R	2023
PUCO		
Samuel Randazzo (C)	I	2024
M. Beth Trombold (VC)	I	2023
Lawrence K. Friedman	D	2020
Dennis P. Deters	R	2021
Daniel R. Conway	R	2022



Governor		
Thomas W. Wolf	D	2023
PA PUC		
Gladys Dutrieuille (C)	D	2023
David W. Sweet (VC)	D	2021
Andrew G. Place	D	2020
John F. Coleman, Jr.	R	2022
Ralph Yanora	R	2024



Governor		
Phillip D. Murphy	D	2022
NJ BPU		
Joseph L. Fiordaliso (P)	D	2025
Dianne Solomon	R	2019
Robert Gordon	D	2023
Upendra Chivukula	D	2020
Mary-Anna Holden	R	2021



Governor		
James C. Justice, Jr.	R	2021
WV PSC		
Charlotte R. Lane (C)	R	2025
Brooks F. McCabe, Jr.	D	2021
Renee A. Larrick	R	2023



Governor		
Lawrence J. Hogan	R	2022
MD PSC		
Jason M. Stanek (C)	R	2023
Mindy L. Herman	D	2024
Michael T. Richard	R	2020
Anthony J. O'Donnell	R	2021
Odogwu (Obi) Linton	D	2022



FERC		
Neil Chatterjee (C)	R	2021
Richard Glick	D	2022
Bernard L. McNamee*	R	2020
Qualifications: Up to five commissioners who serve five-year terms; appointed by the President with advice/consent of Senate		
*Announced that he will not seek another term once his current term expires in June 2020		

Regulatory Calendar

Jurisdiction	Key Dates
OHIO	
• PUCO Approval of Decoupling Filing.....	January 15, 2020
• ESP IV ends.....	May 2024
NEW JERSEY	
• NJ BPU “JCP&L Reliability Plus” IIP actual through 11/30/19 recovery filing.....	December 16, 2019
• JCP&L base distribution rate case filing.....	February 2020
PENNSYLVANIA	
• LTIP Approval.....	January 16, 2020
• PP DSIC Waiver Petition Settlement Filed.....	January 17, 2020
MARYLAND	
• PE Base Rate Case Filing (PSC Ordered).....	By early 2023
• PE Base Rate Case Depreciation Study (PSC Ordered).....	By September 2020
WEST VIRGINIA	
• Integrated Resource Plan Filing.....	By December 30, 2020
FERC	
• JCP&L Transmission Formula Rate Filing.....	October 30, 2019
• ATSI, MAIT, TrAILCo – Tax Reform Compliance Filing.....	Mid 2020

Not an exhaustive list of regulatory filings or proceedings

Regulated Transmission



REGULATED TRANSMISSION

A PREMIER, FAST-GROWING TRANSMISSION BUSINESS

One of the largest transmission systems in PJM with 24.5K miles of transmission lines.
Focused on *Energizing the Future* and improving the reliability of our nation's electric grid.

FERC-regulated, forward-looking rates at ATSI, TrAILCo, MAIT, and JCP&L.

FERC-regulated, stated rates at WPP, MP, and PE.

Up to
\$1.45_B
Planned Annual
CapEx

10%
Rate Base
CAGR 2018-2023

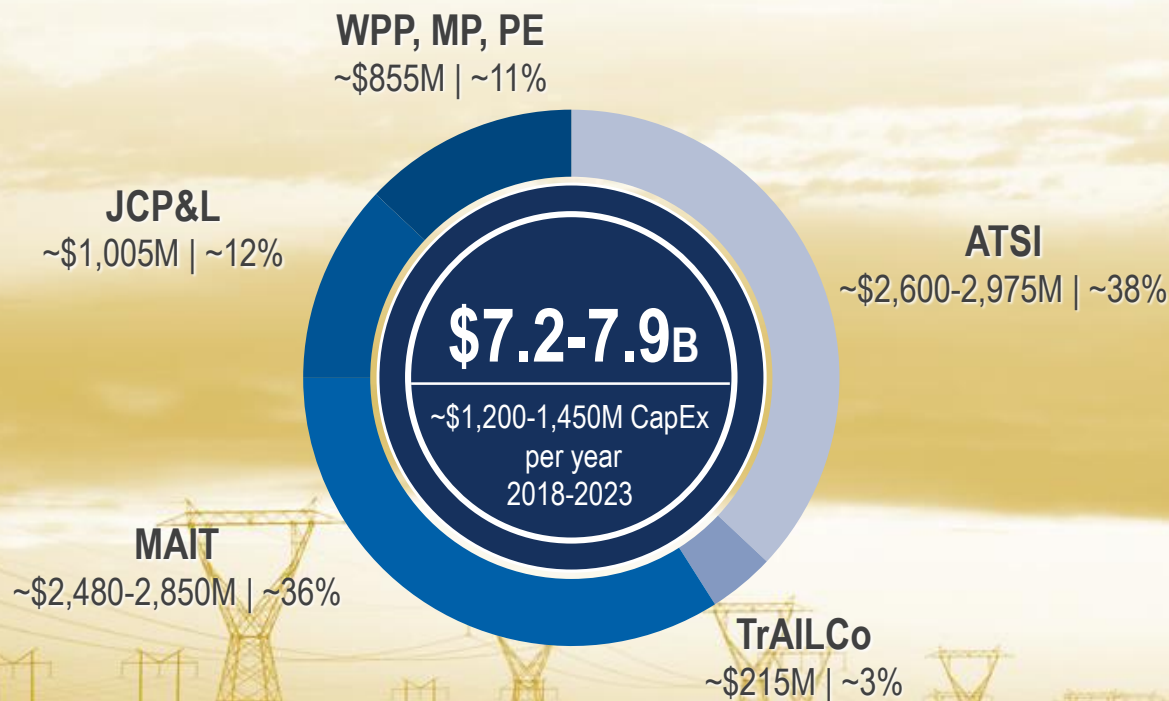
Nearly
90%
Recovery via
Formula Rates

Allowed, Formula Rate
ROEs
Between
10.3% and 11.7%

\$20_{B+}
CapEx Opportunities
beyond 2023

\$8_B
2020F Rate Base

Regulated Transmission Capital Deployment Plan



\$20_{B+} **FUTURE OPPORTUNITIES**
beyond 2023...

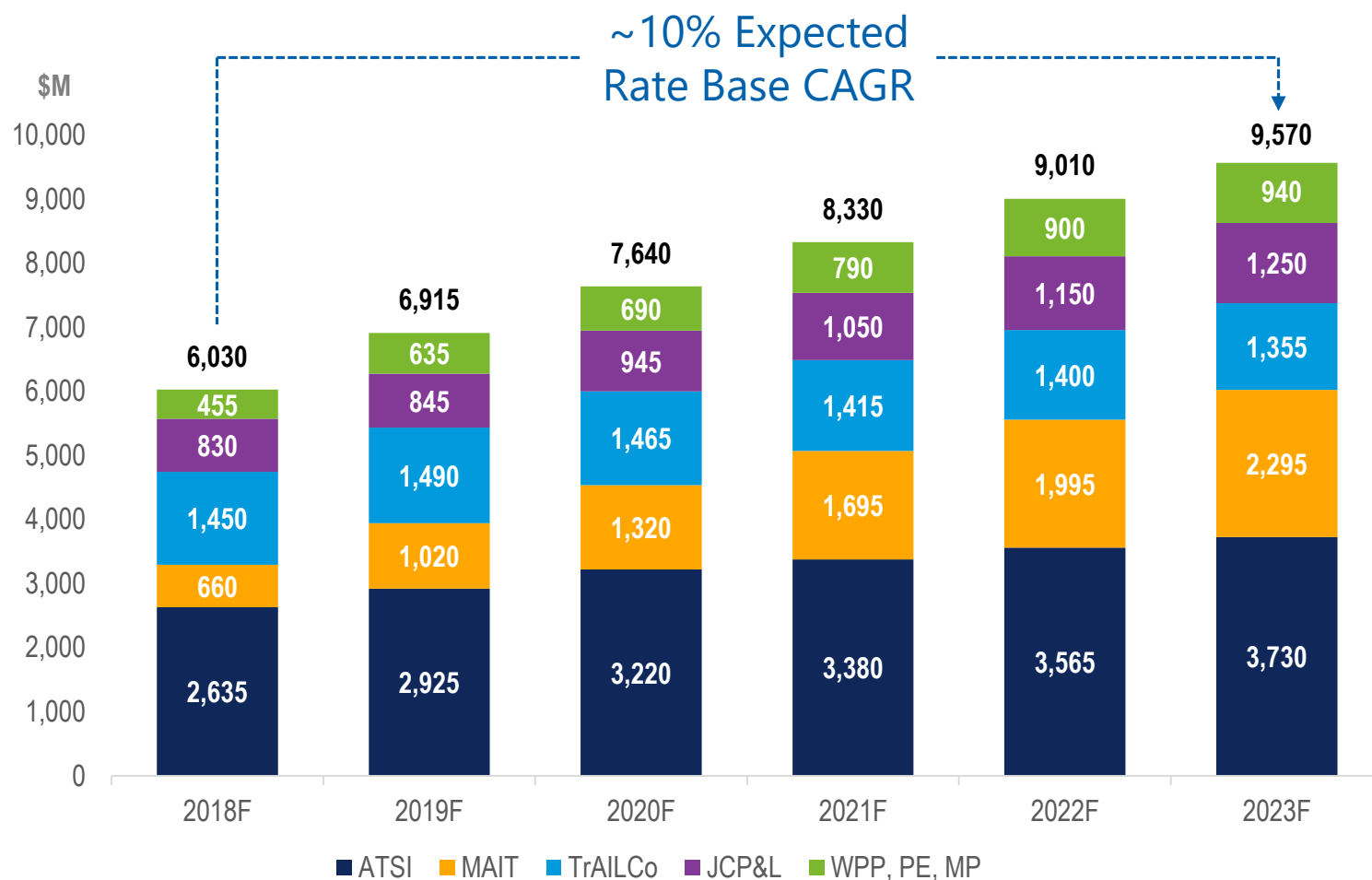
Regulated Transmission Capital Plan (2018-2023)

Energizing the Future Plan
~\$7.2-7.9B in capital investments

(\$M)	2018A	2019A	2020F	2021F	2022F	2023F
ATSI	\$465	\$471	\$405	\$405-530	\$435-560	\$420-545
TrAILCo	35	40	60	40	20	20
MAIT	409	424	405	395-520	430-555	415-540
JCP&L	107	134	175	180	185	225
WPP, MP, PE	149	120	155	180	130	120
Regulated Transmission Total	\$1,165	\$1,189	\$1,200	\$1,200-1,450	\$1,200-1,450	\$1,200-1,450

Numbers above reflect current forecast. We expect to update the forecast over the period for items such as regulatory filings and approvals, and other changes.

Regulated Transmission Rate Base Growth (2018-2023)



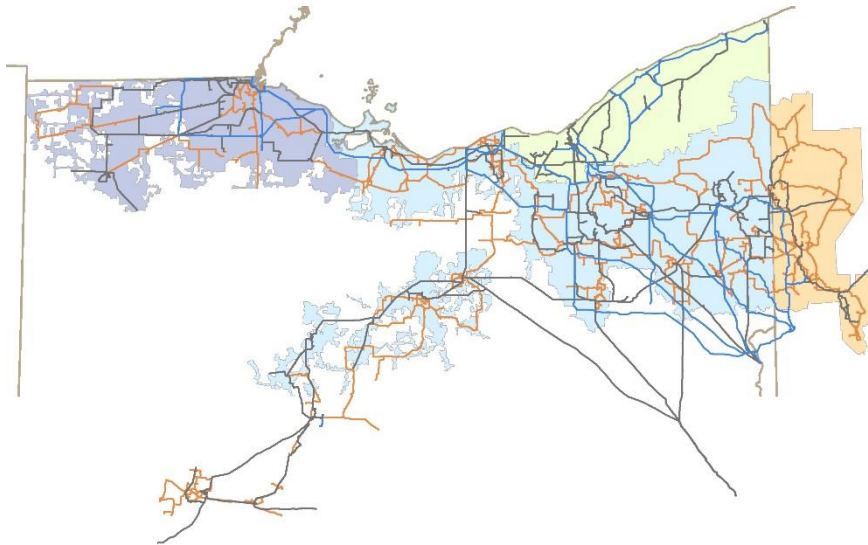
Forecasted rate base amounts exclude average CWIP balances of \$500M - \$800M per year

Numbers above reflect midpoint of current forecast for years 2021-2023. We expect to update the forecast over the period for items such as regulatory filings and approvals, and other changes.

ATSI Overview



American Transmission Systems, Inc.
a subsidiary of FirstEnergy Corp.

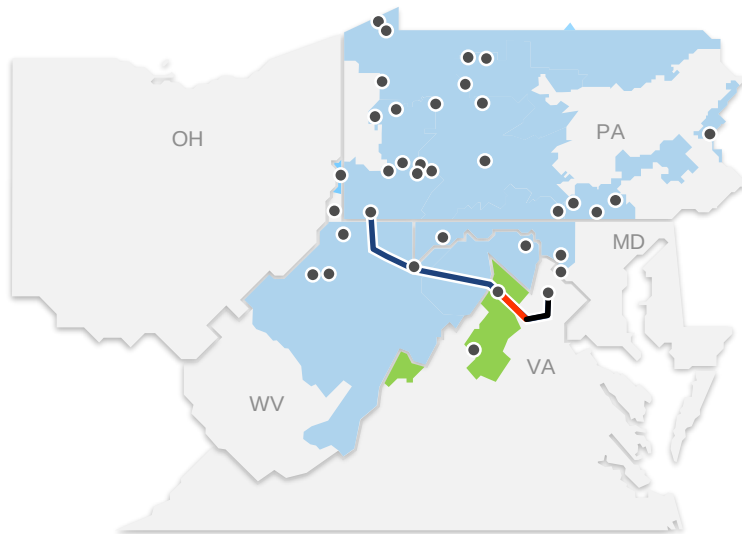


- 69 kV
- 138 kV
- 345 kV
- Ohio Edison
- Penn Power
- The Illuminating Company
- Toledo Edison

Jurisdiction	FERC
Test Year	Forward-Looking
Term	January – December
Filing Month	October
Allowed ROE	10.38%
Rate Base	\$3.2B ⁽¹⁾
Cap Structure	40% Debt / 60% Equity ⁽¹⁾
Location	OE, PP, CEI, and TE
True-Up Mechanism	Yes

⁽¹⁾ Represents projected average rate base and capital structure from its 2020 Projected Transmission Revenue Requirement filing for the period January 1, 2020, through December 31, 2020

TrAILCo Overview



- FirstEnergy Utility Service Area
- FirstEnergy VA Transmission Zone
- TrAIL 500 kV Line
- Substation
- FE TrAIL 50% Joint Ownership with Dominion Resources
- Dominion Resources Owned

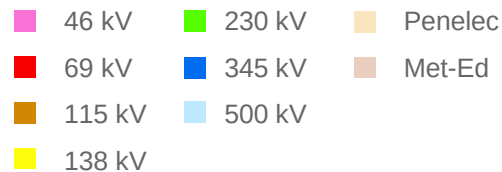
Jurisdiction	FERC
Test Year	Forward-Looking
Term	June – Following May
Filing Month	May
Allowed ROE	12.7% (TrAIL the Line & Black Oak SVC) 11.7% (All other projects)
Rate Base	\$1.5B ⁽¹⁾
Cap Structure	40% Debt / 60% Equity ⁽¹⁾
Location	WPP, MP, and PE as well as some portions of ME and PN
True-Up Mechanism	Yes

⁽¹⁾ Represents projected average rate base and actual year-end cap structure from its 2019 Formula Rate Annual updated filing for the period June 1, 2019, through May 31, 2020

MAIT Overview



Mid-Atlantic Interstate Transmission, LLC
A FirstEnergy Company

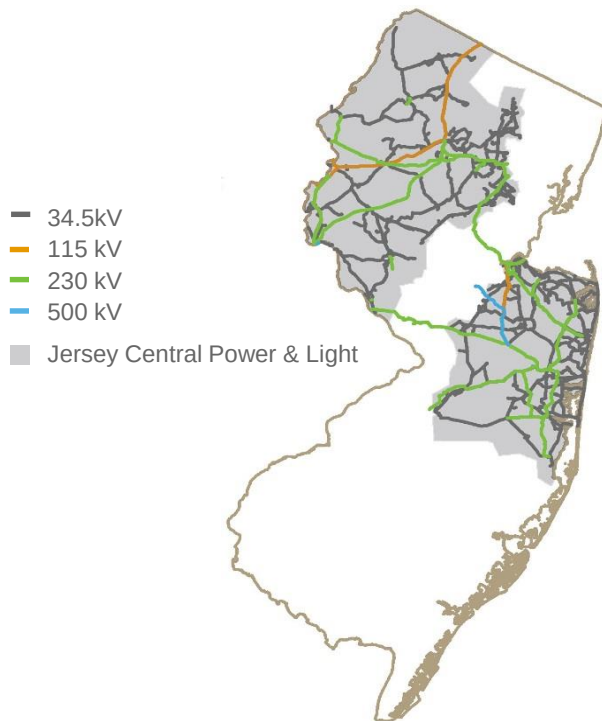


Jurisdiction	FERC
Test Year	Forward-Looking
Term	January – December
Filing Month	October
Allowed ROE	10.3%
Rate Base	\$1.3B ⁽¹⁾
Cap Structure	40% Debt / 60% Equity ⁽¹⁾
Location	ME, PN
True-Up Mechanism	Yes

⁽¹⁾ Represents projected average rate base and capital structure from its 2020 Projected Transmission Revenue Requirement filing for the period January 1, 2020, through December 31, 2020

JCP&L Transmission Overview

- On October 30, 2019, JCP&L filed to implement a forward-looking formula rate, requesting rates to be effective January 1, 2020
- On December 19, 2019, FERC issued an order accepting JCP&L's proposed revisions, for rates to become effective January 1, 2020, subject to refund, and established settlement and hearing procedures



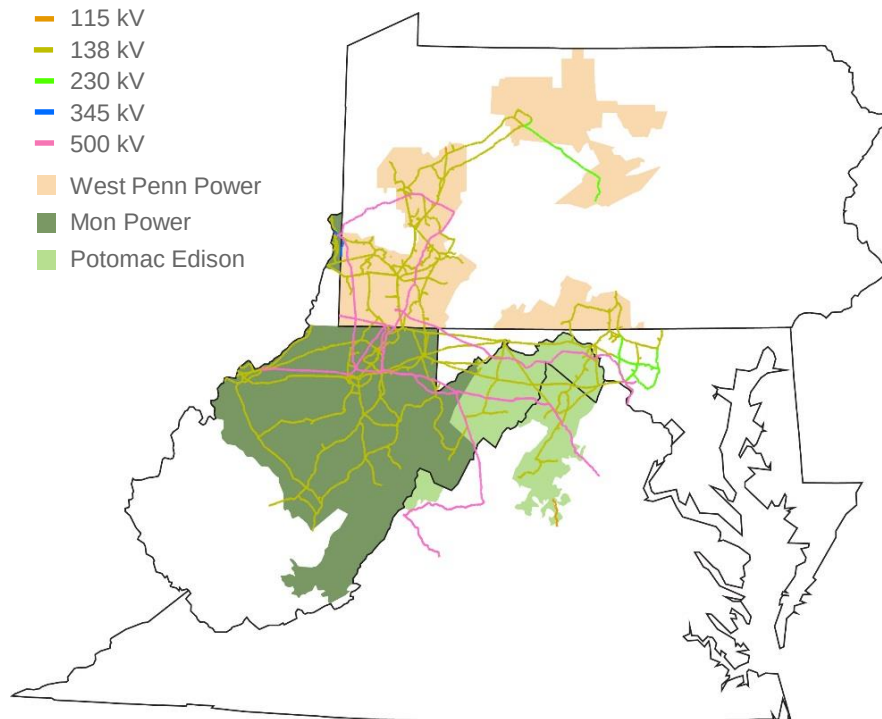
⁽¹⁾ Represents filing position in the JCP&L Transmission filing with FERC

⁽²⁾ Represents projected average rate base and capital structure through application of the forward-looking formula rate proposed in the filing for the period January 1, 2020, through December 31, 2020

As Filed

Jurisdiction	FERC
Test Year	Forward-Looking ⁽¹⁾
Term	January – December
Filing Month	October ⁽¹⁾
Requested ROE	10.8% ⁽¹⁾
Rate Base	\$946M ⁽²⁾
Cap Structure	47% Debt / 53% Equity ⁽²⁾
Location	JCP&L
True-Up Mechanism	Yes ⁽¹⁾

WPP, MP, PE Transmission Overview



Jurisdiction

FERC

Rate Base

\$690M

Location

WPP, MP, PE

- Represents the transmission systems of WPP, MP and PE which comprise the Allegheny Power Zone in PJM
- Stated rate updated effective March 2018 to reflect the reduction in federal tax rate from 35% to 21%
- May move to a forward-looking, formula rate in the future if appropriate

Regulated Distribution



REGULATED DISTRIBUTION

A DIVERSE COLLECTION OF UTILITIES DELIVERING SUSTAINABLE GROWTH

Territory spans 65k sq. mi. across the Midwest & Mid-Atlantic regions - one of the largest contiguous territories in the USA. Focused on investments that customers value and are willing to pay for while providing attractive returns for our investors.

Balanced customer mix of 1/3 residential, 1/3 commercial, 1/3 industrial.

\$1.7_B

Planned Annual
CapEx

4%

Rate Base CAGR
2018-2023

\$16_B

2020F Rate Base

6_M

Total Customers in
Six States

10

Utility Operating
Companies

3,790_{MW}

Regulated Generation
(primarily in WV)

Regulated Distribution Capital Plan (2018-2023)

\$10.1B in capital investments 2018-2023

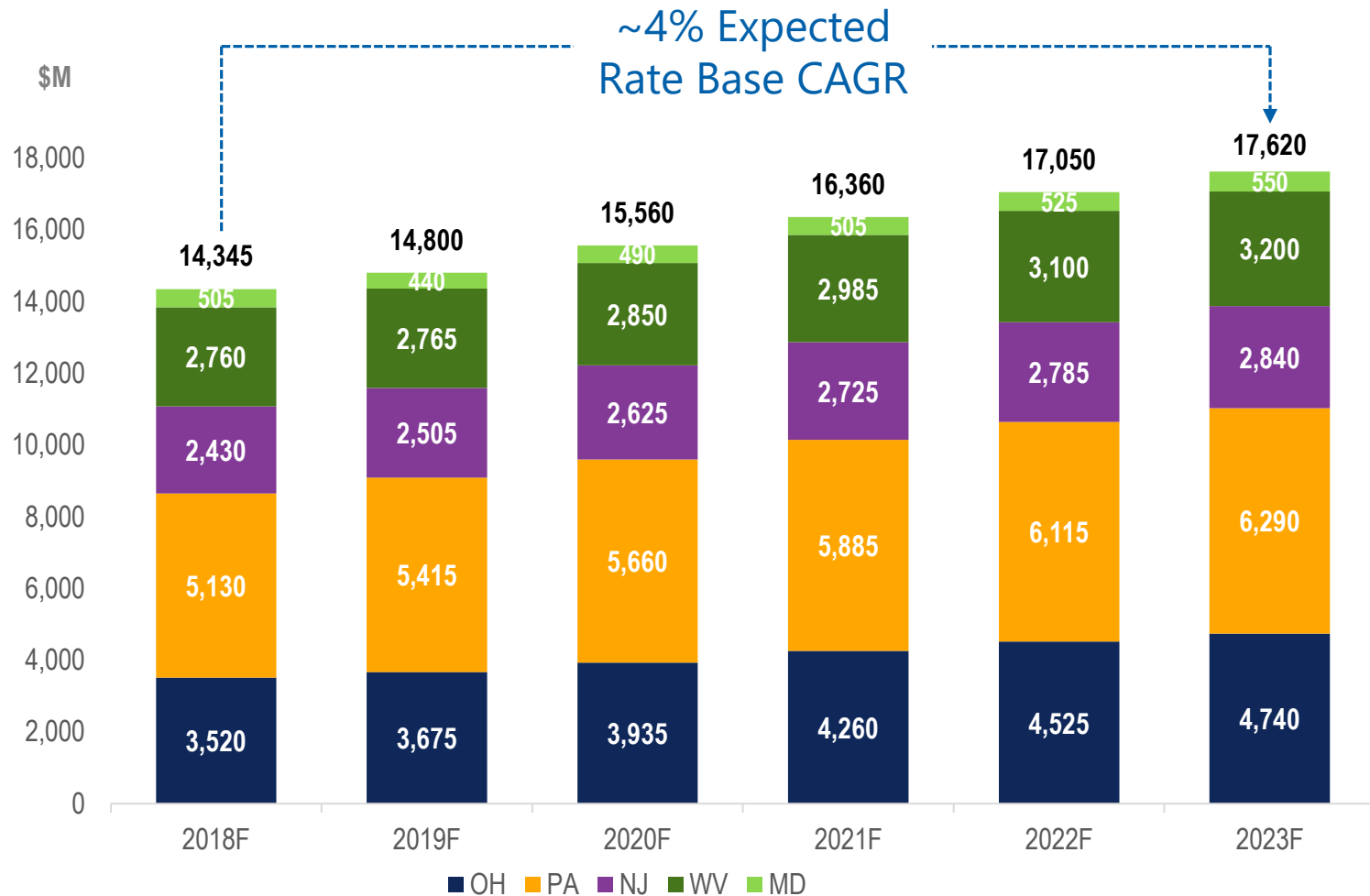
(\$M)	2018A	2019A	2020F	2021F	2022F	2023F
Ohio	\$370	\$400	\$540	\$585	\$560	\$560
Stated	85	70	70	70	70	70
Formula	285	330	470	515	490	490
Pennsylvania	\$666	\$684	\$585	\$550	\$565	\$565
Stated	446	457	405	430	425	425
Formula	220	227	180	120	140	140
New Jersey	\$268	\$299	\$260	\$215	\$215	\$215
Stated	268	261	200	215	215	215
Formula	-	38	60	-	-	-
West Virginia / Maryland	\$331	\$315	\$315	\$350	\$360	\$360
Stated	286	265	265	305	315	330
Formula	45	50	50	45	45	30
Regulated Distribution Total	\$1,635	\$1,698	\$1,700	\$1,700	\$1,700	\$1,700

Numbers above reflect current forecast. We expect to update the forecast over the period for items such as regulatory filings and approvals, and other changes.

2018A-2020F Regulated Distribution Capital Expenditures

(\$M)	2018A	2019A	2020F
Ohio	\$370	\$400	\$540
CEI	156	161	220
OE	165	180	235
TE	49	59	85
Pennsylvania	\$666	\$684	\$585
ME	194	207	175
PN	191	178	180
PP	54	56	50
WPP	227	243	180
New Jersey (JCP&L)	\$268	\$299	\$260
West Virginia / Maryland	\$331	\$315	\$315
MP	217	197	195
PE	114	118	120
Regulated Distribution Total	\$1,635	\$1,698	\$1,700

Regulated Distribution Rate Base Growth (2018-2023)



Forecasted rate base amounts exclude average CWIP balances of \$350M - \$500M per year, except for in Maryland
 Numbers above reflect current forecast. We expect to update the forecast over the period for items such as regulatory filings and approvals, and other changes.

Weather-Adjusted Distribution Deliveries

Total Deliveries

M MWHs



	'18A	'19A	'20F	'21F	'22F	'23F	'18A-'21F CAGR %	'18A-'23F CAGR %
Total	148.5	147.0	147.7	148.4	149.2	149.6	0.0%	0.1%
OH	52.6	52.5	52.1	52.5	52.8	52.8	-0.1%	0.1%
PA	52.8	52.4	51.8	51.7	51.9	51.9	-0.7%	-0.3%
WV	15.6	15.9	16.7	17.2	17.7	18.2	3.3%	3.1%
NJ	20.5	20.2	20.3	20.1	20.0	19.9	-0.7%	-0.6%
MD	7.0	6.9	7.0	6.9	6.8	6.8	-0.5%	-0.6%

Projected WV load growth CAGR
of ~3% through 2023F, primarily from
~7% growth in the Industrial class

* Reflects a reclassification of Commercial and Industrial customers in PA consistent with the PA PUC Order in the Default Service Program for the period June 1, 2019 - May 31, 2023.
Commercial includes Other (Streetlight customers)

Residential



	'18A	'19A	'20F	'21F	'22F	'23F	'18A-'21F CAGR %	'18A-'23F CAGR %
Sub-Total	53.4	53.6	53.1	52.8	52.8	52.8	-0.4%	-0.2%
OH	17.0	16.9	16.9	16.8	16.9	16.9	-0.4%	-0.1%
PA	18.5	18.6	18.1	18.0	18.0	18.0	-0.9%	-0.5%
WV	5.4	5.5	5.5	5.5	5.5	5.5	0.6%	0.4%
NJ	9.3	9.3	9.2	9.2	9.2	9.2	-0.4%	-0.2%
MD	3.2	3.3	3.3	3.3	3.3	3.2	1.0%	0.0%

Commercial



	'18A	'19A	'20F	'21F	'22F	'23F	'18A-'21F CAGR %	'18A-'23F CAGR %
Sub-Total	38.5	37.7	38.2	38.0	37.9	37.7	-0.4%	-0.4%
OH	15.0	14.6	14.9	14.8	14.8	14.8	-0.4%	-0.3%
PA*	8.7	8.5	8.6	8.5	8.5	8.5	-0.8%	-0.5%
WV	3.7	3.7	3.7	3.7	3.8	3.8	0.0%	0.5%
NJ	9.0	8.8	8.8	8.7	8.7	8.5	-1.1%	-1.1%
MD	2.1	2.1	2.1	2.1	2.1	2.1	0.0%	0.0%

Industrial



	'18A	'19A	'20F	'21F	'22F	'23F	'18A-'21F CAGR %	'18A-'23F CAGR %
Sub-Total	56.6	55.6	56.5	57.7	58.6	59.1	0.6%	0.9%
OH	20.6	20.0	20.3	20.8	21.0	21.1	0.3%	0.5%
PA*	25.6	25.3	25.1	25.2	25.4	25.5	-0.5%	-0.1%
WV	6.5	6.7	7.4	7.9	8.5	8.9	6.7%	6.5%
NJ	2.2	2.1	2.2	2.2	2.2	2.2	0.0%	0.0%
MD	1.7	1.5	1.5	1.5	1.5	1.5	-4.1%	-2.5%

Regulated Distribution Guidance Sensitivities

Estimated Impact of Annual Retail Sales Volumes

+ / - 1% Change in Residential Deliveries	~\$0.02/share
+ / - 1% Change in Commercial Deliveries	~\$0.006/share
+ / - 1% Change in Industrial Deliveries	~\$0.005/share

Weather Impact on Residential/Commercial Sales Volumes

+ / - 113 HDD vs. normal (Dec-Mar)	~\$0.01/share
+ / - 37 CDD vs. normal (June-Sept)	~\$0.01/share

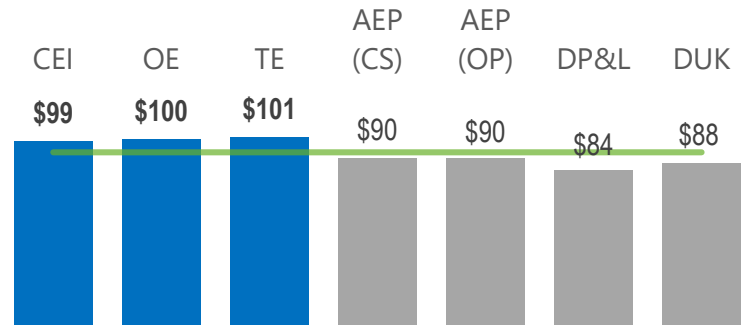
Estimated impact reflects current rate structures (including decoupled rates in OH)

Average Customer Bills

Rates Effective July 1, 2019

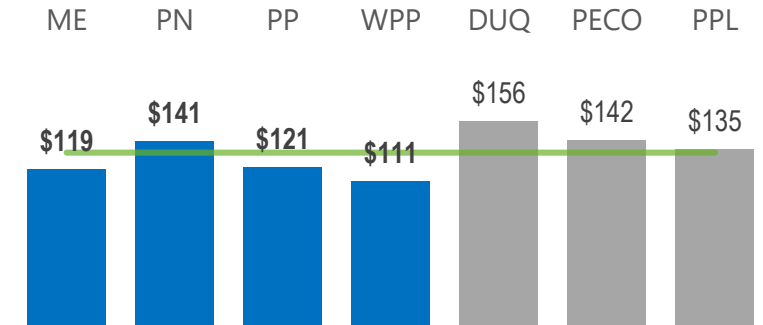
OHIO

[state avg \$93]



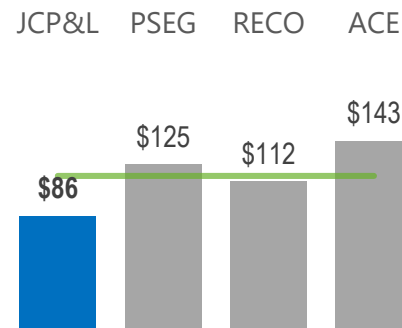
PENNSYLVANIA

[state avg \$132]



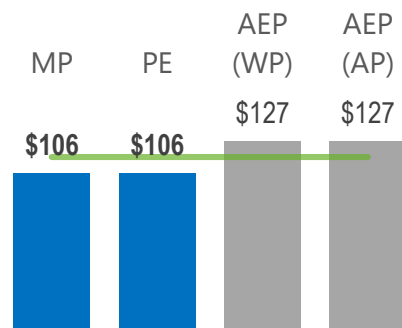
NEW JERSEY

[state avg \$117]



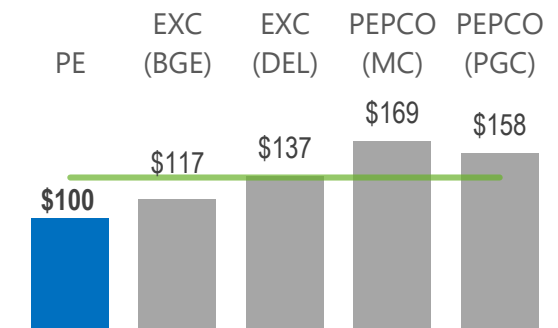
WEST VIRGINIA

[state avg \$116]



MARYLAND

[state avg \$136]



Average residential monthly usage in OH and NJ 750 kWh, all other states 1,000 kWh

Typical bills for CEI, OE, and TE include Rider DMR (now eliminated) and seasonal generation pricing, and do not include base distribution revenue related income tax savings that will be returned to customers under the TCJA settlement approved by the PUCO

Capital and O&M Benchmarking

MEASURE	Distribution Capital	Distribution O&M
	QUARTILE / RANK	QUARTILE / RANK
Per Circuit Mile	■ 3 rd	■ 2 nd
Per Customer	□ 7 th	■ 4 th
Per Substation	■ 2 nd	□ 5 th
Per Pole	□ 5 th	■ 2 nd

Performance Quartile Key 1st 2nd 3rd 4th

CAPITAL

Capital costs of the Distribution system support FirstEnergy in a 1st and 2nd quartile performer compared to peers

O&M

O&M costs of the Distribution system support FirstEnergy as a 1st and 2nd quartile performer compared to peers

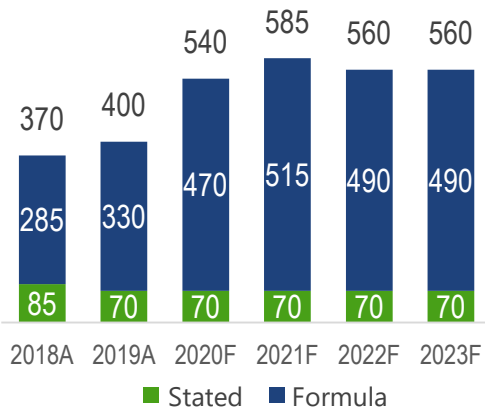
Ohio Overview (1 of 2)

REGULATORY STRATEGY

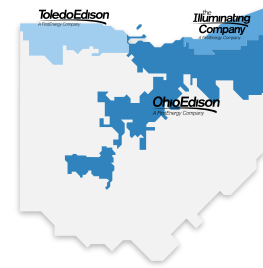
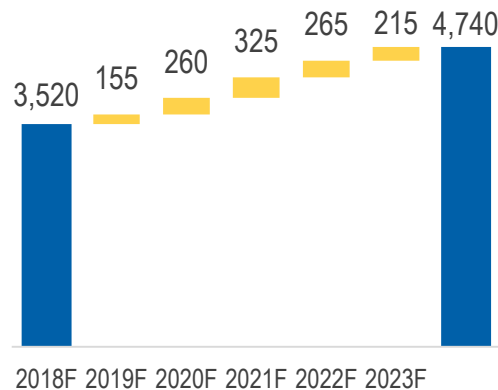
- Utilities are required to file applications to establish either an Electric Security Plan (ESP) or a Market Rate Offer to provide customers default generation service, also known as a standard service offer. ESPs establish the pricing and supply of generation service, and may include provisions regarding distribution system investments, grid modernization, economic development and job retention initiatives, and energy efficiency measures.
- OE, CEI, and TE currently operate under ESP IV, which freezes base rates through its duration ending 5/31/2024
- Continued use of riders/surcharges to ensure fair & timely recovery

2018-2023 GROWTH PROJECTIONS (\$M)

CAPITAL EXPENDITURES



RATE BASE



CUSTOMERS: 2.1M
INDUSTRIES SERVED:
 Primary and Fabricated Metals, Chemical, Automotive, Petroleum, Plastics & Rubber

LAST APPROVED RATE CASE STATISTICS (Jan. 2009)

\$2.7_B

Dx Rate Base

10.5%

Allowed Return on Equity

51:49

Allowed Debt / Equity

12 mos. ended Feb. 2008

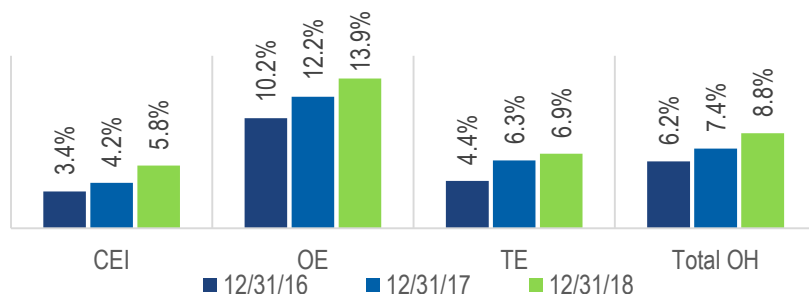
Test Year

SERVICES PROVIDED

- OE, CEI, and TE provide Distribution service to ~1,055K, 750K and 310K customers, respectively
- Transmission assets are owned and operated by ATSI

Ohio Overview (2 of 2)

ROE TRENDS - REGULATORY VIEW



- ❑ SEET – established via Ohio statute; administered by PUCO to evaluate the earnings of the electric utilities' approved ESP. SEET ROE threshold calculated annually based on comparable companies analysis.
 - Adjustments authorized under ESP IV, e.g. excludes DMR
 - Adjustments for Affiliate Company Earnings Include
 - Subsidiary earnings (PP), associated company revenues/expenses and interest/dividend income
 - Adjustments for Special or Non-Recurring Items Include
 - Pension/OPEB – Mark-to-market
 - Out-of-period activities and one-time gains/losses
- ❑ In July 2019, a change to Ohio legislation passed that allows utilities under a common ESP to file one combined SEET

RECOVERY MECHANISMS

Rider	Overview	Reconciled
DCR	Recovers return on/of incremental rate base since last rate case; subject to annual revenue caps	Quarterly
CSR	Decouples residential and commercial customers base distribution revenue and lost distribution revenue as of the twelve-month period ending on December 31, 2018	Annually
AMI	Recovery of commission approved grid modernization programs	Quarterly
DSE	Recovery of costs associated with energy efficiency and demand response programs	Semi-Annual
NMB	Recovery of non-market based transmission costs	Annually
GEN	Recovery of purchased power costs associated with being provider of last resort	Annually

STORM COSTS

O&M Deferral: \$57M YE 2019 regulatory asset

PENSION/OPEB

Expense recovery based on service costs (last rate case)

TAX REFORM

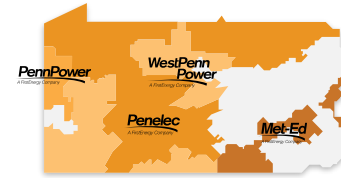
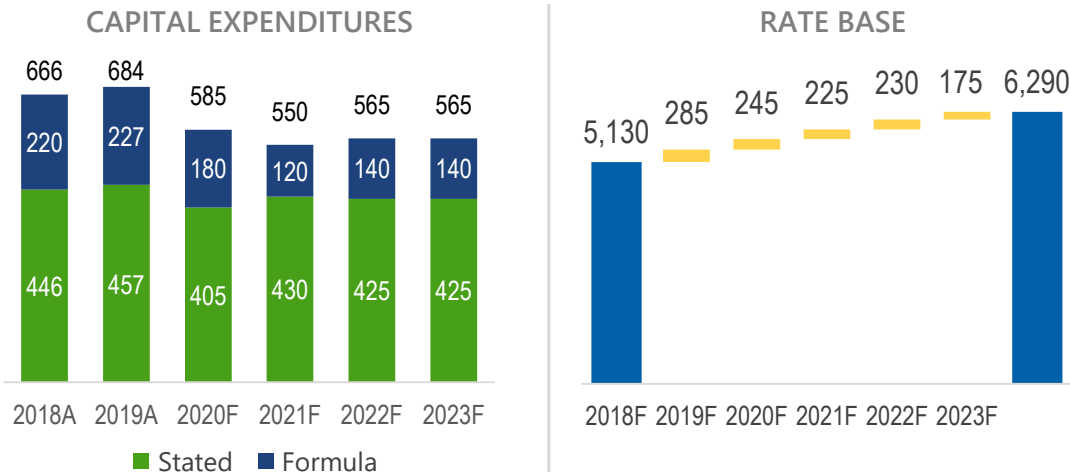
Tax Rate: Completed
EDIT: Completed

Pennsylvania Overview (1 of 2)

REGULATORY STRATEGY

- Continuously review considerations and timing of future rate cases
- LTIIPs for the 2020-2024 period were approved by the commission on January 16, 2020. All companies are currently collecting under the DSIC rider. Petition for waiver filed in August 2019 to allow Penn Power to exceed the five percent DSIC rate cap. Settlement agreement with all parties filed with the commission in January 2020.
- Last two PA rate cases (2015, 2017) were settled through Black Box Settlements which allows for parties to reach consensus revenue requirement without specifying agreement on specific individual terms e.g., Allowed ROE, Rate Base, Capital Structure
- PA Act 58 legislation permits, but does not require, alternative ratemaking structures

2018-2023 GROWTH PROJECTIONS (\$M)



CUSTOMERS: 2.1M

INDUSTRIES SERVED:

Primary and Fabricated Metals, Shale Gas, Chemical, Coal Mining, Electric Equipment Manufacturing

LAST APPROVED RATE CASE STATISTICS (Jan. 2017)

\$4.8_B

Dx Rate Base

SETTLED

Return on Equity

SETTLED

Allowed Debt / Equity

2017

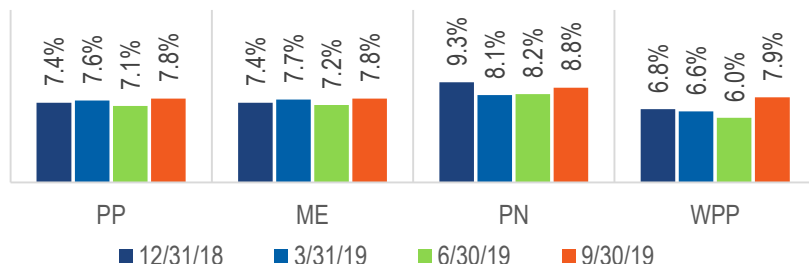
Projected Test Year

SERVICES PROVIDED

- ME, PN, and PP provide Distribution service to ~575K, 585K, & 170K customers, respectively, while WPP provides Distribution and stated rate Transmission services to ~730K customers
- Transmission assets are owned & operated by MAIT for ME and PN while transmission assets are owned & operated by ATSI for PP

Pennsylvania Overview (2 of 2)

ROE TRENDS – REGULATORY VIEW



Required Quarterly Earnings Reports – derived from FERC Forms 1 and 3 with adjustments to provide a regulatory view similar to rate-making constructs

- Rate Base Adjustments Include
 - Projected Test Year represents rate base projected 2 years in the future
 - Extraordinary storms and storm reserve balances
 - Differences for book vs tax depreciation
- Income Statement Adjustments Include
 - Weather adjusted revenues
 - Projected depreciation
 - Pension expense at 10 year average cash contribution level; OPEB service cost
 - Certain tax adjustments/normalizations for Federal & State Income Tax

RECOVERY MECHANISMS

Rider	Overview	Reconciled
DSIC	Recovers acceleration of the repair, improvement, and replacement of existing aging infrastructure between rate cases	Quarterly
SmartMeter	Recovers or returns costs or savings associated with smart meter technology not included in base rates	Annually
PTC	Recovers purchase power costs associated with customers receiving default service	Quarterly
EEC	Recovers costs for energy efficiency programs mandated by Act 129	Annually
DSSR	Recovers costs associated with serving customers in a competitive market	Annually

STORM COSTS

O&M Deferral: \$160M YE 2019 regulatory asset

PENSION/OPEB

Recovery based on historical cash contributions over the last 10yrs

TAX REFORM

Tax Rate: Completed*
EDIT: Completed

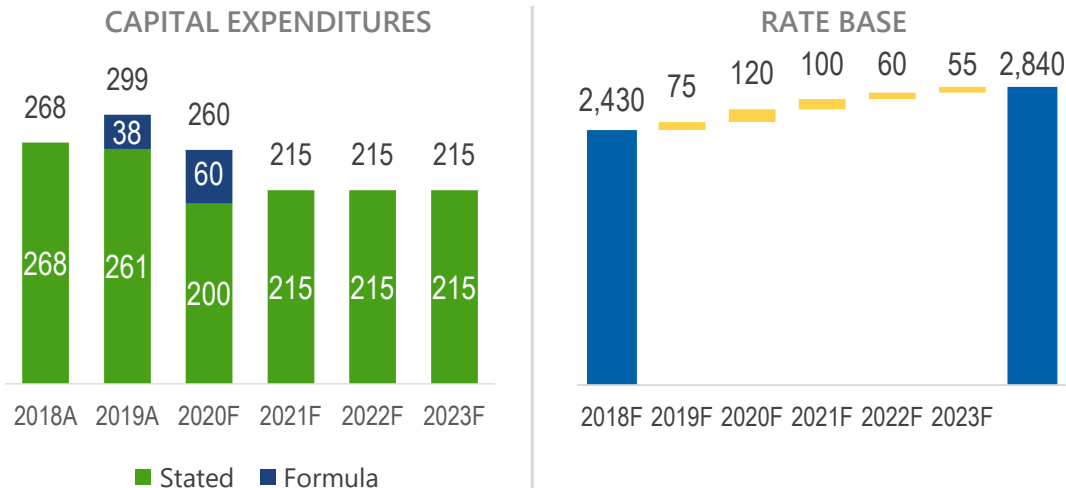
* Jan-Jun 2018 impact deferred until next base rate case or standalone proceeding by 2021

New Jersey Overview (1 of 2)

REGULATORY STRATEGY

- Continuously review considerations and timing of future rate cases
- NJ BPU approved IIP settlement on May 8, 2019 for 2 years, \$97M
 - Work will occur June 1, 2019 – December 31, 2020
- JCP&L will recover its capital investments through two rate filings
 - Filed September 16, 2019 for initial \$30.6m plant investment for June - November 2019; rates effective March 2020. Update of actual spend through November 30, 2019 was filed December 16, 2019
 - Second filing, at the end of the program, to recover plant-in-service for the remainder of the program

2018-2023 GROWTH PROJECTIONS (\$M)



CUSTOMERS: 1.1M

INDUSTRIES SERVED:

Chemical, Primary and Fabricated Metals, Food Manufacturing, Plastic & Rubber

LAST APPROVED RATE CASE STATISTICS (Jan. 2017)

\$2.2_B

Dx Rate Base

9.6%

Allowed Return on Equity

55:45

Allowed Debt / Equity

2016

Test Year

SERVICES PROVIDED

- JCP&L provides Distribution and Transmission services to ~1,140K customers
- Filed with FERC to recover transmission service costs through a forward-looking formula rate on 10/30/2019

New Jersey Overview (2 of 2)

REGULATORY VIEW

- ❑ IIP rate filings require an earnings test, which calculates a book return based on FERC Form 1 and including limited adjustments
 - On September 16, 2019, JCP&L filed its first earnings test for the TTM 9/30/2019 period 2.5%
 - On December 16, 2019, filed update of actual spending through 11/30/19 9/30/19
- ❑ Rate base
 - Includes: distribution and service company net plant in service; general and intangible plant; property-related ADITs, ADITs related to capitalized interest and protected NOLs
 - Excludes: deferred storm expense; non-property ADITs except for ADITs related to capitalized interest
- ❑ Income statement adjustments include:
 - Weather adjusted revenues
 - Remove transmission, production and non-operating items
 - Pension/OPEB – remove mark-to-market and replace with delayed recognition
 - Synchronize interest expense to debt-financed portion of rate base

RECOVERY MECHANISMS

Rider	Overview	Reconciled
SRC	Recovery of storm costs from 2012 major storms completed. Rate set to “0” as of 12/1/2019	Annually
NGC	Recover the above-market portion of payments on Non-Utility Generation contracts	Annually
BGS	Recovery of purchased power costs associated with being provider of last resort as well as PJM transmission costs	Quarterly
RRC	Recovery of costs for demand response, energy efficiency, and renewable energy programs	Annually
IIP	Recovery of approved projects to enhance the reliability and resiliency of JCP&L’s distribution system	Rates updated per settlement

REGULATED GENERATION

	PJM Zone	State	Fuel Type	Units	Net Max Cap (MW)	Year Plant Comm	2019 Output M MWH
Yards Creek	EMAAC	NJ	Hydro	3	210	1965	0.1
EMAAC					210		

STORM COSTS

O&M Deferral: \$307M YE 2019 regulatory asset

PENSION/OPEB

Recovery based on delayed recognition/smoothing

TAX REFORM

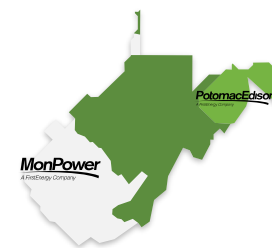
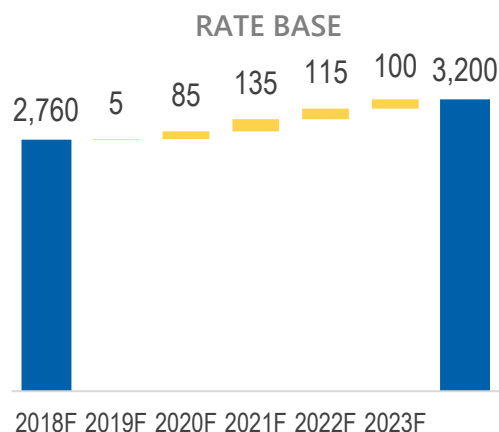
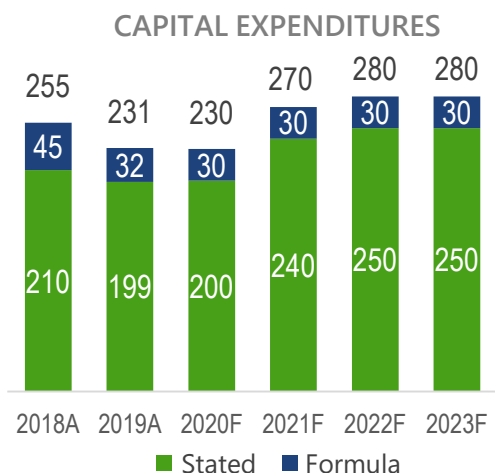
Tax Rate: Completed
EDIT: Completed

West Virginia Overview (1 of 2)

REGULATORY STRATEGY

- Continuously review considerations and timing of future rate cases
- Integrated Resource Plan to be filed by December 30, 2020
- The WV PSC views MP and PE on a combined company basis for regulatory filings and establishment of rates

2018-2023 GROWTH PROJECTIONS (\$M)



CUSTOMERS: 535K

INDUSTRIES SERVED:

Chemical, Coal Mining,
Non-Metallic Minerals,
Primary and Fabricated
Metals, Oil & Gas
Extractions

LAST APPROVED RATE CASE STATISTICS (Feb. 2015)

\$2.5_B

Dx+Tx+Gx Rate Base

SETTLED

Return on Equity

54:46

Allowed Debt / Equity

2013

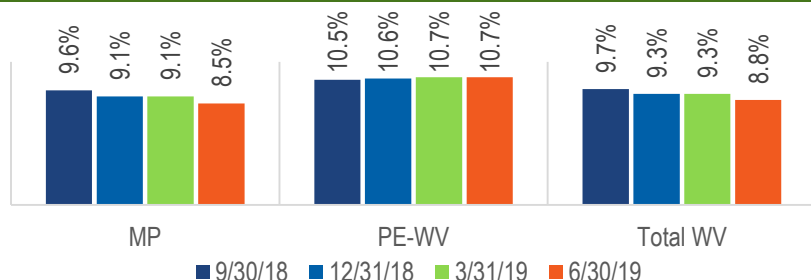
Historical Test Year

SERVICES PROVIDED

- MP, a vertically integrated company, provides Distribution, Transmission and Generation services to its ~390K customers.
- MP owns/controls 3,580MW of regulated generation
- PE provides Distribution and Transmission services to its ~145K customers and has a PPA in place with MP to procure generation

West Virginia Overview (2 of 2)

ROE TRENDS – REGULATORY VIEW



- Required Quarterly Earnings Reports (Distribution, Transmission, and Generation) – derived from FERC Forms 1 and 3 with adjustments to provide a regulatory view similar to rate-making constructs
 - Separation Study is needed to separate PE into WV, MD, and VA and is accomplished using numerous allocation methods
 - Capital structure removes investment in AGC (Bath Co. Hydro)
 - Rate Base Adjustments Include
 - 13-month historical average
 - Removes impact of securitized pollution control facilities (Fort Martin)
 - Income Statement Adjustments Include
 - Removes depreciation expense related to Fort Martin securitized pollution control facilities
 - Pension/OPEB – Remove mark-to-market and replace with smoothing method

RECOVERY MECHANISMS

Rider	Overview	Reconciled
ENEC	Recovers generation-related fuel, purchased power, and PJM costs, net of revenue credits	Annually
Veg Mgmt	Recovers vegetation control programs with spot trimming along T&D lines	Biennial

REGULATED GENERATION

	PJM Zone	State	Fuel Type	Units	Net Max Cap (MW)	Year Plant Comm	2019 Output M MWH
Bath Co.	Dominion	VA	Hydro	6	487 ⁽¹⁾	1985	0.5
Ft. Martin	APS	WV	Coal	2	1,098	1967	6.7
Harrison	APS	WV	Coal	3	1,984	1972	12.9
OVEC	Rest of RTO	Multiple	Coal	Multiple	11 ⁽²⁾		0.1
Total					3,580		

⁽¹⁾ Represents MP's indirect 16.25% interest in Bath County, a pumped-storage hydroelectric station. Bath County is also 23.75% owned by LS Power (non-FE affiliated) and operated by 60% owner Virginia Electric and Power Company (non-FE affiliated).

⁽²⁾ Represents MP's 0.49% entitlement based on its participation in OVEC

STORM COSTS

Current O&M Deferral:
\$27M YE 2019

PENSION/OPEB

Recovery of GAAP expense with
MTM smoothing

TAX REFORM

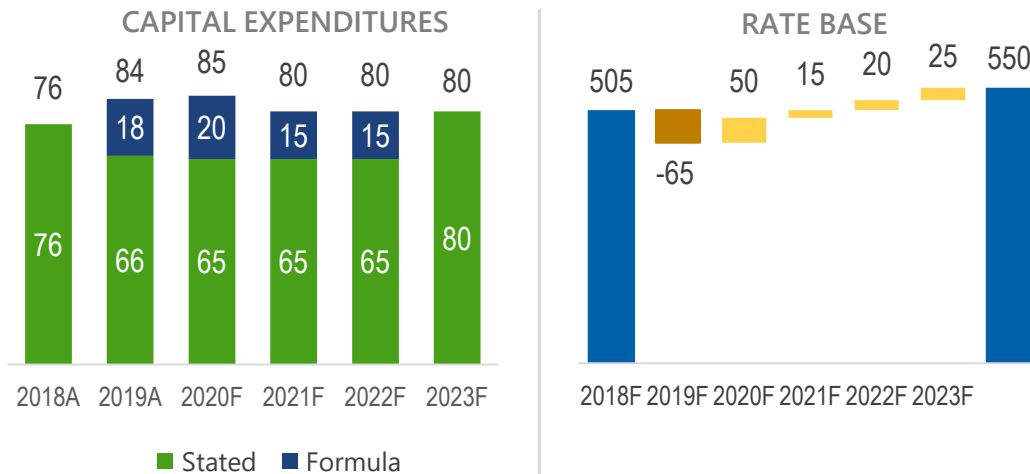
Tax Rate: Completed
EDIT: Address by YE 2020

Maryland Overview (1 of 2)

REGULATORY STRATEGY

- ❑ Current base rates approved March 2019
 - Includes new Electric Distribution Investment Surcharge (EDIS) for 2019-2022 to recover incremental capital investments to improve reliability
- ❑ New distribution rate case must be filed by early 2023 to align with the end of EDIS
- ❑ EV Program to install 59 utility owned charging stations

2018-2023 GROWTH PROJECTIONS (\$M)



CUSTOMERS: 275K
INDUSTRIES SERVED: Chemical, Coal Mining, Non-Metallic Minerals, Plastics and Rubber Products

LAST APPROVED RATE CASE STATISTICS (Mar. 2019)

\$462M

Dx Rate Base

9.65%

Allowed Return on Equity

47:53

Allowed Debt / Equity

12 mos. ended Jun. 2018

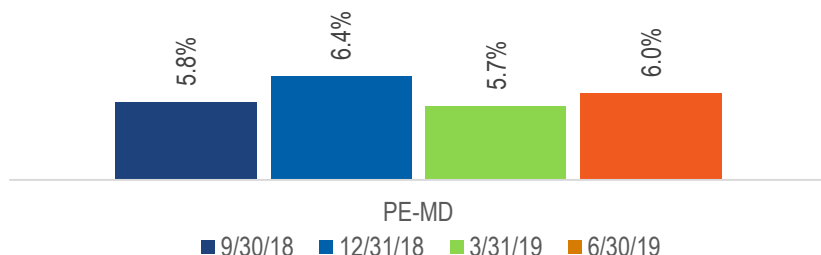
Historical Test Year

SERVICES PROVIDED

- ❑ PE provides Distribution and Transmission services to its ~275K customers (see exception below)
- ❑ PE provides standard offer Transmission and Generation services to customers that do not elect an alternative generation supplier

Maryland Overview (2 of 2)

ROE TRENDS – REGULATORY VIEW



- ❑ Required Quarterly Earnings Reports (Distribution Only) – derived from FERC Forms 1 and 3 with adjustments to provide a regulatory view similar to rate-making constructs
 - Separation Study is needed to separate PE into WV, MD, and VA and is accomplished using numerous allocation methods
 - Rate Base Adjustments Include
 - 13-month historical average
 - Removal of allocated transmission plant
 - Income Statement Adjustments Include
 - Pension/OPEB – Remove mark-to-market and replace with smoothing method
 - Removal of allocated transmission expenses

RECOVERY MECHANISMS

Rider	Overview	Reconciled
EDIS	Recovery for incremental investments of reliability programs for distribution automation, accelerated underground cable replacement, and substation reclosers	Annually
EmPOWER	Recovery for costs related to PE's sponsored energy efficiency and conservation programs	Annually
SOS	Recovery of purchased power costs associated with providing default standard offer service and PJM transmission costs	Triannual

STORM COSTS

Recovery through base rates only

PENSION/OPEB

Recovery of GAAP expense with MTM smoothing

TAX REFORM

Tax Rate: Completed
EDIT: Completed

Corporate Responsibility



CORPORATE RESPONSIBILITY

A FORWARD-THINKING ELECTRIC UTILITY

Committed to making our customers' lives brighter, the environment better and our communities stronger.

Seek to inform and engage our stakeholders, while at the same time setting and achieving goals.

Led by a dedicated team, along with Executive and Board Oversight on Corporate Responsibility and ESG strategy.

Environmental

90%

CO₂ Emissions Reduction
Goal By 2045

Social

\$54_M

FE Foundation awarded to
non-profits over past decade

Governance

1

ISS Governance Score

ENERGY FOR A
**BRIGHTER
FUTURE**

Corporate Responsibility – Facts at a Glance



Environmental

Focusing on making the environment better by minimizing the impact of our operations and finding opportunities to enhance our ecosystem

As of Dec. 31, 2018, achieved 62% reduction in CO₂ emissions from our 2005 baseline

Implemented a corporate waste reduction and recycling initiative

Installed four osprey nesting platforms on our poles as part of our avian protection plan



Social

Making our Communities Stronger and Customers' lives brighter by connecting FirstEnergy and its diverse employees to the communities in which we live and serve

2020 marks 3rd year of a Diversity & Inclusion Key Performance Indicator

12 Employee Business Resource Group Chapters (EBRGs)

Continued focus on safety culture, experienced zero Systemwide Life Changing Events in 2019

Provided the equivalent of 3.6 million meals to feed the hungry in our communities



Governance

Demonstrating our commitment, focus and increased accountability to stakeholders by delivering on a transparent corporate responsibility strategy

BOD comprises 36% diverse Directors and all Directors are independent, other than the CEO

Expanded BOD Corporate Governance Committee to include Corporate Responsibility oversight

Launched Corporate Responsibility Website and Report in November 2019

Corporate Responsibility Accountability Spans Entire Organization

“A company’s ability to manage environmental, social, and governance matters demonstrates the leadership and good governance that is so essential to sustainable growth...”

– Larry Fink, BlackRock Chairman & CEO

- FirstEnergy has a dedicated team focused on Corporate Responsibility, overseen by Senior Vice President of Strategy
- Focused on demonstrating value to our company and stakeholders



- Corporate Governance and Corporate Responsibility Board Committee has oversight of FirstEnergy’s Corporate Responsibility Strategy
 - Comprises independent Directors and meets 5 times per year
- Cross-functional Executive-level steering committee

- Working with Business Units to develop internal and external goals
- Informing and engaging FirstEnergy employees through initiatives aligned with our Mission Statement

2019 Corporate Responsibility Internal Initiatives



COMMUNITY



EMPLOYEE VOLUNTEER PROGRAM

WHAT: A program that provides employees with paid time off to volunteer in the community

WHY: Aligning to our employees' passions while having the ability to track the number of hours our employees volunteer and better understand the impact of those hours in our communities

EMPLOYEE



FIRSTENERGY UNIVERSITY

WHAT: A comprehensive and structured approach, built on the theory of progression, to support the continued development of our diverse employees

WHY: Connect employees to meaningful opportunities to learn about the electric industry, and how they fit into the bigger picture of company success

ENVIRONMENT



EMPLOYEE WASTE REDUCTION PROGRAM

WHAT: Provide employees with reusable drinkware, remove Styrofoam cups, and implement centralized waste and recycling

WHY: Reduce corporate waste footprint, while informing and engaging employees on opportunities for reduction and recycling

CUSTOMERS



PROACTIVE COMMUNICATION

WHAT: Increase visibility of customer-requested work by proactively communicating the status of new business residential requests

WHY: Improve customer experience by providing customers the ability to monitor the progress of requested work

FORWARD-THINKING



CORPORATE RESPONSIBILITY TASKFORCE

WHAT: Executive sponsor supported, internal cross-functional team to attract and engage employees on corporate responsibility issues and initiatives

WHY: Engage employees, apply best practices and implement initiatives that further ingrain FirstEnergy's mission statement and demonstrate our commitment to corporate responsibility

Creating Value Through Increased Transparency

Initial Disclosures



Added in 2019



Potential Future Disclosures



CLIMATE | REPORT

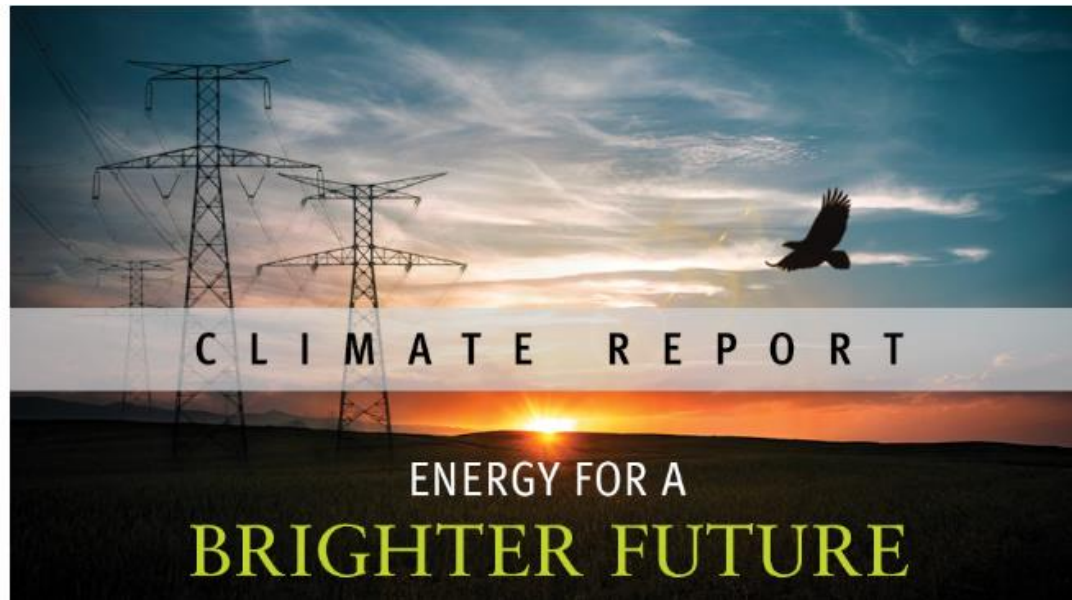
Potential future disclosures are being evaluated using FirstEnergy's strategic planning process

FirstEnergy's Climate Report

Two-Degree Scenario Analysis and Implications



- Two-Degree Scenario (2DS) Analysis
 - Based on the International Energy Agency's 2DS
 - Developed state-level detail for the five states where FE primarily operates to study potential impacts to company
 - Results show significant changes in energy use across all sectors of the economy
- Implications
 - Well-positioned to mitigate climate-related risks and act upon related opportunities associated with a lower-carbon future
 - Positioned to enable electrification in the transportation, buildings and industrial sectors
 - Support multi-sector CO₂ emission reductions
- Follows the Taskforce for Climate Related Disclosures (TCFD) Recommendations



Climate Report released April 1, 2019

FirstEnergy's Corporate Responsibility Report

Energy for A
Brighter Future



- Corporate Responsibility Website
 - Provide external stakeholders with comprehensive information about our company in a single, easy to navigate location
- Executive Summary
 - Provides an overview of our commitment to Corporate Responsibility across our entire organization
- Website and Executive Summary published for the first time in November 2019 – www.FECorporateResponsibility.com
- Annual refresh in alignment with publication of Annual Report
- Follows Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) Recommendations



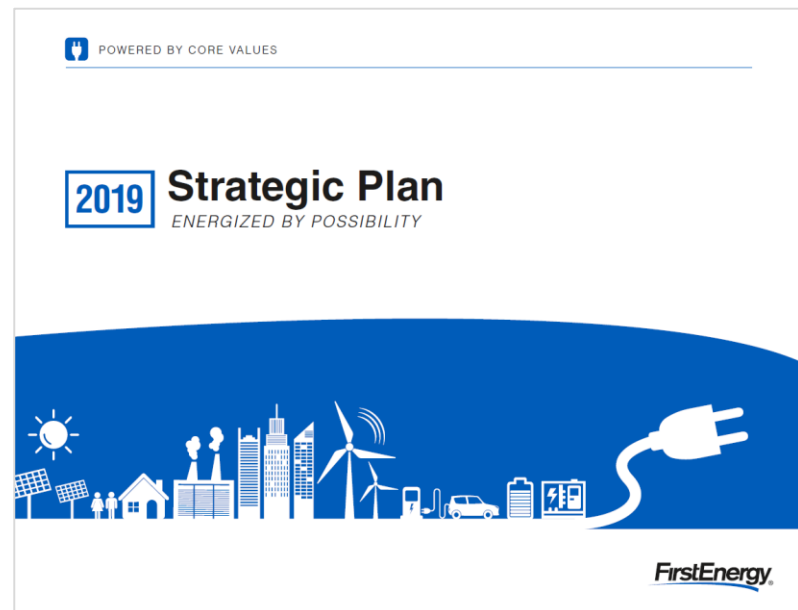
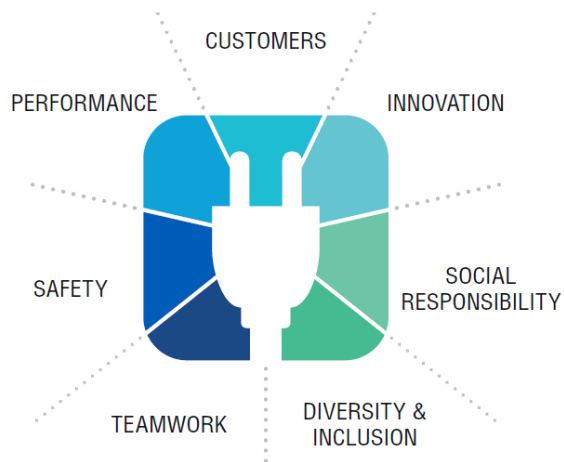
FirstEnergy's Strategic Plan

Energized by
Possibility



- Clearly articulates our vision for the next five years, with our core values serving as the foundation
 - Provides transparency for our customers, employees, investors and other stakeholders about our path forward in an evolving electric utility industry
- Describes initiatives that will position us to meet the challenges ahead and capitalize on opportunities
 - Centered on ensuring customer-focused growth and value
 - Our approach to shifting customer expectations, emerging technologies and a changing energy mix
- Initial publication in November 2019
- Annual refresh to be published during the fourth quarter

POWERED BY CORE VALUES



Frequently Asked Questions

TRANSPARENCY

Does FirstEnergy plan to report metrics using SASB guidance?

Yes, we expect to use SASB guidance to refresh our Corporate Responsibility Report in April 2020.

Has FirstEnergy disclosed climate related risks, including possible physical risks, in line with the TCFD's recommendations?

Yes, please see our 2019 Climate Report.

Does FirstEnergy have a position statement on climate related issues?

We have discussed climate related issues in a variety of disclosures, including our 2019 Climate Report. In 2020 we are developing a Climate Position that will include a discussion of our alignment with the Paris Agreement.

GENERATION

Does FirstEnergy plan any capital expenditures on new coal generation?

No, we have no planned capital expenditures on new coal.

TARGETS

Does FirstEnergy have a science-based target?

In 2015, we set an aggressive CO₂ reduction goal – reduce our Scope 1 CO₂ emissions by 90% from our 2005 baseline by 2045. This goal is not a science-based target.

Does FirstEnergy link Executive Compensation to a climate goal?

Many of our short-term incentive targets are ESG-related but not specific to climate.

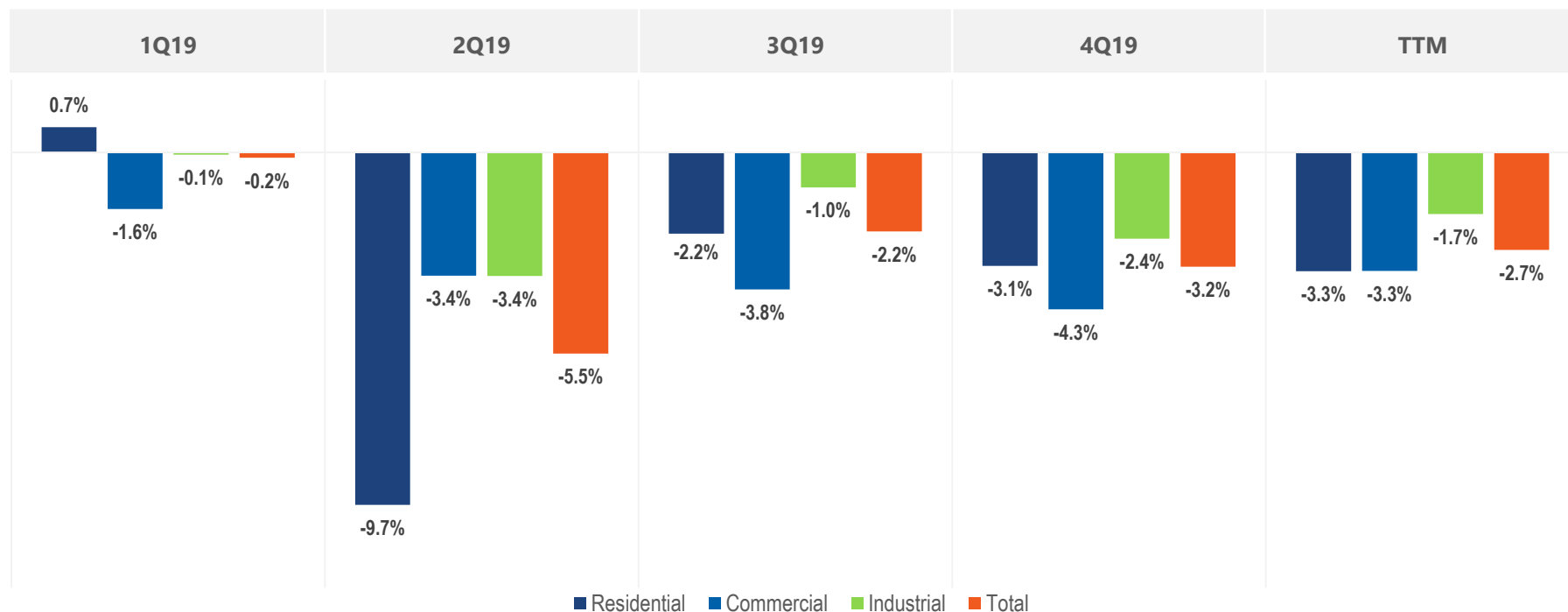
We will be setting new goals in 2020 that will be driven by the results of a materiality assessment.

Quarterly Updates



Sales by Class

Percent change vs. prior year

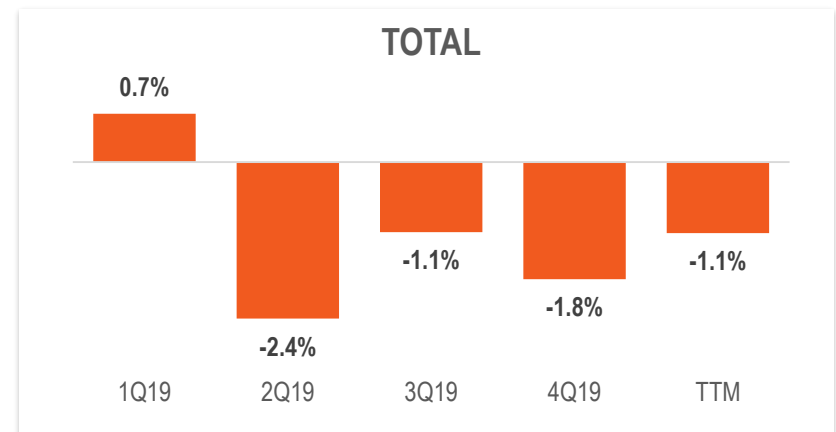
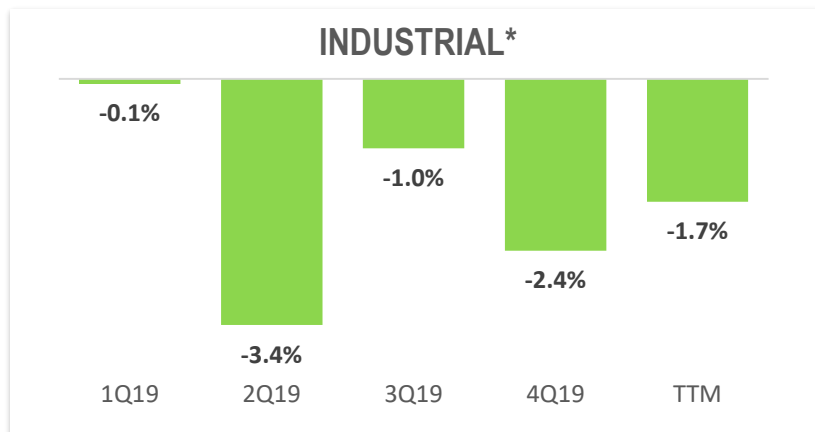
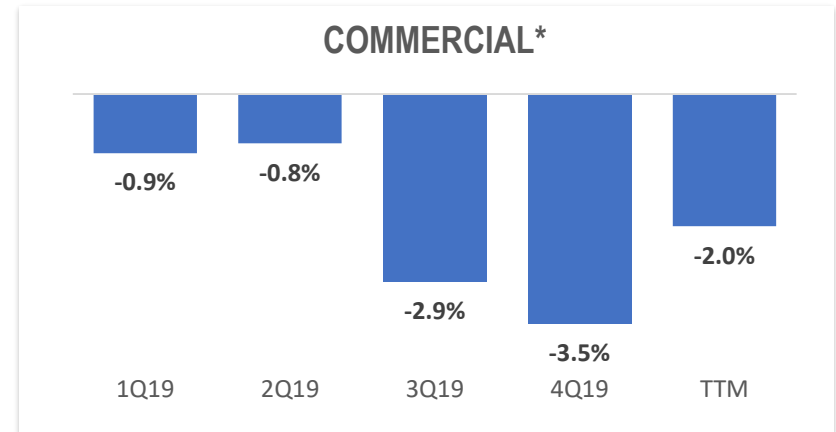
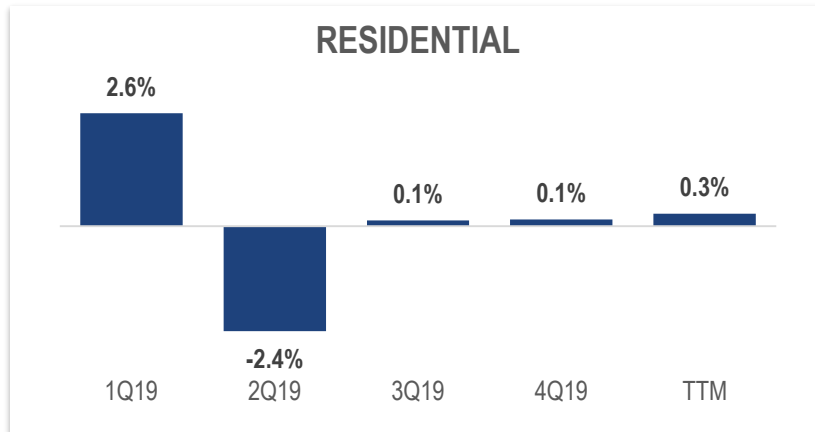


(MWh in thousands)	1Q18	1Q19	2Q18	2Q19	3Q18	3Q19	4Q18	4Q19	TTM 4Q18	TTM 4Q19
Residential	14,999	15,103	12,074	10,901	15,657	15,306	13,264	12,849	55,994	54,159
Commercial*	9,771	9,618	9,462	9,141	10,549	10,150	9,383	8,979	39,165	37,888
Industrial*	13,970	13,961	14,075	13,595	14,618	14,477	13,948	13,616	56,611	55,649
Total	38,740	38,682	35,611	33,637	40,824	39,933	36,595	35,444	151,770	147,696

* All periods above reflect a reclassification of Commercial and Industrial customers in PA consistent with the PA PUC Order in the PA Companies' Default Service Program for the period June 1, 2019 - May 31, 2023. Commercial includes Other (Streetlight customers)

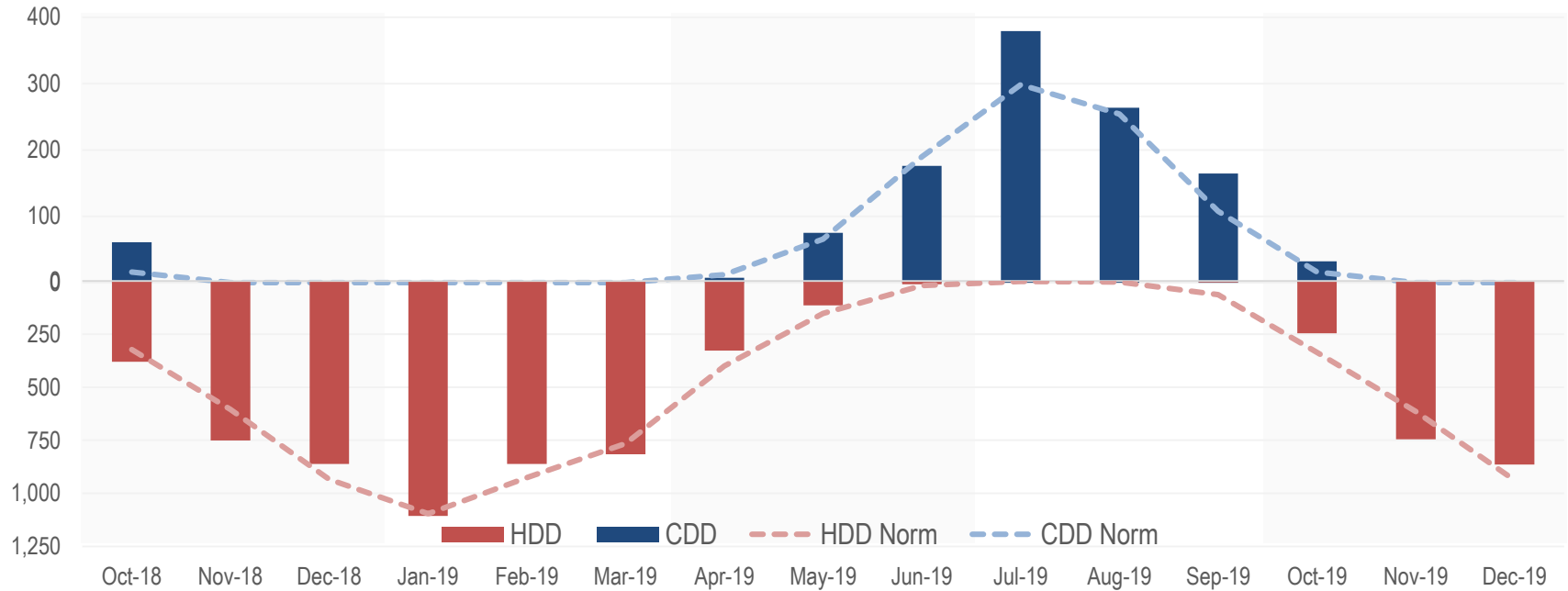
Weather Adjusted GWh Sales by Class

Percent change vs. prior year



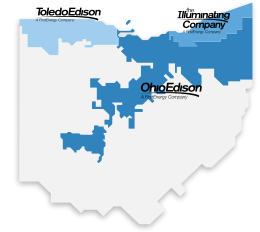
* All periods above reflect a reclassification of Commercial and Industrial customers in PA consistent with the PA PUC Order in the PA Companies' Default Service Program for the period June 1, 2019 - May 31, 2023. Commercial includes Other (Streetlight customers)

Weather Impacts



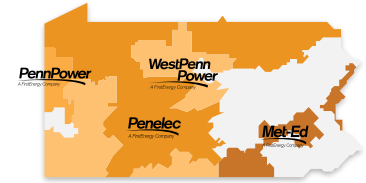
		OH		PA		NJ		WV		MD		Total	
		Days	%	Days	%	Days	%	Days	%	Days	%	Days	%
4Q19	HDD vs Normal	-111	-5%	25	1%	29	2%	-99	-5%	-28	-2%	-35	-2%
	HDD vs 4Q18	-263	-12%	-88	-4%	-33	-2%	-101	-6%	-20	-1%	-139	-7%
	CDD vs Normal	19	144%	14	102%	11	49%	27	170%	8	38%	16	101%
	CDD vs 4Q18	-29	-47%	-29	-47%	-30	-47%	-32	-43%	-64	-68%	-29	-47%

Ohio Decoupling Rider CSR



- Filed November 21, 2019 pursuant to House Bill 6
- Approved by the PUCO on January 15, 2020
- Decouples residential and commercial customers base distribution revenue and lost distribution revenue as of the twelve-month period ending on December 31, 2018 (2018 Baseline Revenue)
- Rider CSR will annually credit or charge customers the difference between the annual revenue in a given calendar year and 2018 Baseline Revenue
- Rider went into effect on February 1, 2020
 - Initial rider charge reconciles differences between estimated 2019 revenues and the 2018 Baseline Revenue
 - Reconciled and updated annually going forward

Pennsylvania DSIC Rider



- Rider set to zero when new rates implemented on January 27, 2017
 - Restarts when gross plant balances exceed the amount recovered in base rates and if reported ROE does not exceed the PA PUC published benchmark of 9.55% (subject to change)

DSIC Rider restarted effective:	PP / WPP	April 1, 2018
	PN	October 1, 2018
	ME	January 1, 2019

- PA Companies filed Revised LTIIPs on January 18, 2019 in compliance with the PA PUC's midterm review of the PA Companies' LTIIPs
 - PA PUC approved Revised LTIIPs for 2019 on May 23, 2019
- PA Companies filed LTIIPs for 2020-2024 on August 30, 2019 and were approved by the commission on January 16, 2020
- PP filed a petition on August 30, 2019 to increase the 5% DSIC rate cap
 - Joint Petition for Settlement filed with Commission on January 17, 2020

2020 – 2024 Capital Investment (\$M)	
ME	\$153
PN	\$200
PP	\$72
WPP	\$147
Total	\$572

Guidance and Financials



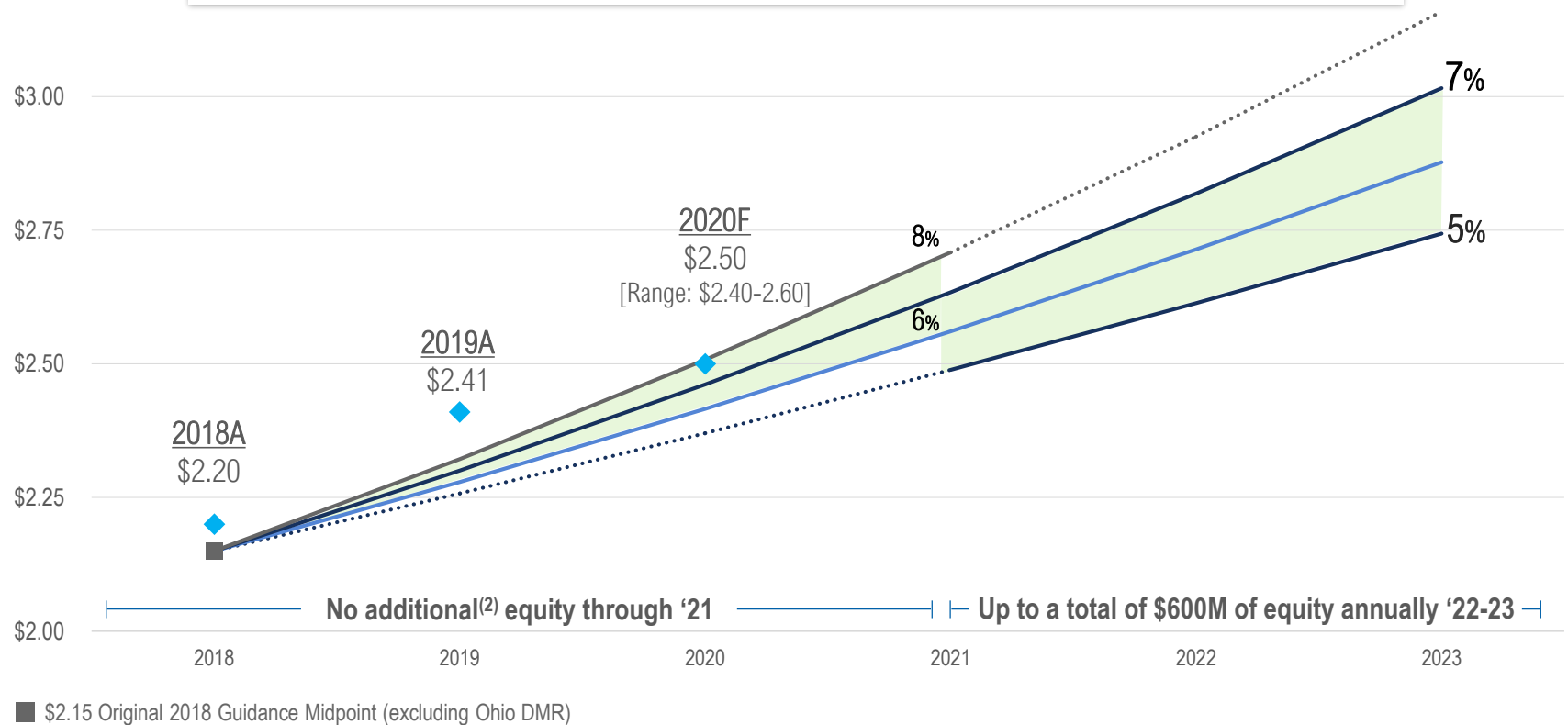
2018-2023 Operating EPS CAGR

Excludes DMR and impact of weather

Contributing Factors to CAGR Range

Cost Management	Load Changes
Rate Strategy	Storms
Cap-Ex Levels	Interest Rates
Equity	Pension Performance

6-8% Operating EPS⁽¹⁾ CAGR 2018-2021; 5-7% CAGR through 2023



⁽¹⁾ Special items cannot be reasonably estimated. See Slide 77 for information on Non-GAAP financial matters.

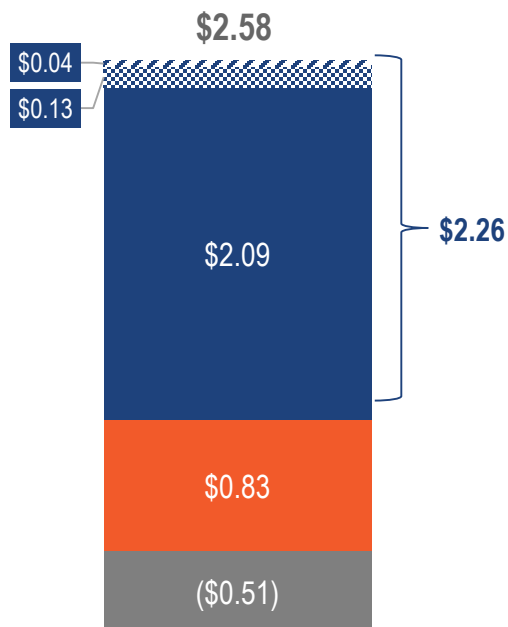
⁽²⁾ Forecast assumes non-cash annual equity issuances of ~\$100M through FE's stock investment and employee benefit plans

2020 Operating EPS⁽¹⁾ Guidance

Remain on track to achieving 6-8% Operating EPS CAGR

Original 2019 Guidance Range
\$2.45 - \$2.75 (\$2.35 Midpt, excl. DMR)

Revised 2019 Guidance Range
\$2.50 - \$2.60

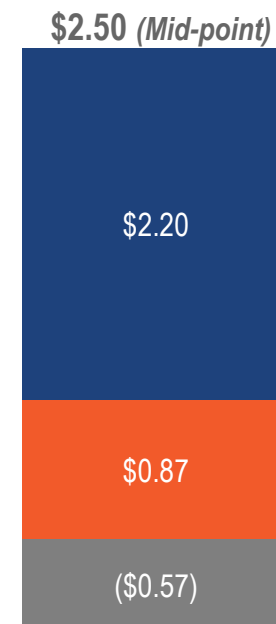


2020 Operating EPS Guidance Range	
Regulated Distribution	\$2.13 – \$2.27
Regulated Transmission	\$0.85 – \$0.89
Corp / Other	(\$0.58) – (\$0.56)
	\$2.40 – \$2.60

Distribution +\$0.11 (excl. DMR and weather)	Wires revenues	+
	Net operating & misc. expense	+
	Depreciation and general taxes	-
Transmission +\$0.04	Rate base growth	+
	Interest expense	-
Corp/Other (\$0.06)	Effective income tax rate	-
	Interest expense	-

- Regulated Distribution
- Regulated Transmission
- Corp/Other
- ▨ RD: Ohio DMR
- ▨ RD: Weather vs. Normal

2020 Guidance Range
\$2.40 - \$2.60



⁽¹⁾ See Slide 77 for information on Non-GAAP Financial Matters

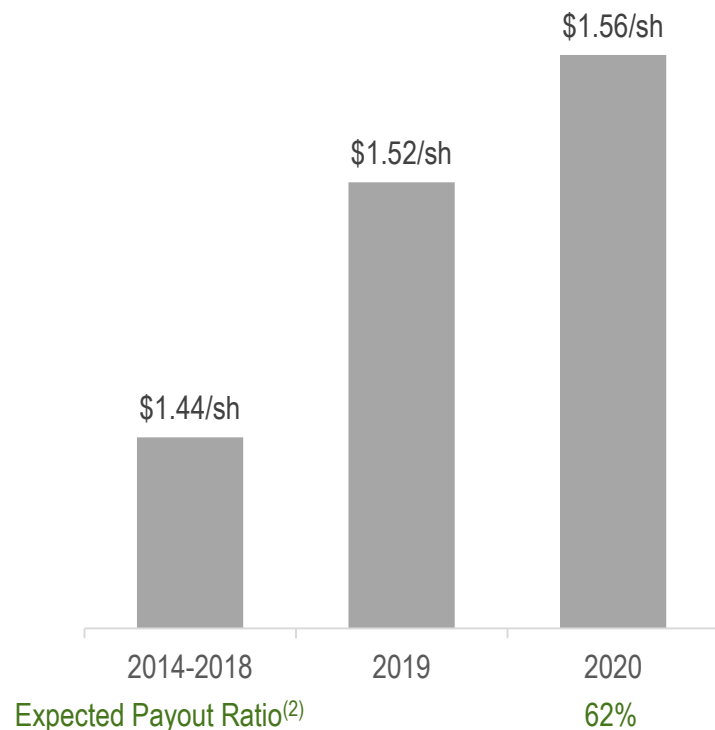
⁽²⁾ See Slides 73 and 75 for 2019 GAAP to Non-GAAP earnings reconciliation

⁽³⁾ 2020 operating (non-GAAP) earnings guidance of \$2.40 to \$2.60 per share is based on GAAP net income of \$900M - \$1,410M and 542M shares. Forecasted GAAP net income (loss) ranges by segment are as follows: \$890M - \$1,230M for Regulated Distribution, \$460M - \$485M for Regulated Transmission, and (\$450M) - (\$305M) for Corp/Other. See Slide 74

Note: 2020F ETRs: RD 20-23%, RT 20-23%, Consolidated 21-24%
2019A ETRs: RD 20.7%, RT 20.2%, Consolidated 20.5%

Dividend Overview

Continuing Annual Dividend Growth



Enhancing Shareholder Returns

Approved by the Board of Directors on November 8, 2019 and effective beginning with the March 1, 2020 dividend:

- A \$0.01 per share increase; quarterly dividend will be **\$0.39 per share** or **\$1.56 annualized per share** in 2020⁽¹⁾

Dividend increase for second straight year

3%
INCREASE

55-65%
TARGETED
PAYOUT RATIO

⁽¹⁾ Dividend payments are subject to declaration by the Board of Directors; future dividend decisions determined by the Board based on earnings growth, cash flows, credit metrics, and other business conditions

⁽²⁾ Assumes midpoint of Operating (non-GAAP) EPS guidance

Debt Financing Plan (2020-2023)

Committed to maintaining investment-grade credit ratings

FE CORP			
Year	Entity	Amount	Purpose
2020F	FE Corp	Up to \$1.75B	Refinance \$1.75B Term Loans maturing in 2020 and 2021
2022F	FE Corp	\$500M	\$500M at 2.85% maturing on 7/15/22
2023F	FE Corp	\$850M	\$850M at 4.25% maturing on 3/15/23

REGULATED TRANSMISSION			
Year	Entity	Amount	Purpose
2020F	MAIT	\$250M	New Issuance
	ATSI	\$100M	New Issuance
2021F	ATSI	\$100M	New Issuance
	FET	\$400M	New Issuance
	MAIT	\$150M	New Issuance
2022F	ATSI	\$500M	\$400M at 5.25% maturing on 1/15/22
	MAIT	\$175M	New Issuance
2023F	ATSI	\$100M	New Issuance
	MAIT	\$175M	New Issuance
	FET	\$400M	New Issuance

REGULATED DISTRIBUTION			
Year	Entity	Amount	Purpose
2020F	PN	\$250M	\$250M at 5.2% maturing 4/1/20
	TE	\$150M	\$50M at 7.25% maturing 5/1/20
	CEI	\$250M	New Issuance
	PE	\$175M	New Issuance
2021F	MP	\$200M	\$74M at 3.0% PCRБ mandatory put on 10/15/21
2022F	WPP	\$200M	\$100M at 3.34% maturing on 4/15/22
	JCP&L	\$500M	New Issuance
	PP	\$150M	\$100M at 6.09% maturing on 6/30/22
	PN	\$150M	New Issuance
2023F	ME	\$500M	\$300M at 3.5% maturing on 3/15/23

Pension/OPEB Overview

Overview

- FE is the sponsor of the benefit plans for employees at all of FE's subsidiaries
- Pension Status is Open
 - Plan design changed to Cash Balance formula for new hires beginning 1/1/2014
- Pension/OPEB Expense impacts operating (non-GAAP) earnings based on a post-capitalization calculation of net periodic costs (excluding MTM adjustment)

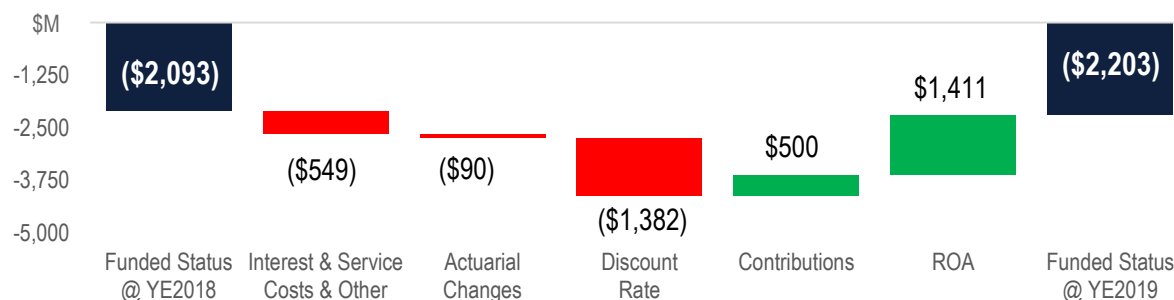
Key assumptions for expense	2019	2020
Expected Return on Assets	7.50%	7.50%
Pension Discount Rate	4.44%	3.34%
OPEB Discount Rate	4.30%	3.18%

MTM Method

- Beginning in 2011, adopted MTM method for pension and OPEB accounting
- Net gain or loss is recognized in 4Q GAAP results; excluded from operating (non-GAAP) results
 - Preferred method of accounting under GAAP
- Upon the FES Debtors' emergence from bankruptcy, FE will perform a remeasurement of the pension and OPEB plans
 - See Slide 74 for current estimate of MTM assumed in 1Q 2020

Pre-Tax Impact - MTM Drivers	2019
Difference from expected return	(\$925M)
Changes to discount rate	\$1,510M
Other changes (Demographic, VERP, Misc.)	\$91M
Pre-Tax Expense Impact	\$676M

2019A Qualified Pension Funded Status



2019 Pension/OPEB Summary

Pension/OPEB Funded Status (PBO): Year-End 2019A

(\$M)	Corp	FEU	FES/FENOC	Total	Notes
Qualified Pension	(\$807)	(\$356)	(\$1,040)	(\$2,203)	79% funded at 12/31/19
Non-Qualified Pension	(217)	(170)	(65)	(452)	No minimum funding requirements
OPEB	48	(343)	99	(196)	No minimum funding requirements
Total	(\$976)	(\$869)	(\$1,006)	(\$2,851)	

Components of Net Periodic Benefit Costs: 2019A

(\$M)	Pension	OPEB	Total	Post Cap
Service Cost	\$193	\$3	\$196	\$120
Interest Cost	373	22	395	395
Expected Return on Assets	(540)	(29)	(569)	(569)
Amortization of prior service cost (credit)	7	(36)	(29)	(29)
Non-GAAP Cost (Credit)⁽¹⁾	\$33	(\$40)	(\$7)	(\$83)
Pension/OPEB Mark-To-Market Adjustment	656	20	676	676
Special Termination Costs (VERP)	14	-	14	14
GAAP Net Periodic Cost (Credit)	\$703	(\$20)	\$683	\$607

⁽¹⁾ See Slide 77 for information on Non-GAAP Financial Matters

2018-2023 Qualified Pension Funding

Qualified Pension Plan

■ Pension Contributions

- January 2018: \$1,250M
- February 2019: \$500M

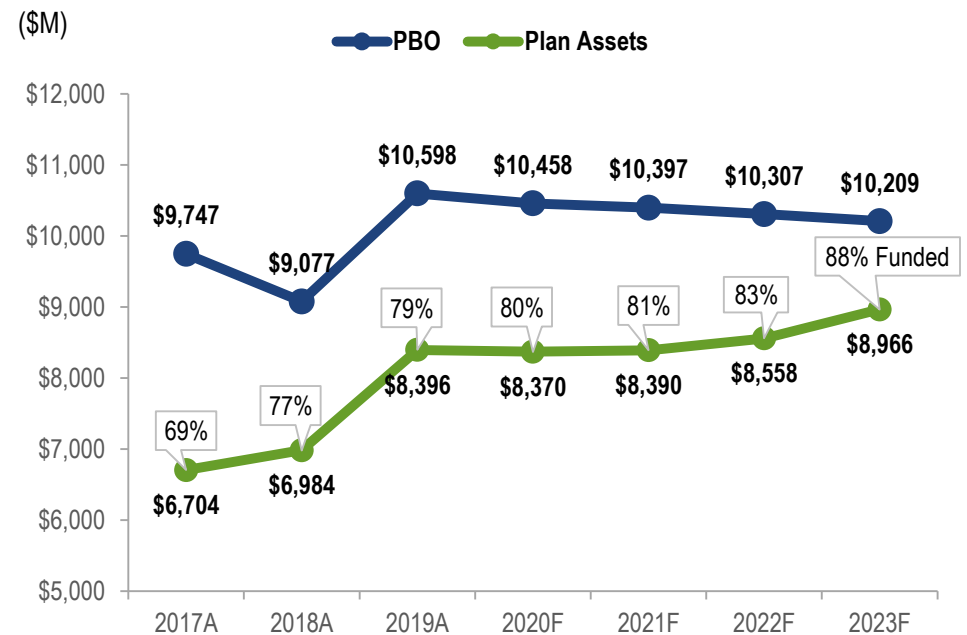
■ Required contributions:

- 2022: \$159M
- 2023: \$375M

■ Key assumptions:

- 2019 investment return of 20.3%
(based on results @ 12/31/19)
- Expected Return on Assets of 7.50%
- Discount Rate of 3.34% (full yield curve) @ 12/31/2019

Projected Funding Status – Qualified Pension Plan

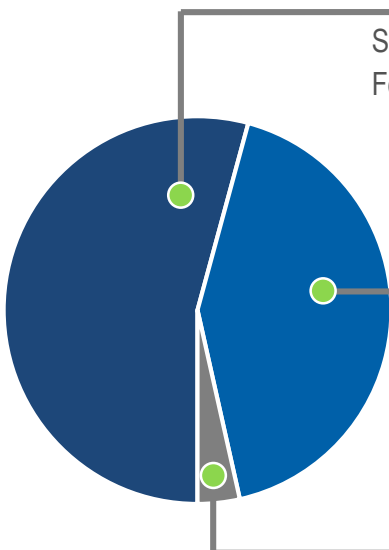


Capital Expenditures Forecast Summary

\$18-19B in capital investments; with majority on formula rates

	<u>2019A</u>	<i>Annually</i> <u>2020F – 2023F</u>
FE Consolidated Total	\$3.0B	\$3.0-3.3B

(\$M)	2018A	2019A	2020F	2021F	2022F	2023F
Regulated Distribution (~40% formula rates)	\$1,635	\$1,698	\$1,700	\$1,700	\$1,700	\$1,700
Stated Rate	\$1,085	\$1,053	\$940	\$1,020	\$1,025	\$1,040
Formula Rate	\$550	\$645	\$760	\$680	\$675	\$660
Regulated Transmission (Nearly 90% formula rates)	\$1,165	\$1,189	\$1,200	\$1,200-1,450	\$1,200-1,450	\$1,200-1,450
Stated Rate	\$256	\$254	\$155	\$180	\$130	\$120
Formula Rate	\$909	\$935	\$1,045	\$1,020-1,270	\$1,070-1,320	\$1,080-1,330
Corp/Other	\$183	\$105	\$90	\$110	\$110	\$110



Numbers above reflect current forecast. We expect to update the forecast over the period for items such as regulatory filings and approvals, and other changes.

2019-2020 FFO and Free Cash Flow

(\$M)	FE Consolidated	
	2019A	2020F
Cash from Operations (GAAP)	\$2,467	\$1,840 - \$2,040
Working Capital ⁽¹⁾	(132)	2 - (28)
Pension Contributions ⁽²⁾	500	-
FES Bankruptcy Settlement Agreement ⁽³⁾	-	\$853
Funds from Operations (FFO) (Non-GAAP)	\$2,835	\$2,695 - \$2,865
Capital Expenditures	(2,992)	(2,990)
Cash Before Other Items	(\$157)	(\$295) - (\$125)
Working Capital/Other ⁽⁴⁾	247	93 - 123
Pension Contributions	(500)	-
FES Bankruptcy Settlement Agreement ⁽³⁾	-	(\$853)
Cash Before Dividends and Equity	(\$410)	(\$1,055) - (\$855)
Dividends	(820)	(845)
Equity ⁽⁵⁾	-	-
Free Cash Flow ⁽⁶⁾ (Non-GAAP)	(\$1,230)	(\$1,900) - (\$1,700)

⁽¹⁾ Working Capital is included in "Changes in Current Assets and Liabilities" on the Consolidated Statements of Cash Flows

⁽²⁾ Pension Contribution is included in "Pension Trust Contributions" on the Consolidated Statements of Cash Flows

⁽³⁾ Includes the \$225M and \$628M cash payments upon FES emergence

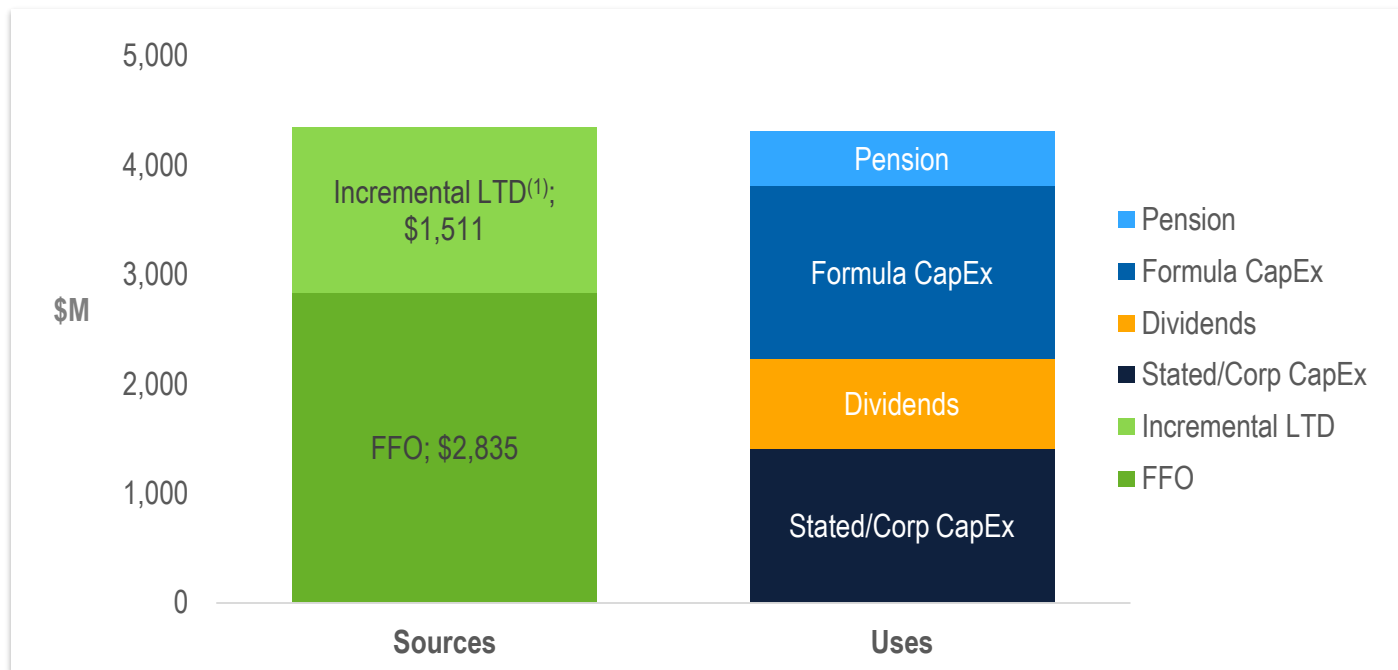
⁽⁴⁾ Includes "Working Capital", asset removal costs which is included in the Consolidated Statements of Cash Flows, and trust interest and dividend income which is included in "Purchases of Investment Securities Held in Trust" on the Consolidated Statements of Cash Flows

⁽⁵⁾ Excludes non-cash annual equity issuances of ~\$100M through FE's stock investment and employee benefit plans

⁽⁶⁾ Excludes cash items related to debt financing activity

2019 Cash Sources & Uses

- Stated capital expenditures and dividends fully funded by FFO
- Formula capital expenditures funded by a mix of FFO and operating company debt issuances
- \$500M voluntary pension contribution was funded by favorable cash position



⁽¹⁾ Net of new financings and redemptions/repayments of long-term debt (2019 Consolidated Statement of Cash Flows)

Credit Ratings

As of February 6, 2020

	Corporate Credit Rating			Senior Secured			Senior Unsecured			Outlook		
	S&P	Moody's	Fitch	S&P	Moody's	Fitch	S&P	Moody's	Fitch	S&P	Moody's	Fitch
FirstEnergy Corp. ^(*)	BBB	Baa3	BBB				BBB-	Baa3	BBB	S	S	S
Allegheny Generating Co.	BBB-	Baa2	BBB							S	S	S
American Transmission Systems Inc.	BBB	A3	BBB+				BBB	A3	A-	S	S	S
Cleveland Electric Illuminating	BBB	Baa2	BBB+	A-	A3	A	BBB	Baa2	A-	S	S	S
FirstEnergy Transmission ^(*)	BBB	Baa2	BBB				BBB-	Baa2	BBB	S	S	S
Jersey Central Power & Light	BBB	Baa1	BBB+				BBB	Baa1	A-	S	P	S
Metropolitan Edison	BBB	A3	BBB+				BBB	A3	A-	S	S	S
Mid-Atlantic Interstate Transmission	BBB	A3	BBB+				BBB	A3	A-	S	S	S
Monongahela Power	BBB	Baa2	BBB	A-	A3	A-	BBB	Baa2		S	S	S
Ohio Edison	BBB	A3	BBB+	A-	A1	A	BBB	A3	A-	S	P	S
Pennsylvania Electric	BBB	Baa1	BBB+				BBB	Baa1	A-	S	S	S
Pennsylvania Power	BBB	A3	BBB+		A1	A				S	P	S
Potomac Edison	BBB	Baa2	BBB			A-				S	S	S
Toledo Edison	BBB	Baa1	BBB+	A-	A2	A				S	S	S
Trans-Allegheny Interstate Line Co.	BBB	A3	BBB+				BBB	A3	A-	S	S	S
West Penn Power	BBB	A3	BBB+			A				S	S	S

(*) = holding company

S = Stable
P = Positive
N = Negative

Ratings are not recommendations to buy, sell, or hold securities. Ratings are subject to change or withdrawal at any time by the credit rating agencies.

Financial Updates

Since November 4, 2019 (3Q 2019 Earnings Release)

■ Dividend:

- On November 8, 2019, Board declared a quarterly dividend of \$0.39 per share of outstanding common stock

Declaration Date	Payable	Record Date
11/8/2019	3/1/2020	2/7/2020

■ Financing Activities:

	MP	MP
Date	11/14/2019	11/14/2019
Type	First Mortgage Bonds	First Mortgage Bonds
Amount Issued	\$155M	\$45M
Interest Rate	3.23%	3.93%
Maturity Date	11/15/2029	11/15/2049
Use of proceeds	To (i) refinance existing indebtedness, (ii) fund capital expenditures, (iii) and for other general corporate purposes.	To (i) refinance existing indebtedness, (ii) fund capital expenditures, (iii) and for other general corporate purposes.

Credit Profile

\$3.5B



Revolving Credit
Facilities (RCF)

\$1.75B



Term Loan Credit
Agreements

\$5.5B



Credit Commitment
from 24 Financial
Institutions

\$4.0B



Available Liquidity
(as of 1/31/2020)

10%  S&P Global



FFO/Debt
threshold

11%  MOODY'S



CFO pre-WC/Debt
threshold

6.3x  Fitch
Ratings



FFO Adj. Leverage
threshold

~35%



Targeted FE Corp.
hold co % of
total debt



Investment-grade credit ratings at
FirstEnergy Corp and all subsidiaries.



Current plan supports remaining
compliant with each of the credit rating
agencies' respective thresholds.



Compliant with RCF covenant; \$7.8B
of additional debt capacity or \$4.2B of
equity decrease capacity.

Bank Covenant View of Debt-to-Cap Ratio

✓ Compliant with RCF covenant; \$7.8B of additional debt capacity or \$4.2B of equity decrease capacity

Debt to Total Capitalization Ratio as defined under the FE Credit Facility:	12/31/2019		12/31/2018	
	\$M	%	\$M	%
Total Stockholders' Equity (GAAP)	\$ 6,975	20%	\$ 6,814	20%
Non-cash Charges / Non-cash Write Downs ⁽¹⁾	8,264	23%	8,264	24%
Less: Accumulated Other Comprehensive Income (GAAP)	(20)	0%	(41)	0%
Adjusted Equity (Non-GAAP)⁽²⁾	15,219	43%	15,037	44%
Long-term Debt and Other Long-term Obligations (GAAP)	19,618	55%	17,751	52%
Currently Payable Long-term Debt (GAAP)	380	1%	503	1%
Short-term Borrowings (GAAP)	1,000	3%	1,250	4%
Reimbursement Obligations	4	0%	10	0%
Guarantees of Indebtedness	114	0%	190	1%
Less: Securitization Debt	(623)	(2%)	(687)	(2%)
Adjusted Debt (Non-GAAP)⁽²⁾	20,493	57%	19,017	56%
Adjusted Capitalization (Non-GAAP)⁽²⁾	\$ 35,712	100%	\$ 34,054	100%

⁽¹⁾ Includes after-tax non-cash charges and non-cash write downs as permitted by FE's current syndicated revolving credit facility (FE Credit Facility) and term loans.

⁽²⁾ See Slide 77 for information on Non-GAAP Financial Matters.

Consolidated Long-Term Debt Maturities

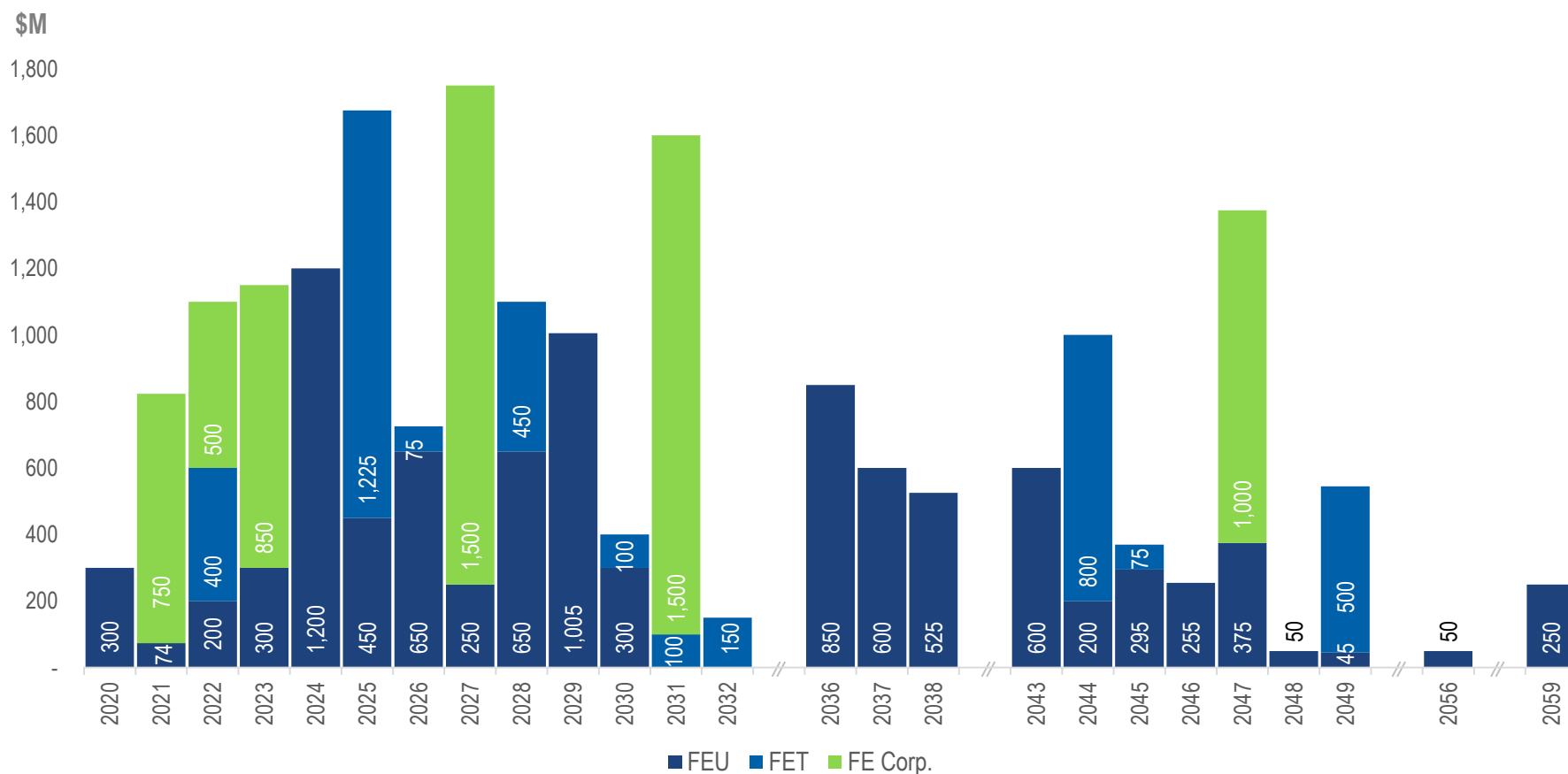
AVG RATES

FEU **FET** **CORP**
4.77% 4.52% 4.70%

\$19.4^B FACE
VALUE

AVG LENGTH

FEU **FET** **CORP**
13yrs 13yrs 10yrs



Excludes securitization bonds



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Commonly Used Terms & Acronyms

ADIT	Accumulated Deferred Income Taxes	NGC	Non-Utility Generation Charge
AFUDC	Allowance for Funds Used During Construction	NMB	Non-Market Based
AMI	Advanced Metering Infrastructure	NOL	Net Operating Loss
BGS	Basic Generation Service	OSHA	Occupational Safety and Health Administration
BOD	Board of Directors	OPEB	Other Post-Employment Benefits
CAGR	Compound Annual Growth Rate	OVEC	Ohio Valley Electric Corporation
CapEx	Capital Expenditures	PA PUC	Pennsylvania Public Utility Commission
CDD	Cooling Degree Days	PBO	Projected Benefit Obligation
CFO	Cash From Operations	PCRB	Pollution Control Revenue Bond
CFO pre-WC	Cash From Operations pre Working Capital	PJM	PJM Interconnection, LLC
CO₂	Carbon Dioxide	PPA	Purchase Power Agreement
CSR	Conservation Support Rider	PTC	Price-to-Compare
CWIP	Construction Work in Progress	PUCO	Public Utilities Commission of Ohio
DCR	Delivery Capital Recovery	RD	Regulated Distribution
DMR	Distribution Modernization Rider	ROA	Return on Assets
DRIP	Dividend Reinvestment Plan	ROE	Return on Equity
DSE	Demand Side Management and Energy Efficiency	RRC	Regional Greenhouse Gas Initiative (RGGI) Recovery Charge
DSIC	Distribution System Improvement Charge	RT	Regulated Transmission
DSSR	Default Service Support Rider	RTEP	Regional Transmission Expansion Plan
Dx	Distribution	RTO	Regional Transmission Organization
EDIS	Electric Distribution Investment Surcharge	S&P	Standard & Poor's
EDIT	Excessive Deferred Income Taxes	SEET	Significantly Excessive Earnings Test
EE	Energy Efficiency	SIP	Stock Investment Plan
EEC	Energy Efficiency Conservation	SOS	Standard Offer Service
EMAAC	EMAAC Locational Deliverability Area in PJM	SRC	Storm Recovery Charge
EmT	Emerging Technologies	TCJA	Tax Cuts and Jobs Act
ENEC	Expanded Net Energy Costs	TTM	Trailing Twelve Months
EPS	Earnings per Share	Tx	Transmission
ESG	Environmental, Social, and Governance	VERP	Voluntary Enhanced Retirement Program
ESP	Electric Security Plan	WC	Working Capital
ETF	Energizing the Future	WV PSC	West Virginia Public Service Commission
ETR	Effective Tax Rate	YE	Year End
EV	Electric Vehicle		
FCF	Free Cash Flow		
FERC	Federal Energy Regulatory Commission	FirstEnergy Companies	
FES Debtors	FES, its' subsidiaries, and FENOC	AGC	Allegheny Generating Company
FEU	FirstEnergy Utilities	ATSI	American Transmission Systems, Incorporated
FFO	Funds From Operations	CEI	The Cleveland Electric Illuminating Company
GEN	Generation Service Rider	FET	FirstEnergy Transmission, LLC
Gx	Generation	JCP&L	Jersey Central Power & Light Company
HDD	Heating Degree Days	MAIT	Mid-Atlantic Interstate Transmission, LLC
IIP	Infrastructure Investment Program	ME	Metropolitan Edison Company
kV	Kilovolt	MP	Monongahela Power Company
kWh	Kilowatt-hour	Ohio Companies	
LTD	Long-Term Debt	OE	OE, CEI, TE
LTIIP	Long-Term Infrastructure Improvement Plan	PA Companies	
MD PSC	Maryland Public Service Commission	PE	ME, PN, PP, WPP
MTM	Mark-to-Market	PN	The Potomac Edison Company
MW	Megawatt	PP	Pennsylvania Electric Company
MWH	Megawatt-hour	TE	Pennsylvania Power Company
NJ BPU	New Jersey Board of Public Utilities	TrAILCo	The Toledo Edison Company
		WPP	Trans-Allegheny Interstate Line Company
			West Penn Power Company

2018 GAAP to Operating (Non-GAAP) Earnings⁽¹⁾ Reconciliation

(In \$M, except per share amounts)	2018 Actual			
	Regulated Distribution	Regulated Transmission	Corporate/ Other	FirstEnergy Consolidated
2018A Net Income (Loss) attributable to Common Stockholders (GAAP)	\$1,242	\$397	(\$658)	\$981
2018A Basic Earnings (Loss) Per Share (avg. shares outstanding 492M)	\$2.53	\$0.81	(\$1.35)	\$1.99
Excluding Special Items:				
Impact of full dilution	(0.22)	(0.07)	0.81	0.52
Mark-to-market adjustments – Pension/OPEB actuarial assumptions	0.15	–	0.04	0.19
Regulatory charges	(0.20)	–	–	(0.20)
Debt redemption costs	0.01	–	0.21	0.22
Tax reform	0.04	–	–	0.04
Exit of competitive generation	0.10	–	(0.27)	(0.17)
Total Special Items	(\$0.12)	(\$0.07)	\$0.79	\$0.60
2018A Operating Earnings (Loss) Per Share – Non-GAAP (538M fully diluted shares)	\$2.41	\$0.74	(\$0.56)	\$2.59

⁽¹⁾ Operating earnings exclude special items as described in the reconciliation table above and is a non-GAAP financial measure.

Per share amounts for the special items above are based on the after-tax effect of each item divided by the number of shares outstanding for the period assuming full impact of dilution from the \$2.5B equity issuance in January 2018 (538M fully diluted shares). The current and deferred income tax effect was calculated by applying the subsidiaries' statutory tax rate to the pre-tax amount if deductible/taxable. The income tax rates range from 21% to 29%.

2019A GAAP to Operating (Non-GAAP) Earnings⁽¹⁾ Reconciliation

(In \$M, except per share amounts)	2019 Actual			
	Regulated Distribution	Regulated Transmission	Corporate/ Other	FirstEnergy Consolidated
2019A Net Income (Loss) attributable to Common Stockholders (GAAP)	\$1,076	\$447	(\$615)	\$908
2019A Earnings (Loss) Per Share (avg. shares outstanding 535M)	\$2.01	\$0.84	(\$1.15)	\$1.70
Excluding Special Items:				
Impact of full dilution	(\$0.02)	(\$0.01)	\$0.02	(\$0.01)
Mark-to-market adjustments – Pension/OPEB actuarial assumptions	\$0.40	–	\$0.49	\$0.89
Regulatory charges	(\$0.16)	–	–	(\$0.16)
Exit of competitive generation	\$0.03	–	\$0.13	\$0.16
Total Special Items	\$0.25	(\$0.01)	\$0.64	\$0.88
2019A Operating Earnings (Loss) Per Share – Non-GAAP (539M fully diluted shares)	\$2.26	\$0.83	(\$0.51)	\$2.58

⁽¹⁾ Operating earnings exclude special items as described in the reconciliation table above and is a non-GAAP financial measure.

Per share amounts for the special items above are based on the after-tax effect of each item divided by the number of shares outstanding for the period assuming full impact of dilution from the \$2.5B equity issuance in January 2018 (539M fully diluted shares). The current and deferred income tax effect was calculated by applying the subsidiaries' statutory tax rate to the pre-tax amount if deductible/taxable. The income tax rates range from 21% to 29%.

2020F GAAP to Operating (Non-GAAP) Earnings⁽¹⁾ Reconciliation

(In \$M, except per share amounts)	2020 Forecast			
	Regulated Distribution	Regulated Transmission	Corporate/ Other	FirstEnergy Consolidated
2020F Net Income (Loss) attributable to Common Stockholders (GAAP)	\$890 – \$1,230	\$460 – \$485	(\$450) – (\$305)	\$900 – \$1,410
2020F Earnings (Loss) Per Share (avg. shares outstanding 542M)	\$1.64 – \$2.27	\$0.85 – \$0.89	(\$0.83) – (\$0.56)	\$1.66 – \$2.60
Excluding Special Items:				
Mark-to-market adjustments – Pension/OPEB actuarial assumptions ⁽²⁾	\$0.49 – \$0.00	–	\$0.25 – \$0.00	\$0.74 – \$0.00
Total Special Items	\$0.49 – \$0.00	–	\$0.25 – \$0.00	\$0.74 – \$0.00
2020F Operating Earnings (Loss) Per Share – Non-GAAP (542M fully diluted shares)	\$2.13 – \$2.27	\$0.85 – \$0.89	(\$0.58) – (\$0.56)	\$2.40 – \$2.60

⁽¹⁾ Operating earnings exclude special items as described in the reconciliation table above and is a non-GAAP financial measure.

⁽²⁾ Upon the FES Debtors emergence from bankruptcy, FirstEnergy would perform a remeasurement of the pension and OPEB plans. Assuming an emergence in the first quarter of 2020, FirstEnergy anticipates an after-tax, non-cash mark-to-market loss to be up to \$400M assuming a discount rate of ~3.10% to 3.35% and a return on the pension and OPEB plan's assets based on the actual investment performance through January 31, 2020.

Per share amounts for the special items above are based on the after-tax effect of each item divided by the number of shares outstanding for the period (542M). The current and deferred income tax effect was calculated by applying the subsidiaries' statutory tax rate to the pre-tax amount if deductible/taxable. The income tax rates range from 21% to 29%.

2018A, 2019A, and 2020F Special Items⁽¹⁾

- **Regulatory charges** – Primarily reflects the impact of regulatory agreements or orders requiring certain commitments and/or disallowing the recoverability of costs, net of related credits.
- **Mark-to-market adjustments: Pension/OPEB actuarial assumptions** – Primarily reflects the change in fair value of plan assets and net actuarial gains and losses associated with the company's pension and other postemployment benefit plans.
- **Exit of competitive generation** – Primarily reflects charges or credits resulting from the exit of competitive operations and impairments of certain non-core assets, including the impact of deconsolidating FES, its subsidiaries and FENOC, following their voluntary petitions for bankruptcy protection on March 31, 2018.
- **Debt redemption costs** – Primarily reflects costs associated with the redemption and early retirement of debt and amendments to revolving credit facilities.
- **Tax reform** – Primarily reflects charges and credits resulting from the Tax Cuts and Jobs Act.
- **Impact of full dilution** – Represents the dilutive impact of increasing weighted average shares outstanding to reflect the full impact of share dilution from the \$2.5 billion equity issuance in January 2018, including preferred dividends and conversion of preferred stock to common shares.

⁽¹⁾ Special items represent charges incurred or benefits realized, including share dilution, that management believes are not indicative of, or may obscure trends useful in evaluating the company's ongoing core activities and results of operations or otherwise warrant separate classification. Special items are not necessarily non-recurring.

Forward-Looking Statements

Forward-Looking Statements: This FactBook includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 based on information currently available to management. Unless the context requires otherwise, as used herein, references to “we”, “us”, “our”, and “FirstEnergy” refer to FirstEnergy Corp. Forward-looking statements are subject to certain risks and uncertainties and readers are cautioned not to place undue reliance on these forward-looking statements. These statements include declarations regarding management’s intents, beliefs and current expectations. These statements typically contain, but are not limited to, the terms “anticipate,” “potential,” “expect,” “forecast,” “target,” “will,” “intend,” “believe,” “project,” “estimate,” “plan” and similar words. Forward-looking statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements, which may include the following: the ability to successfully execute an exit from commodity-based generation, including, without limitation, mitigating exposure for remedial activities associated with formerly owned generation assets; the ability to accomplish or realize anticipated benefits from strategic and financial goals, including, but not limited to, our strategy to operate and grow as a fully regulated business, to execute our transmission and distribution investment plans, to continue to reduce costs and to improve our credit metrics, strengthen our balance sheet and grow earnings; legislative and regulatory developments including, but not limited to, matters related to rates, compliance and enforcement activity; economic and weather conditions affecting future operating results, such as significant weather events and other natural disasters, and associated regulatory events or actions; changes in assumptions regarding economic conditions within our territories, the reliability of our transmission and distribution system, or the availability of capital or other resources supporting identified transmission and distribution investment opportunities; changes in customers’ demand for power, including, but not limited to, the impact of climate change or energy efficiency and peak demand reduction mandates; changes in national and regional economic conditions affecting us and/or our major industrial and commercial customers or others with which we do business; the risks associated with cyber-attacks and other disruptions to our information technology system, which may compromise our operations, and data security breaches of sensitive data, intellectual property and proprietary or personally identifiable information; the ability to comply with applicable reliability standards and energy efficiency and peak demand reduction mandates; changes to environmental laws and regulations, including, but not limited to, those related to climate change; changing market conditions affecting the measurement of certain liabilities and the value of assets held in our pension trusts and other trust funds, or causing us to make contributions sooner, or in amounts that are larger, than currently anticipated; the risks associated with the Chapter 11 bankruptcy proceedings involving FirstEnergy Solutions Corp. (FES), its subsidiaries, and FirstEnergy Nuclear Operating company (FENOC) (FES Bankruptcy) that could adversely affect us, our liquidity or results of operations, including, without limitation, that conditions to the FES Bankruptcy settlement agreement may not be met or that the FES Bankruptcy settlement agreement may not be otherwise consummated, and if so, the potential for litigation and payment demands against us by FES or FENOC or their creditors; the risks associated with the decommissioning of our retired and former nuclear facilities; the risks and uncertainties associated with litigation, arbitration, mediation and like proceedings; labor disruptions by our unionized workforce; changes to significant accounting policies; any changes in tax laws or regulations, , or adverse tax audit results or rulings; the ability to access the public securities and other capital and credit markets in accordance with our financial plans, the cost of such capital and overall condition of the capital and credit markets affecting us, including the increasing number of financial institutions evaluating the impact of climate change on their investment decisions; actions that may be taken by credit rating agencies that could negatively affect either our access to or terms of financing or our financial condition and liquidity; and the risks and other factors discussed from time to time in FirstEnergy’s Securities and Exchange Commission (SEC) filings. Dividends declared from time to time on FirstEnergy’s common stock during any period may in the aggregate vary from prior periods due to circumstances considered by FirstEnergy’s Board of Directors at the time of the actual declarations. A security rating is not a recommendation to buy or hold securities and is subject to revision or withdrawal at any time by the assigning rating agency. Each rating should be evaluated independently of any other rating. These forward-looking statements are also qualified by, and should be read together with, the risk factors included in FirstEnergy’s filings with the SEC, including but not limited to the most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q and any subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. The foregoing review of factors also should not be construed as exhaustive. New factors emerge from time to time, and it is not possible for management to predict all such factors, nor assess the impact of any such factor on FirstEnergy’s business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements. FirstEnergy expressly disclaims any obligation to update or revise, except as required by law, any forward-looking statements contained herein as a result of new information, future events or otherwise.

Non-GAAP Financial Matters

This presentation contains references to non-GAAP financial measures including, among others, Operating earnings (loss), Operating earnings (loss) per share, Operating earnings (loss) per share by segment, Adjusted Equity, Adjusted Debt, Adjusted Capitalization, Funds from Operations (FFO) and Free Cash Flow (FCF). Generally, a non-GAAP financial measure is a numerical measure of a company's historical or future financial performance, financial position, or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with accounting principles generally accepted in the United States (GAAP). Operating earnings (loss), Operating earnings (loss) per share and Operating earnings (loss) per share by segment are not calculated in accordance with GAAP to the extent they exclude the impact of "special items." Special items represent charges incurred or benefits realized that management believes are not indicative of, or may obscure trends useful in evaluating the company's ongoing core activities and results of operations or otherwise warrant separate classification. Special items also reflect the adjustment to include the full impact of share dilution from the \$2.5 billion equity issuance in January 2018. Special items are not necessarily non-recurring. FirstEnergy Corp. (FE or the Company) management cannot estimate on a forward-looking basis the impact of these items in the context of Operating earnings (loss) per share growth projections because these items, which could be significant, are difficult to predict and may be highly variable. Consequently, the Company is unable to reconcile Operating earnings (loss) per share growth projections (i.e. CAGR) to a GAAP measure without unreasonable effort.

Operating earnings (loss) per share and Operating earnings (loss) per share for each segment is calculated by dividing Operating earnings (loss), which excludes special items as discussed above, for the periods presented in 2018 by 538 million shares, 539 million shares in 2019, 540 million shares in the fourth quarter 2019, and 542 million shares in 2020, which reflects the full impact of share dilution from the equity issuance in January 2018.

Management uses non-GAAP financial measures such as Operating earnings (loss), Operating earnings (loss) per share, FFO and Free Cash Flow to evaluate the company's performance and manage its operations and frequently references these non-GAAP financial measures in its decision-making, using them to facilitate historical and ongoing performance comparisons. Additionally, management uses Operating earnings (loss) per share by segment to further evaluate the company's performance by segment and references this non-GAAP financial measure in its decision-making. Management believes that the non-GAAP financial measures of Operating earnings (loss), Operating earnings (loss) per share and Operating earnings (loss) per share by segment and Free Cash Flow provide consistent and comparable measures of performance of its businesses on an ongoing basis. Management uses Adjusted Equity, Adjusted Debt and Adjusted Capitalization to calculate and monitor its compliance with the debt to total capitalization financial covenant under the FE credit facility and term loans. These financial measures, as calculated in accordance with the FE Credit Facility and term loans, help shareholders understand FE's compliance with and provide a basis for understanding FE's incremental debt capacity under the debt to total capitalization financial covenants. The financial covenants under the FE Credit Facility and term loans require FE to maintain a consolidated debt to total capitalization of no more than 65%, measured at the end of each fiscal quarter. Management also believes that such measures are useful to shareholders and other interested parties to understand performance trends and evaluate the company against its peer group by presenting period-over-period operating results without the effect of certain charges or benefits that may not be consistent or comparable across periods or across the company's peer group. All of these non-GAAP financial measures are intended to complement, and are not considered as alternatives to, the most directly comparable GAAP financial measures. Also, the non-GAAP financial measures may not be comparable to similarly titled measures used by other entities.

Pursuant to the requirements of Regulation G, FirstEnergy has provided, where possible without unreasonable effort, quantitative reconciliations within this presentation of the non-GAAP financial measures to the most directly comparable GAAP financial measures.