FirstEnergy®

FIRSTENERGY

FactBook

Published February 19, 2019



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. 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, and 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; 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 FirstEnergy, FirstEnergy’s liquidity or results of operations, including, without limitation, that conditions to our settlement agreement with respect to the FES Bankruptcy settlement agreement may not be met or that such settlement agreement may not be otherwise consummated, and if so, the potential for litigation and payment demands against us by FES, FENOC or their creditors; 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 through FE Tomorrow, which is the FirstEnergy initiative launched in late 2016 to identify our optimal organization structure and properly align corporate costs and systems to efficiently support FirstEnergy as a fully regulated company going forward, and other initiatives, and to improve our credit metrics, strengthen our balance sheet and grow earnings; legislative and regulatory developments at the federal and state levels, 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 state and federal 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 that 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 state and federal reliability standards and energy efficiency and peak demand reduction mandates; changes to federal and state 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 additional contributions sooner, or in amounts that are larger, than currently anticipated; the risks associated with the decommissioning of the retired nuclear facility owned by FirstEnergy subsidiaries; the risks and uncertainties associated with litigation, arbitration, mediation and like proceedings; labor disruptions by the unionized workforce of FirstEnergy subsidiaries; changes to significant accounting policies; any changes in tax laws or regulations, including the Tax Cuts and Jobs Act, adopted December 22, 2017, 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; 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, and thereby on FirstEnergy’s preferred 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 SEC filings with the SEC, including but not limited to the most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q, together with any subsequent 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 our 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. We expressly disclaim 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 FactBook 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, funds from operations and free cash flow. 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 and by 540 million shares in 2019, which reflects the full impact of share dilution from the equity issuance in January 2018. Beginning in 2018, Regulated operating (non-GAAP) earnings (loss), Regulated operating earnings (loss) per share, and Regulated operating earnings (loss) per share by segment, which were non-GAAP financial measures used in the guidance provided in February 2018, are now referred to as Operating earnings (loss), Operating earnings (loss) per share, and Operating earnings (loss) per share by segment, respectively.

Management uses non-GAAP financial measures such as Operating earnings (loss) and Operating earnings (loss) per share, funds from operation, 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 provide consistent and comparable measures of performance of its businesses on an ongoing basis. 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. Refer to appendix slides 28-29.

FES/FENOC Deconsolidation

As a result of the bankruptcy filings, FirstEnergy Solutions Corp. (FES), its subsidiaries and FirstEnergy Nuclear Operating Company (FENOC) were deconsolidated from FE's consolidated financial statements as of March 31, 2018. Additionally, the operating results of FES and FENOC, as well as Bay Shore Power Company (BSPC) and the majority of Allegheny Energy Supply Company, LLC (AE Supply) that are subject to completed or pending asset sales and transfers, collectively representing substantially all of FE's operations that previously comprised the Competitive Energy Services (CES) reportable operating segment, are presented as discontinued operations in Corporate/Other. During the third quarter of 2018, the Pleasants Power Station was also reclassified to discontinued operations. The remaining business activities that previously comprised the CES reportable operating segment were not material, and as such, have been combined into Corporate/Other for reporting purposes. The external segment reporting is consistent with the internal financial reports used by FE's Chief Executive Officer (its chief operating decision maker) to regularly assess performance of the business and allocate resources.





Reference Materials

Unlocking Value for Investors

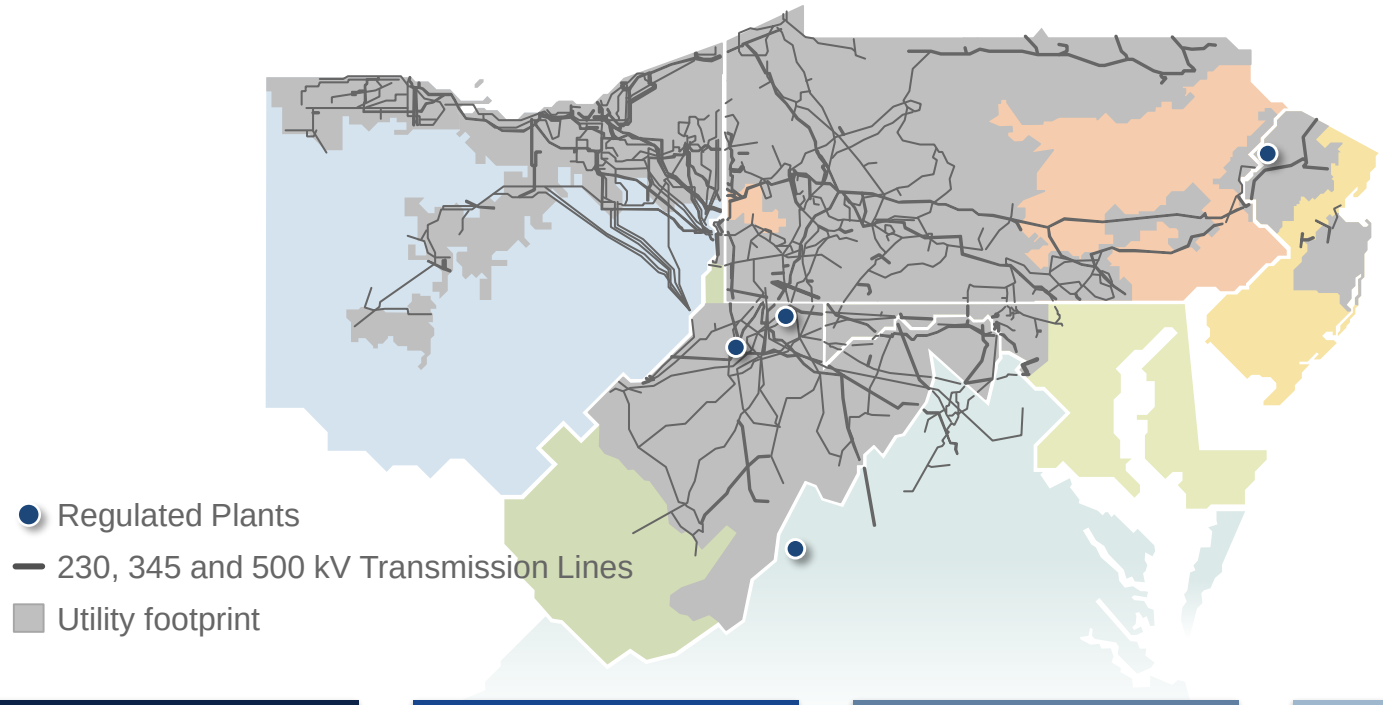




FirstEnergy Overview

OUR MISSION

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.



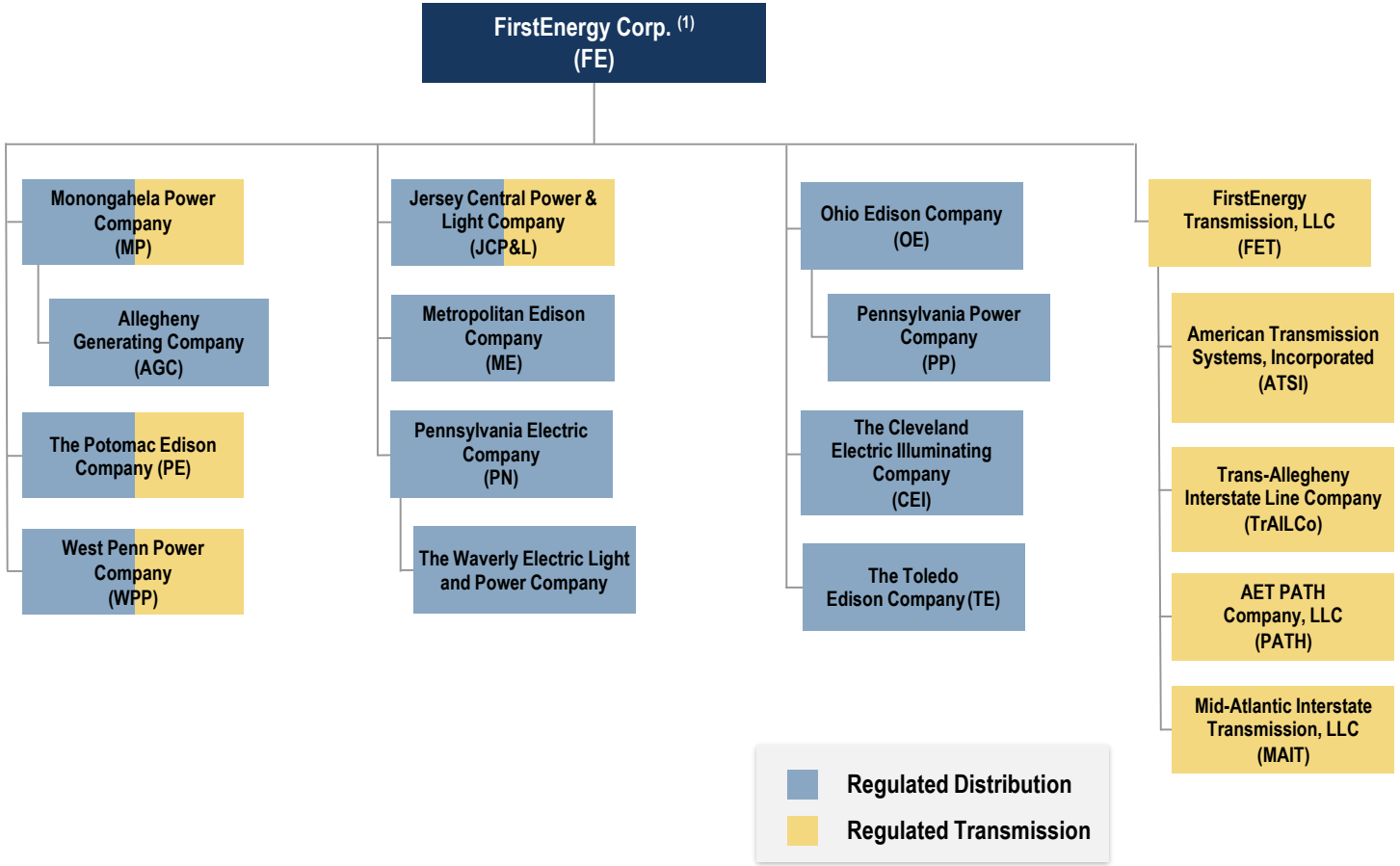
$40B
Total Assets (12/31/2018)

~6 Million
Total Customers

~3,800 MW
Regulated Generation

~24,500 Miles
Transmission Lines

Summary Organizational Structure



(1) Entity has subsidiaries that are not shown

FirstEnergy Sustainability Strategy

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

Build a sustainable business with…

Social and Environmental

Employees
- Employee Engagement
- Expanded Diversity & Inclusion

Customers
- Emerging Technologies
- Performance-Based Initiatives

Environment
- Internal Operations
- Renewable Adoption

Communities
- Targeted Giving / Engagement
- Charitable Impact Measurement

Governance

Transparency

Accountability

Built upon the pillars of our mission statement, our ESG Strategy delivers on these opportunities and unlocks potential growth for our stakeholders

FirstEnergy Sustainability/ESG Facts

	Environmental	Social	Governance
Inform	■ Participated in CDP Climate and Water Reports ■ Participated in EEI's Environmental, Social, Governance / Sustainability Template	■ Participated and was selected as one of 230 companies for the 2019 Bloomberg Gender Equality Index	■ Began implementation of BOD-approved sustainability strategy that includes initiatives related to the key pillars of our mission as well as publishing a climate report and an annual sustainability report starting in 2019 ■ Enterprise risk oversight by full BOD and its committees
Engage	■ Enlisted MJ Bradley to conduct a 2 degree scenario analysis ■ Actively participate in EPRI's sustainability programs, including the Power-in-Pollinators initiative	■ FE Foundation donated over $8M in 2018 to nearly 1,300 nonprofits ■ Provided the equivalent of 3.3 million meals to feed the hungry in our communities ■ Six active Employee Business Resource Groups ■ New Volunteer Time Off program in 2019	Enhanced our focus on sustainability through: ■ The development of a sustainability team in the strategy organization and an executive-led steering committee ■ Expanding BOD Corporate Governance Committee to include sustainability oversight
Achieve	■ Since 2005, achieved 62%* reduction in CO_2 emissions ■ Four osprey nesting platforms installed on our poles as part of FE's Avian Protection Plan	■ Implemented a Diversity & Inclusion Key Performance Indicator ■ Achieved US General Services Administration diversity goal for spend in all categories for 2018	■ BOD is made up of 36% Diverse Directors (gender, race & ethnicity) ■ All directors are independent, other than the CEO

*Primarily due to retirements and asset sales through December 31, 2018. Additional reductions will be recognized upon FirstEnergy Solutions' emergence from Chapter 11 bankruptcy.

Regulated Distribution

10
Operating Companies



6
States

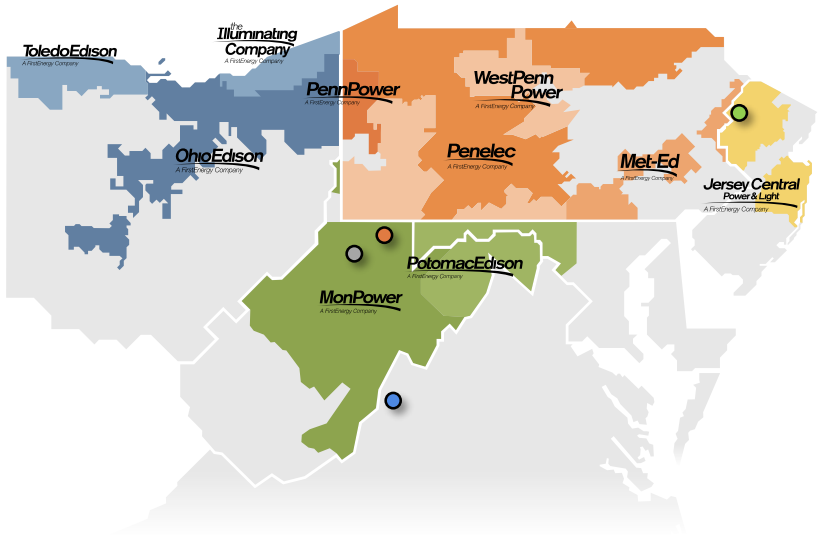


6M
Customers



Regulated Distribution – Segment Overview

- **10 operating companies serving ~6 million customers across 6 states**
  - One of the largest contiguous service territories in the U.S.
  - Balanced customer sales mix of approximately 1/3 residential, 1/3 commercial, 1/3 industrial
  - Includes 3,790 MW of regulated generation; primarily serving West Virginia
- **~$10.1B of Total Revenues in 2018**



Regulated Distribution Companies

State	Operating Companies
Ohio	OE, CEI, TE
Pennsylvania	ME, PN[(1)], PP, WPP
New Jersey	JCP&L
West Virginia	MP, PE-WV
Maryland	PE-MD

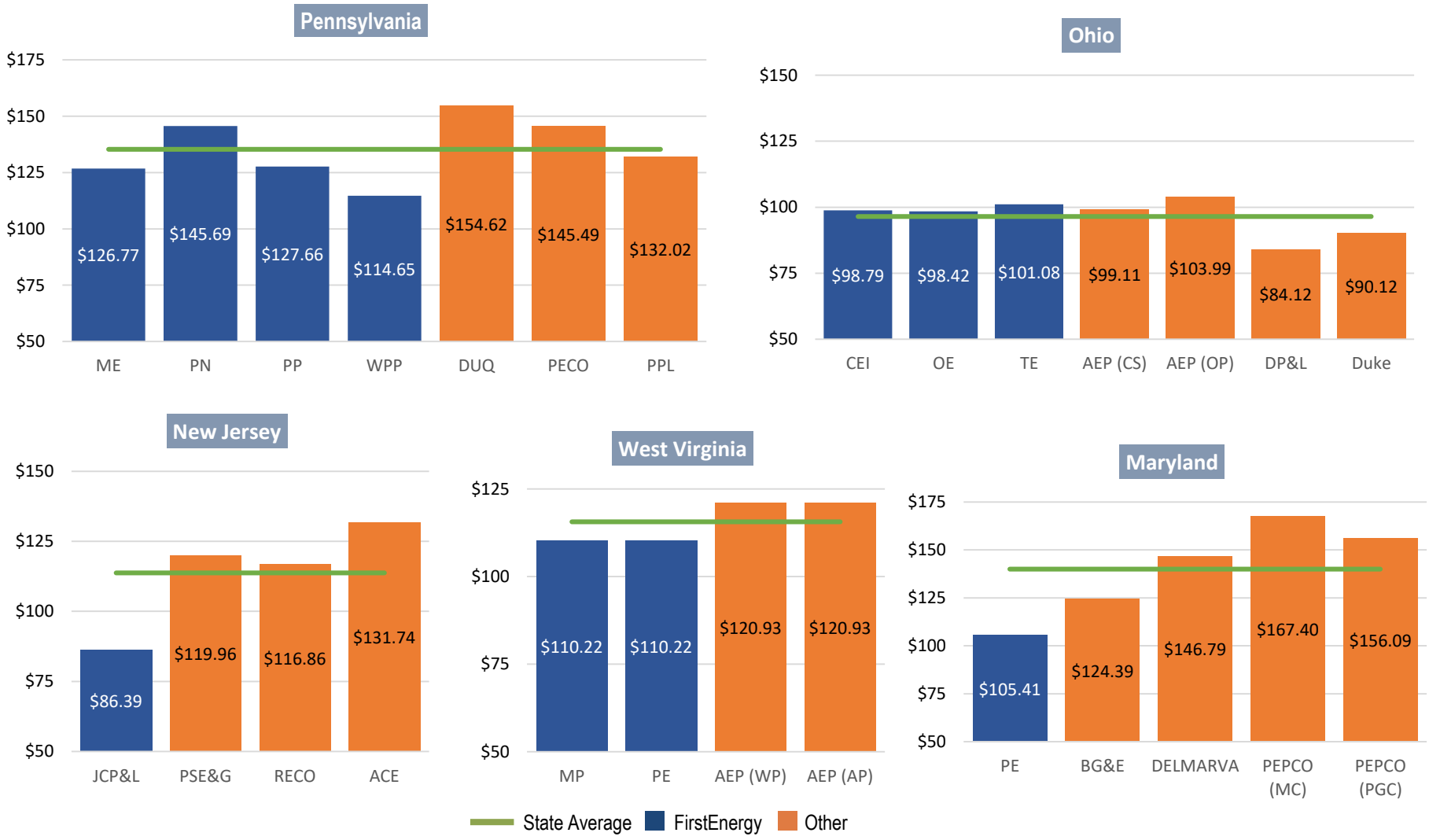
Regulated Generating Plants

Plant	MW	Fuel Type
Harrison 1-3	1,984	Supercritical Coal
Fort Martin 1-2	1,098	Supercritical Coal
Bath County	487	Hydro
Yards Creek	210	Hydro
OVEC	11	Subcritical Coal
Total	**3,790**	

(1) Includes 4K customers in New York

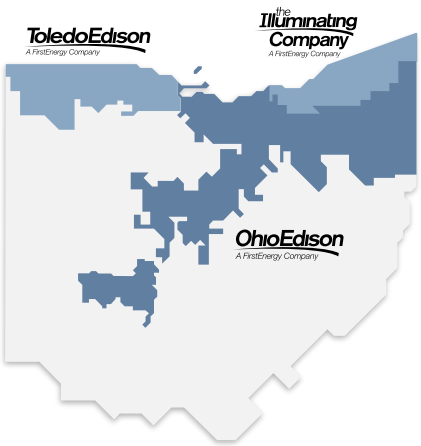
Average Customer Bills

Rates Effective July 1, 2018



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

Ohio Overview



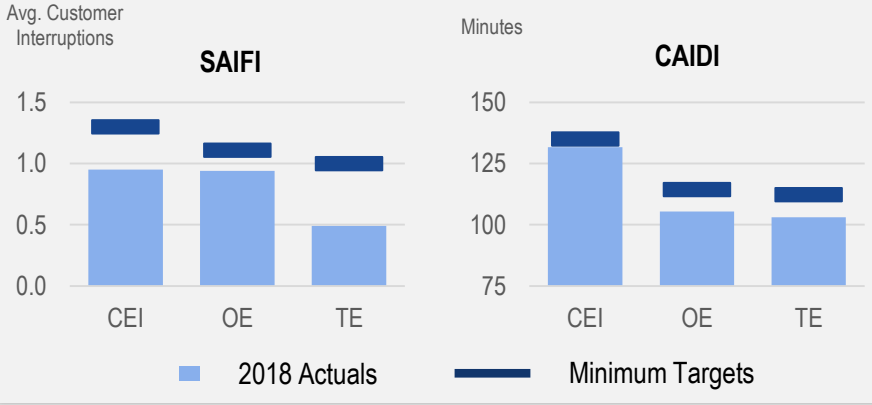
Number of Customers

(000s)	Year-End 2018
OE	1,051
CEI	753
TE	312
	2,116

Principal Industries Served

Primary and Fabricated Metals, Chemical, Automotive, Petroleum, Plastic & Rubber

2018 Reliability Information



SAIFI – System Average Interruption Frequency Index

CAIDI – Customer Average Interruption Duration Index

Political Overview

Governor	Current Term
Michael DeWine (R)	Expires in 2023

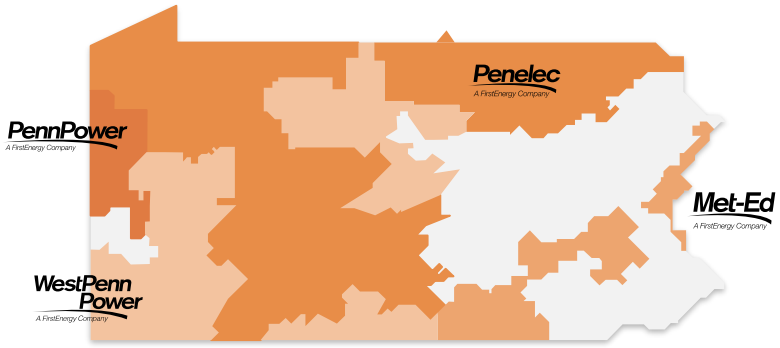
Public Utilities Commission (PUCO)	Current Term
Asim Z. Haque, Chairman (I)	Expires in 2021
M. Beth Trombold, Vice Chair (I)	Expires in 2023
Thomas W. Johnson (R)	Expires in 2019
Lawrence K. Friedman (D)	Expires in 2020
Daniel R. Conway (R)	Expires in 2022

Note: Asim Z. Haque has announced his resignation effective March 1, 2019, and the remainder of his term will be filled by a future appointment. Samuel C. Randazzo will fill the vacated seat by Thomas W. Johnson and will be Chairman upon his term effective date.

Recovery Mechanisms

Purchased Power / Fuel Rider	Storm Cost Recovery	Incremental Capital Recovery	Energy Efficiency	Smart Meter / Smart Grid	Alternative Energy
Annually	Base Rates	Quarterly	Semi Annually	Quarterly	Quarterly

Pennsylvania Overview



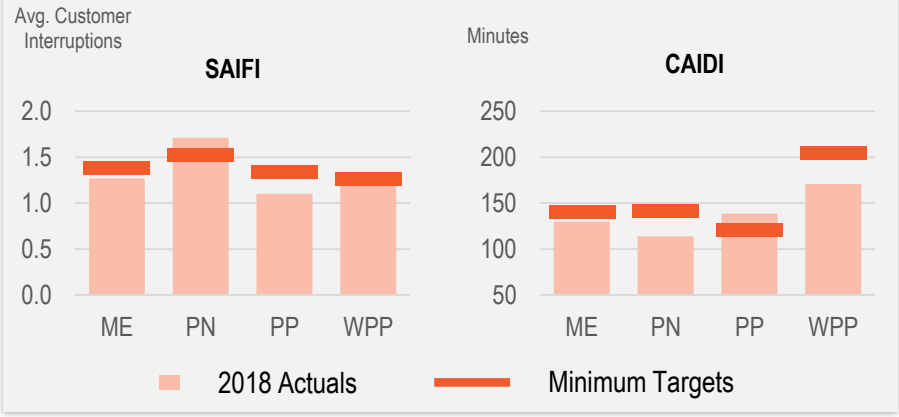
Number of Customers

(000s)	Year-End 2018
PN	587
ME	572
PP	167
WPP	727
	2,053

Principal Industries Served

Primary and Fabricated Metals, Shale Gas, Chemical, Coal Mining, Elec Equip Manufacturing

2018 Reliability Information



SAIFI – System Average Interruption Frequency Index

CAIDI – Customer Average Interruption Duration Index

Political Overview

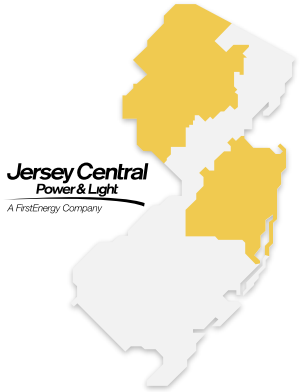
Governor	Current Term
Thomas W. Wolf (D)	Expires in 2023

PA Public Utility Commission (PAPUC)	Current Term
Gladys M. Brown, Chairman (D)	Expires in 2023
David W. Sweet, Vice Chairman (D)	Expires in 2021
Andrew G. Place (D)	Expires in 2020
John F. Coleman, Jr. (R)	Expires in 2022
Norman J. Kennard (R)	Expires in 2019

Recovery Mechanisms

Purchased Power / Fuel Rider	Storm Cost Recovery	Incremental Capital Recovery	Energy Efficiency	Smart Meter / Smart Grid	Alternative Energy
Quarterly	Base Rates	Quarterly	Annually	Annually	Annually

New Jersey Overview



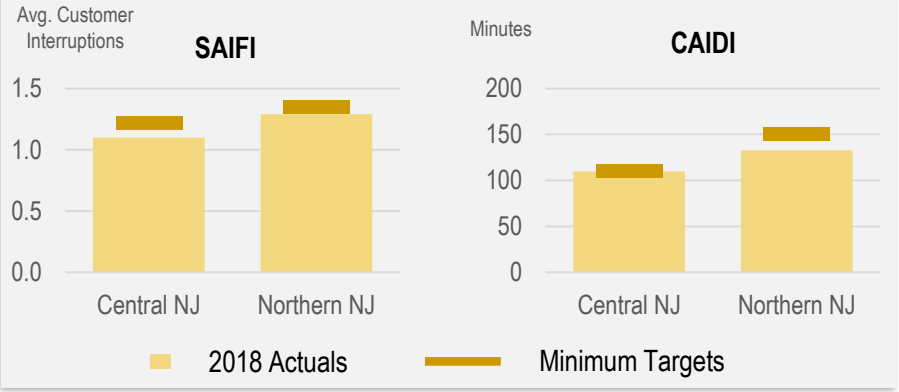
Number of Customers

(000s)	Year-End 2018
JCP&L	1,135

Principal Industries Served

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

2018 Reliability Information



SAIFI – System Average Interruption Frequency Index

CAIDI – Customer Average Interruption Duration Index

Political Overview

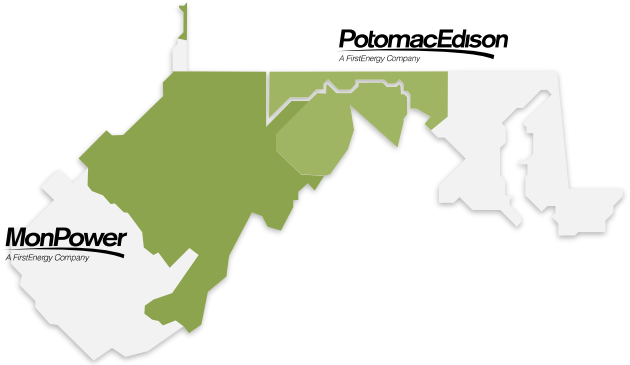
Governor	Current Term
Phillip D. Murphy (D)	Expires in 2022

NJ Board of Public Utilities (BPU)	Current Term
Joseph L. Fiordaliso, President (D)	Expires in 2019
Dianne Solomon (R)	Expires in 2019
Robert Gordon (D)	Expires in 2023
Upendra Chivukula (D)	Expires in 2020
Mary-Anna Holden (R)	Expires in 2021

Recovery Mechanisms

Purchased Power / Fuel Rider	Storm Cost Recovery	Energy Efficiency	Alternative Energy
Annually	Base Rates / SRC Rider	Annually	Annually

West Virginia/Maryland Overview



Number of Customers

(000s)	Year-End 2018
MP	393
PE (WV 144; MD 270)	414
	807

Principal Industries Served

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

Political Overview

Governor – West Virginia	Current Term
James C. Justice, Jr. (R)	Expires in 2021

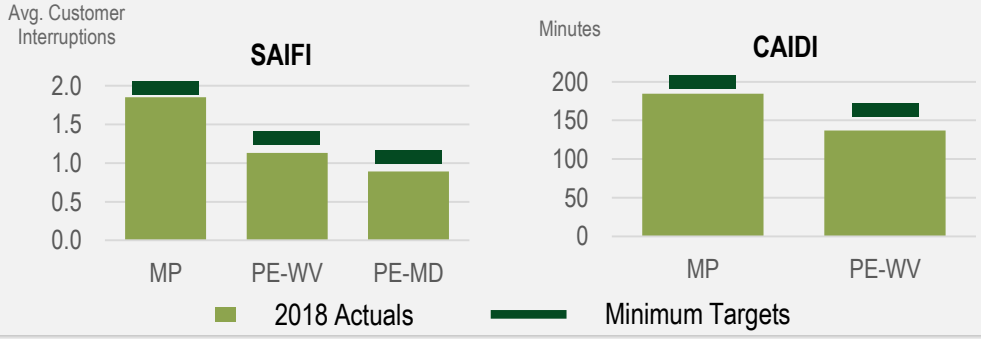
Public Service Commission of WV (WV PSC)	Current Term
Michael A. Albert, Chairman (R)	Expires in 2019
Brooks F. McCabe (D)	Expires in 2021
Renee A. Larrick (R)	Expires in 2023

Note: Michael A. Albert has submitted a letter of retirement effective at the end of his term on June 30, 2019.

Governor – Maryland	Current Term
Lawrence J. Hogan (R)	Expires in 2022

MD Public Service Commission (PSC)	Current Term
Jason M. Stanek, Chairman (R)	Expires in 2023
Mindy Herman (D)	Expires in 2019
Michael T. Richard (R)	Expires in 2020
Anthony J. O'Donnell (R)	Expires in 2021
Odogwo (Obi) Linton (D)	Expires in 2022

2018 Reliability Information



SAIFI – System Average Interruption Frequency Index

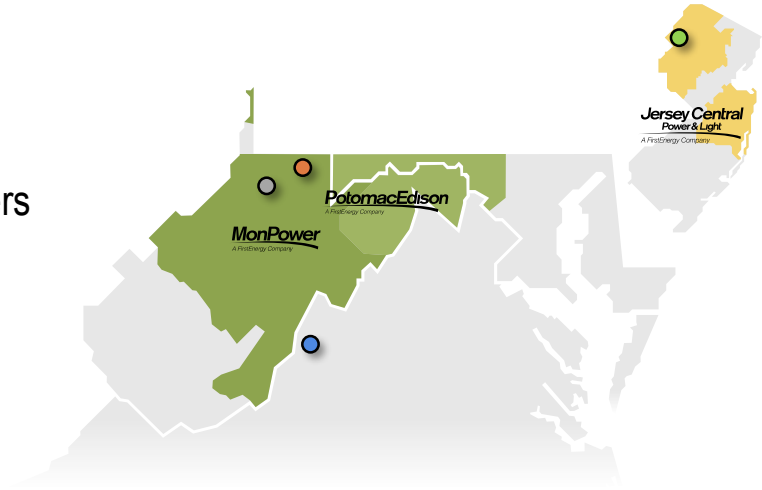
CAIDI – Customer Average Interruption Duration Index

Recovery Mechanisms

State	Purchased Power / Fuel Rider	Storm Cost Recovery	Vegetation Management	Energy Efficiency
WV	Annually	Base Rates	Biennially	N/A
MD	Various	Base Rates	N/A	Annually

Regulated Generation Overview

- Regulated Distribution segment includes:
  - 3,580 MW of generation serving West Virginia customers owned and controlled by MP
  - 210 MW of generation, which represents JCP&L's 50% ownership interest in Yards Creek



Plant	PJM Zone	State	Utility	Fuel Type	Units	Net Maximum Capacity (MW)	Year Plant Commissioned	2018 Output M MWH
Bath County	Rest of RTO	VA	MP	Hydro	6	487(1)	1985	0.6
Fort Martin	Rest of RTO	WV	MP	Coal	2	1,098	1967	6.0
Harrison	Rest of RTO	WV	MP	Coal	3	1,984	1972	13.3
OVEC	Rest of RTO	Multiple	MP	Coal	Multiple	11(2)		0.1
					Rest of RTO Total	**3,580**		
Yards Creek	EMAAC	NJ	JC	Hydro	3	210	1965	0.2
					EMAAC Total	**210**		
					Regulated Generation Total	**3,790**		**20.2**

(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

Regulated Transmission

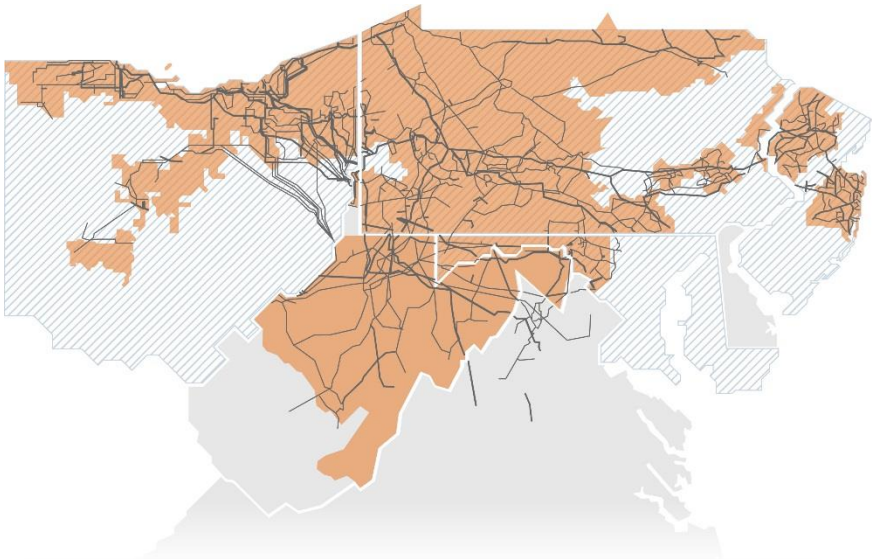
3
Standalone Operating Companies

~24,500
Line Miles

$1.4B
Total Revenues in 2018

Regulated Transmission – Segment Overview

- **One of the largest transmission systems in PJM with ~24,500 miles**
  - Includes FERC-regulated transmission assets recovered through formula rates owned by ATSI, TrAIL, and MAIT
  - Includes FERC-regulated transmission assets recovered through stated rates owned by JCP&L, MP, PE and WPP
- **~$1.4B of Total Revenues in 2018**



Transmission Operating Companies

Company	Rate Structure
ATSI	Forward-Looking
TrAIL	Forward-Looking
MAIT	Forward-Looking
JCP&L	Stated Rate
Former Allegheny (WPP, MP, PE)	Stated Rate

Federal Energy Regulatory Commission (FERC)

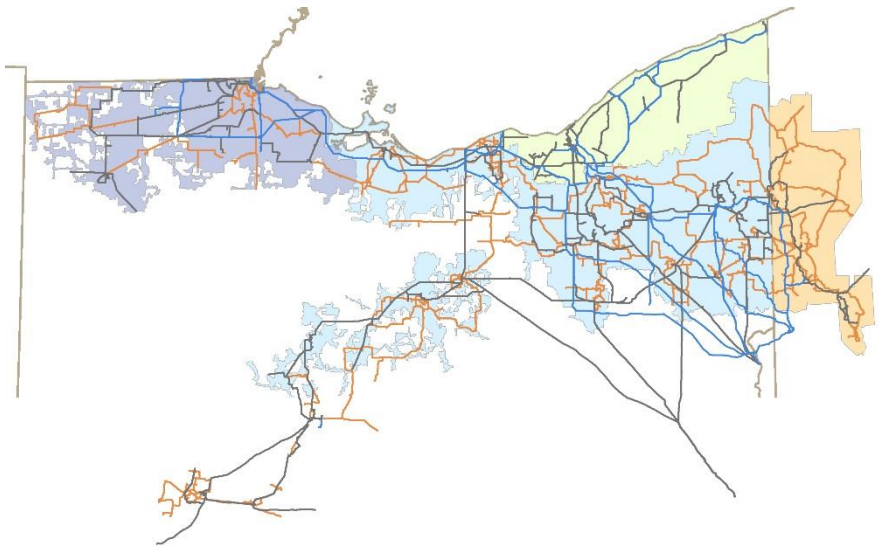
	Current Term
Neil Chatterjee (R) – Chairman	Expires in 2021
Cheryl A. LaFleur[1] (D)	Expires in 2019
Richard Glick (D)	Expires in 2022
Bernard L. McNamee (R)	Expires in 2020

Qualifications: Composed of up to five commissioners who are appointed by the President of the United States with the advice and consent of the Senate. Commissioners serve five-year terms and have an equal vote on regulatory matters.

(1) Announced she will not seek reappointment when her term expires in June 2019

ATSI Overview

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



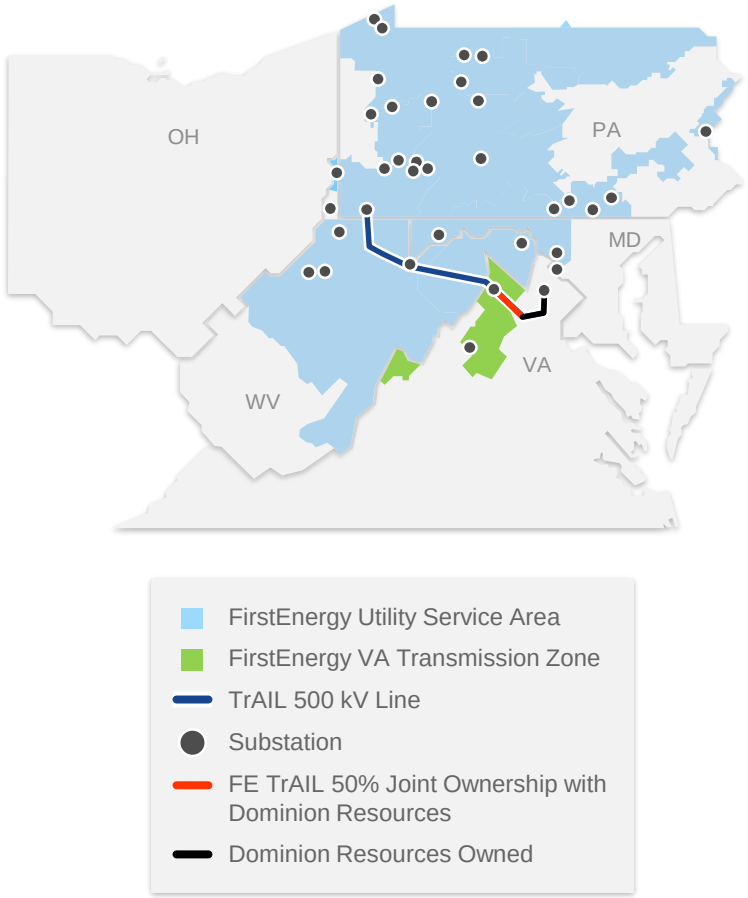
69 kV
138 kV
345 kV
Ohio Edison
Penn Power
The Illuminating Company
Toledo Edison

Jurisdiction	FERC
Test Year	Forward-Looking
Term	January – December
Filing Month	October
Allowed ROE	10.38%
Rate Base	$2.9B(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 2019 Projected Transmission Revenue Requirement filing for the period January 1, 2019, through December 31, 2019

TrAILCo Overview

TrAILCo™
A FirstEnergy Company



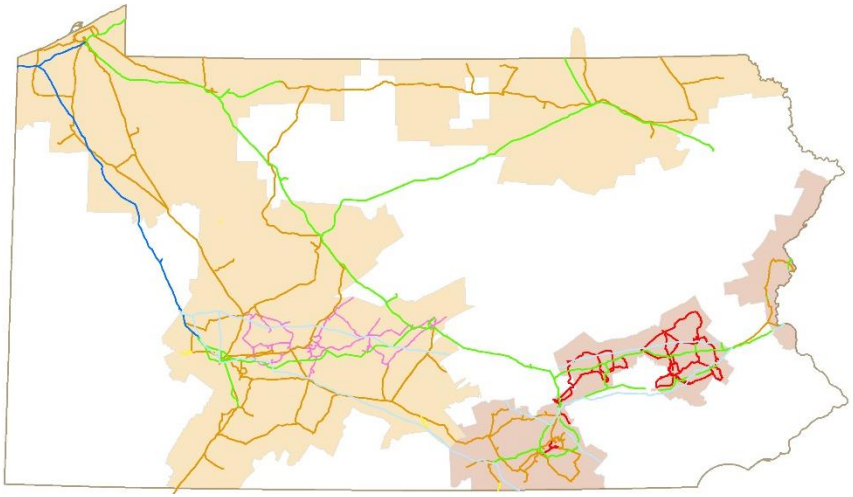
Jurisdiction	FERC
Test Year	Forward-Looking
Term	June – Following May
Filing Month	May
Allowed ROE	12.7% (TrAIL the Line & Black Oak SVC) 11.7% (All other projects)
Rate Base	$1.5B(1)
Cap Structure	40% Debt / 60% Equity(1)
Location	WPP, MP, and PE as well as some portions of ME and PN
True-Up Mechanism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

(1) Represents projected average rate base and actual year-end cap structure from its 2018 Formula Rate Annual updated filing for the period June 1, 2018, through May 31, 2019

MAIT Overview

MAIT™

Mid-Atlantic Interstate Transmission, LLC
A FirstEnergy Company

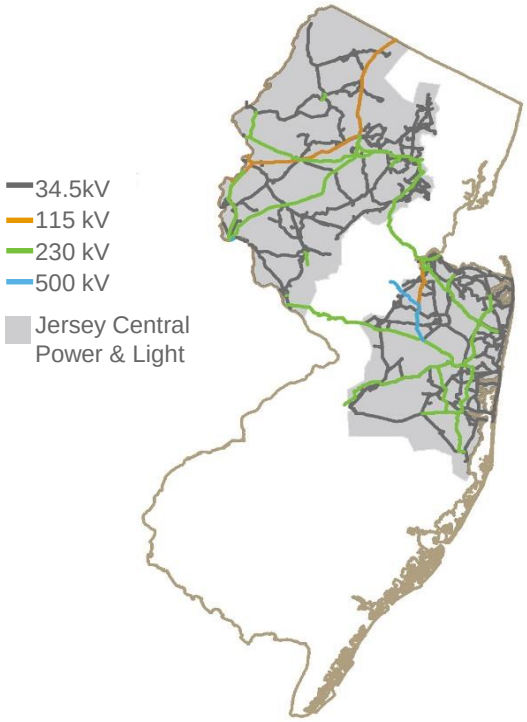


46 kV
69 kV
115 kV
138 kV
230 kV
345 kV
500 kV
Penelec
Met-Ed

Jurisdiction	FERC
Test Year	Forward-Looking
Term	January – December
Filing Month	October
Allowed ROE	10.3%
Rate Base	$1.0B(1)
Cap Structure	41% Debt / 59% Equity(1)
Location	ME, PN
True-Up Mechanism	Yes

(1) Represents projected average rate base and capital structure from its 2019 Projected Transmission Revenue Requirement filing for the period January 1, 2019, through December 31, 2019

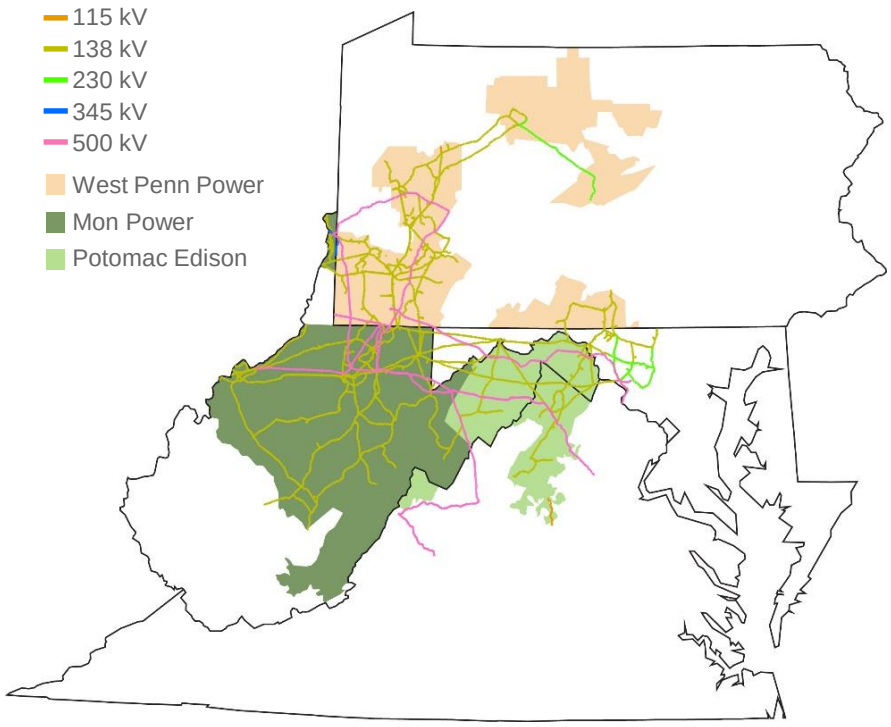
JCP&L Transmission Overview



Jurisdiction	FERC
Test Year	Stated Rate
Location	JCP&L

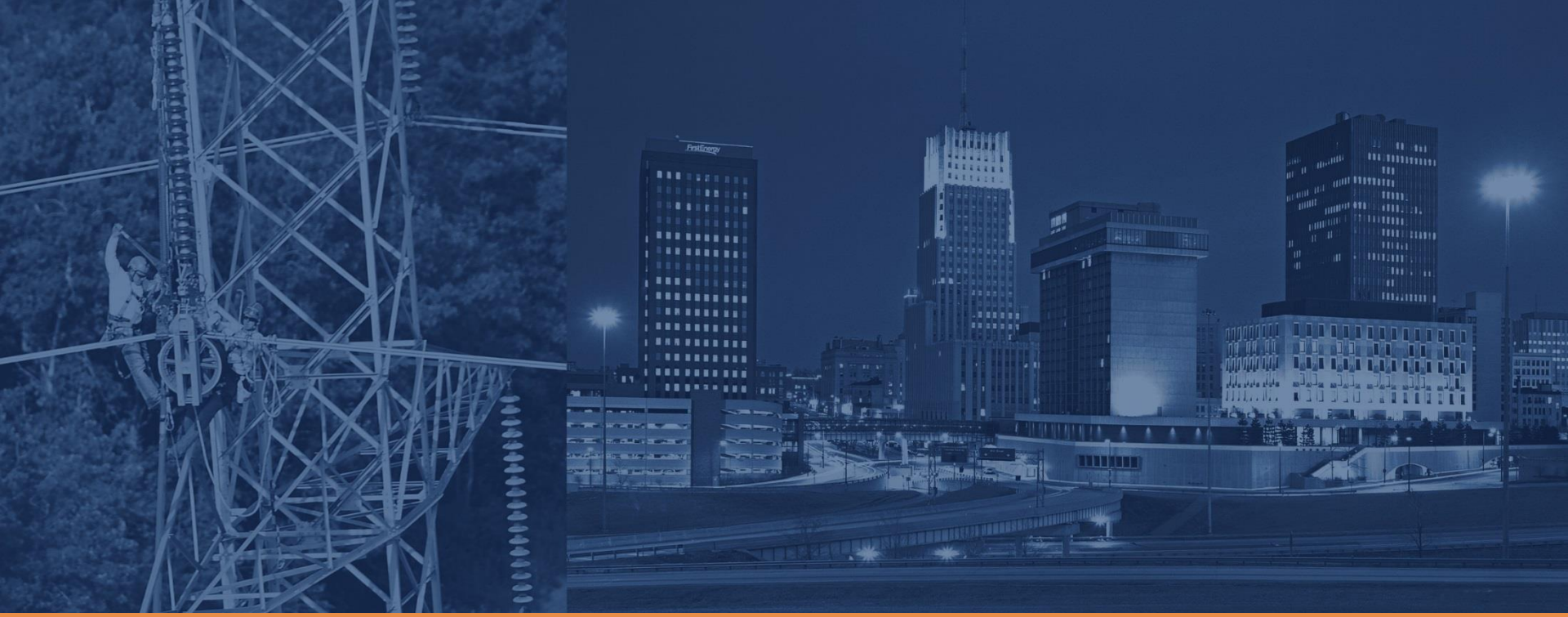
- **Capital spend is supported by the revenues received from the stated rates**
- **FERC regulations require utilities to provide open access transmission service at FERC-approved rates, terms and conditions**
- **Transmission facilities are subject to functional control by PJM**

Former Allegheny Transmission Overview



Jurisdiction	FERC
Test Year	Stated Rate
Location	WPP, MP, PE

- **Capital spend is supported by the revenues received from the stated rates**
- **FERC regulations require utilities to provide open access transmission service at FERC-approved rates, terms and conditions**
- **Transmission facilities are subject to functional control by PJM**



2018-2021 Financial Plan

Unlocking Value for Investors



FE's Value Proposition

NYSE Ticker: FE

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 transmission utilities on formula rates

Significant organic growth opportunities

6% – 8%
Operating EPS CAGR Target 2018-2021

5%
Distribution Segment Rate Base CAGR

11%
Formula Transmission Rate Base CAGR

55%-65%
Targeted Dividend Payout Ratio

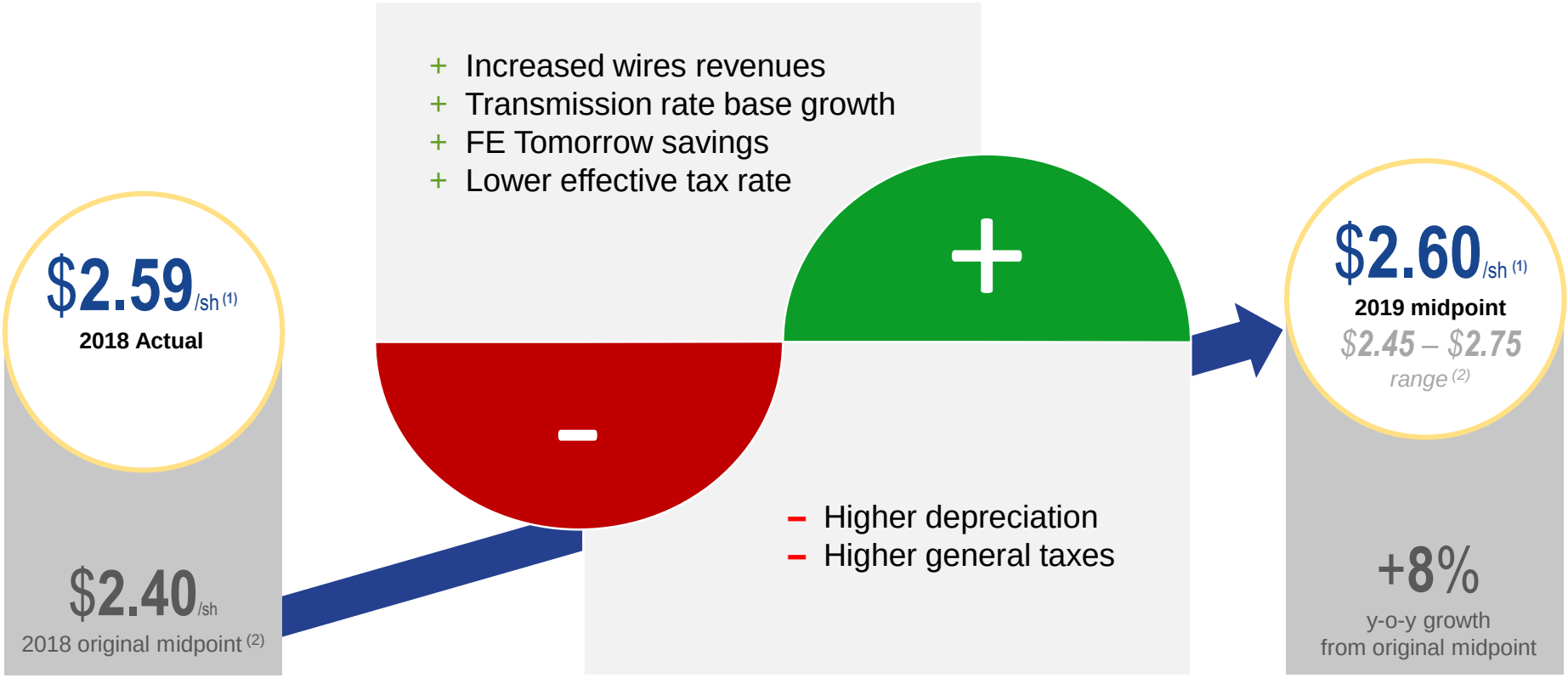
~4%
Current Dividend Yield

Proven track record of operational execution

Strong relationships in constructive jurisdictions

Focused on customer satisfaction and reliability

2019 Operating EPS Guidance



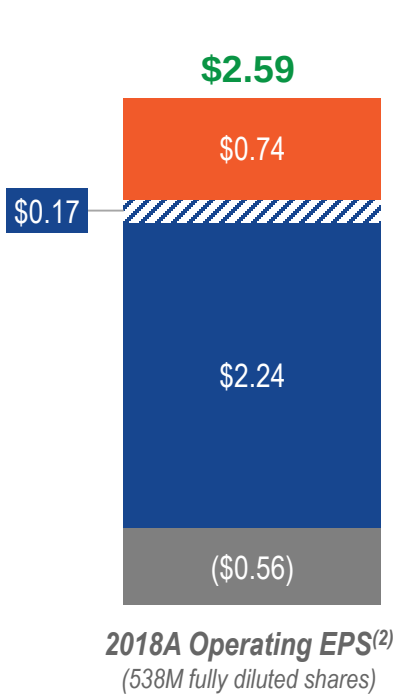
Full year 2019 guidance range of $2.45 - $2.75

(1) See slide 28 for the 2018 GAAP to Non-GAAP earnings reconciliation. Special items in 2019 cannot be reasonably estimated at this time.
(2) Guidance midpoint is based on fully diluted shares of 538M in 2018 and 540M in 2019. See slide 3.

2019 Operating EPS[1] Guidance

Projecting 7% weather-adjusted, year-over-year Operating EPS growth

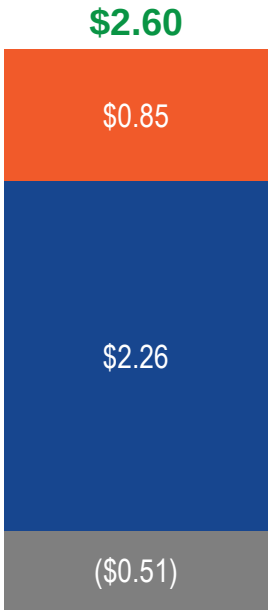
2019 Operating EPS Guidance Range	
Regulated Distribution	$2.16 – $2.36
Regulated Transmission	$0.81 – $0.89
Corp / Other	($0.52) – ($0.50)
	$2.45 – $2.75



2018A Operating EPS[2]
(538M fully diluted shares)

Transmission +$0.11	Rate base growth	+
Distribution ($0.15)	Wires Revenue	+
	FE Tomorrow	+
	Weather	-
	Depreciation/General Taxes	-
Corp/Other +$0.05	Effective Income Tax Rate (ETR)	+
	FE Tomorrow	+

Regulated Distribution
RD: 2018 Weather/Rate True-up
Regulated Transmission
Corp/Other



2019F Operating EPS Midpoint
(540M fully diluted shares)

[1] Special items in 2019 cannot be reasonably estimated at this time. 2019 operating (non-GAAP) earnings guidance of $2.45 to $2.75 per share is based on forecasted GAAP net income of $1,320M - $1,485M and fully diluted shares 540M. Forecasted net income (loss) ranges by segment are as follows: $1,165M - $1,275M for Regulated Distribution, $435M - $480M for Regulated Transmission, and ($280M) - ($270M) for Corporate/Other. See Slide 3.

[2] See slide 28 for the 2018 GAAP to Non-GAAP earnings reconciliation

Note: 2019F ETRs: Regulated Distribution/Regulated Transmission 23-25%, Consolidated ~23-25%
2018A ETRs: Regulated Distribution/Regulated Transmission 23.5%, Consolidated 24.7%

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 to 538M shares	(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%.

2018A 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 – Reflects the change in fair value of plan assets and net actuarial gains and losses associated with the company's pension and postemployment benefit plans.
- Exit of competitive generation – Primarily reflects charges or credits resulting from the exit of competitive operations, including the impact of deconsolidating FES, its subsidiaries and FENOC, following their voluntary petitions for bankruptcy protection on March 31, 2018.
- Debt redemptions 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 to 538M shares – Represents the dilutive impact of increasing weighted average shares outstanding to 538 million 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.

2019 FFO and FCF Forecast

($ Millions)	FE Consolidated 2019F
Cash from Operations (GAAP)	**$2,090 – $2,290**
Working Capital (1)	(25) – (55)
Pension Contribution (2)	500
Funds From Operations (FFO) (Non-GAAP)	**$2,565 – $2,735**
Capital Expenditures	(2,850) – (2,950)
Cash Before Other Items	**($285) – ($215)**
Working Capital/Other (3)	(5) – 125
Pension Contributions	(500)
Cash Before Dividends and Equity	**($790) – ($590)**
Dividends	(820)
Equity (4)	–
Free Cash Flow (5) **(Non-GAAP)**	**($1,610) – ($1,410)**

(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 "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

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

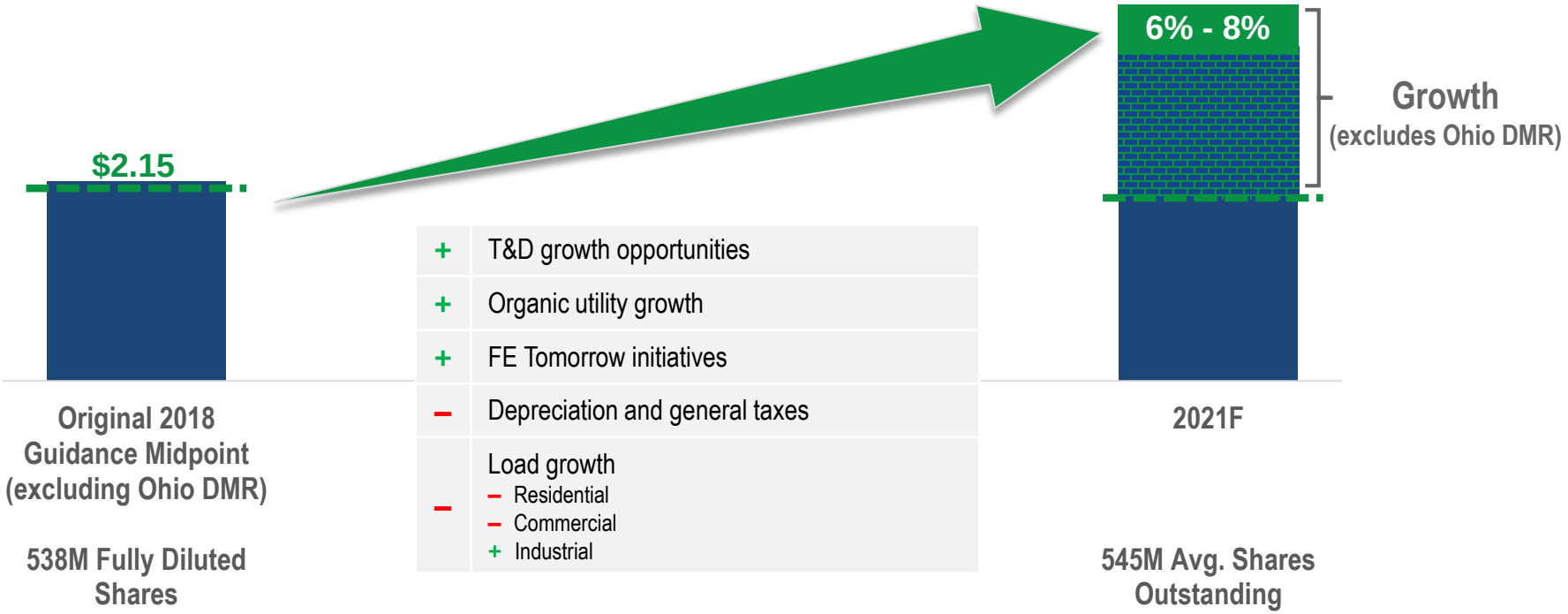
(5) Excludes cash items related to debt financing activity

Funds from Operations (FFO) is a non-GAAP measure and represents cash from operations less changes in working capital plus pension trust contributions. FFO is used by management to monitor its credit metrics consistent with credit rating agencies.

Free Cash Flow (FCF) is a non-GAAP measure and represents funds from operations less capital expenditures, pension trust contributions, and dividends as well as changes in working capital. FCF is used by management to evaluate the net cash flow from operations less capital and capital related investments and dividends.

2018-2021 Operating EPS CAGR

Affirming our 6% - 8% operating EPS CAGR target



Financing Plan (2019-2021)

Committed to maintaining investment-grade credit ratings

FE Corp

Year	Entity	Amount	Purpose
2019F	FE Corp	Up to $628M	New tax notes to FES creditors
	FE Corp	Up to $1.25B	$1.25B Term Loan maturing 10/17/19
2020F	FE Corp	Up to $500M	$500M Term Loan maturing 10/19/20

Regulated Transmission

Year	Entity	Amount	Purpose
2019F	ATSI	$100M	New Issuance
	FET	$500M	New Issuance
	MAIT	$125M	New Issuance
2020F	ATSI	$100M	New Issuance
	MAIT	$125M	New Issuance
2021F	ATSI	$100M	New Issuance
	FET	$500M	New Issuance
	MAIT	$150M	New Issuance

Regulated Distribution

Year	Entity	Amount	Purpose
2019F	✓ ME	$500M	$300M at 7.70% maturing 1/15/19
	✓ JCP&L	$400M	$300M at 7.35% maturing 2/1/19
	PN	$300M	$125M at 6.625% maturing 4/1/19
	WPP	$250M	New Issuance
	MP	$200M	New Issuance
2020F	TE	$150M	$50M at 7.25% maturing 5/1/20
	PN	$250M	$250M at 5.2% maturing 4/1/20
	CEI	$250M	New Issuance
2021F	MP	$250M	$74M at 3.0% PCRB mandatory put on 10/15/21
	PE	$175M	New Issuance

Regulated Generation

Year	Entity	Amount	Purpose
2019F	AGC	$50M	New Issuance

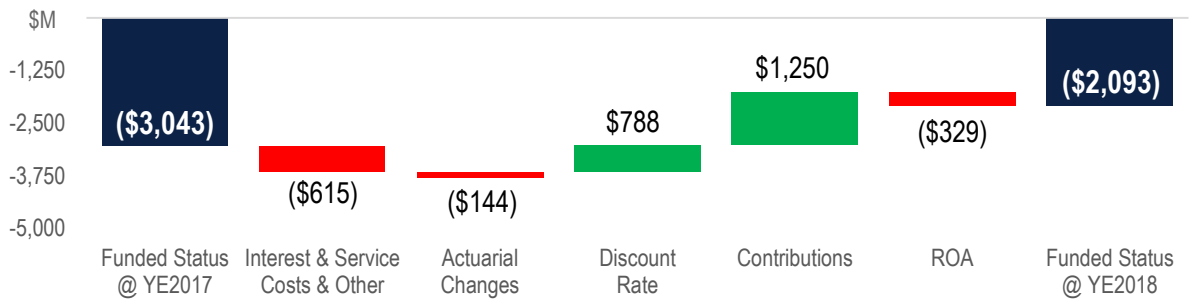
Pension/OPEB Overview

- **FE is the sponsor of the benefit plans for employees at all of FE's subsidiaries**
- **Pension Status is Open**
  - The plan design was changed to a Cash Balance formula for new hires beginning 1/1/2014
    - Employees hired before 1/1/2014 are covered under a Final Average Pay formula
- **Pension/OPEB Expense impacts Operating Earnings based on a post-capitalization calculation of net periodic costs (excluding mark-to-market adjustment)**
  - Key assumptions for 2018 expense included:
    - Expected Return on Assets of 7.50%
    - Discount Rate: Pension 3.75%; OPEB 3.50%

- **Regulated Utility Recovery – Pension**
  - PA: Based on historical cash contributions of the last 10 years
  - OH: Service costs (last rate case)
  - MD: GAAP Expense
  - WV: GAAP Expense (last rate case was settled, but included GAAP Expense with modified MTM adjustments)
  - NJ: Delayed recognition method (amortization of accumulated net gains/losses over future period)

- **Regulated Utility Recovery – OPEB**
  - PA: Service cost in 2017 test year (as originally filed for in 2016 rate case – the method of calculating or the amount included in the settlement was not specified)
  - OH: Service costs (last rate case)
  - MD: GAAP Expense
  - WV: GAAP Expense (last rate case was settled, but included GAAP Expense with modified MTM adjustments)
  - NJ: Delayed recognition method (amortization of accumulated net gains/losses over future period)

2018A Qualified Pension Funded Status



2018 Pension/OPEB Summary

- **Pension/OPEB Funded Status: Year-End 2018A**

$ Millions	Corp	FEU	FES/FENOC	Total	Notes
Qualified Pension	($893)	($403)	($797)	($2,093)	77% funded at 12/31/18; excludes 2/1/19 $500M Contribution
Non-Qualified Pension	(160)	(156)	(69)	(385)	No minimum funding requirements
OPEB	48	(336)	88	(200)	No minimum funding requirements
Total	**($1,005)**	**($895)**	**($778)**	**($2,678)**	

- **Components of Net Periodic Benefit Costs: 2018A**

$ Millions	Pension	OPEB	Total	Post Cap
Service Cost	$224	$5	$229	$140
Interest Cost	372	25	397	397
Expected Return on Assets	(574)	(31)	(605)	(605)
Amortization of prior service cost (credit)	7	(81)	(74)	(74)
Non-GAAP Cost (Credit)	**$29**	**($82)**	**($53)**	**($142)**
Pension/OPEB Mark-To-Market Adjustment	227	(83)	144	144
Settlements, Curtailments (VERP)	31	9	40	40
GAAP Net Periodic Cost (Credit)	**$287**	**($156)**	**$131**	**$42**

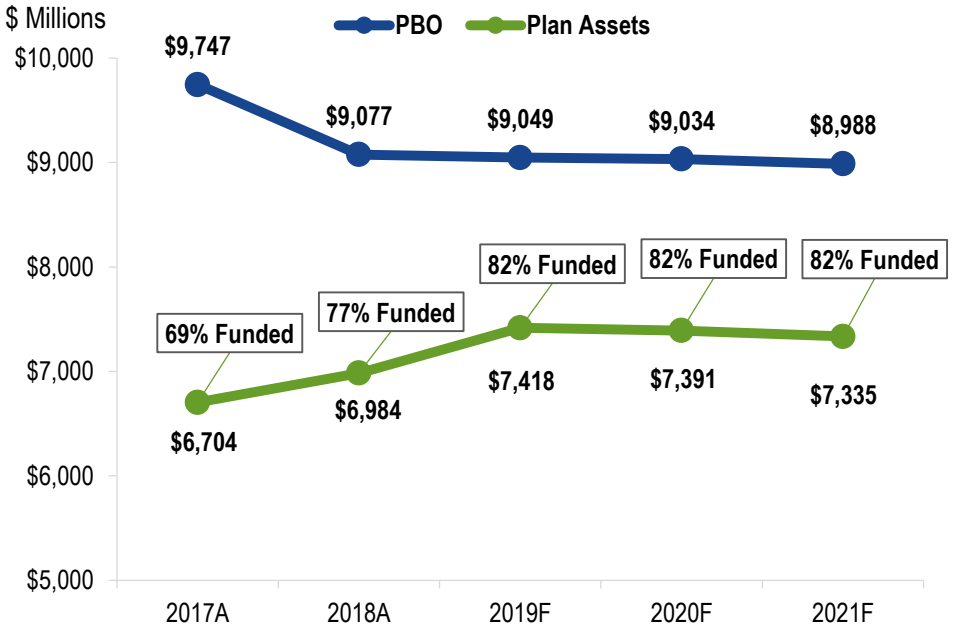
2018-2021 Qualified Pension Funding

Significant improvement in funded status projected through 2021

Qualified Pension Plan

- 2018 actual investment return of -4.2%
- Pension Contributions
  - January 2018: $1,250M
  - February 2019: $500M
- No required contributions through 2021
- Key assumptions:
  - Expected Return on Assets of 7.50%
  - Discount Rate of 4.44% (full yield curve) @ 12/31/18

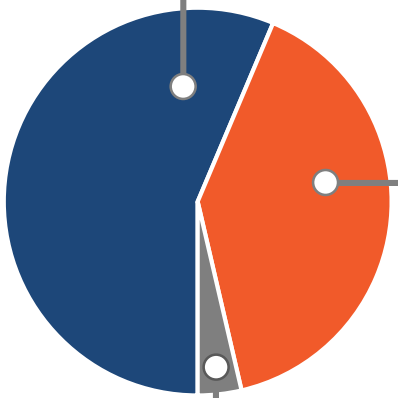
Projected Funding Status – Qualified Pension Plan



Capital Expenditures Forecast Summary

$11B – $12B in capital investments 2018-2021 ~55% based on formula rates

	2018A	*Annually* 2019F – 2021F
FE Consolidated Total	**$3.0B**	**$2.8B - $3.0B**



($ Millions)	2018A	2019F	2020F	2021F
Regulated Distribution (~40% formula rates)	**$1,635**	**$1,600-$1,700**	**$1,500-$1,700**	**$1,500-$1,700**
Stated Rate	$1,085	$960-$965	$990-$1,000	$980-$1,000
Formula Rate	$550	$640-$735	$510-$700	$520-$700
Regulated Transmission (80%+ formula rates)	**$1,165**	**$1,200**	**$1,200**	**$1,200**
Stated Rate	$256	$255	$120	$110
Formula Rate	$909	$945	$1,080	$1,090
Corp/Other	**$183**	**$85**	**$90**	**$110**

Regulated Distribution Capital Plan (2018-2021)

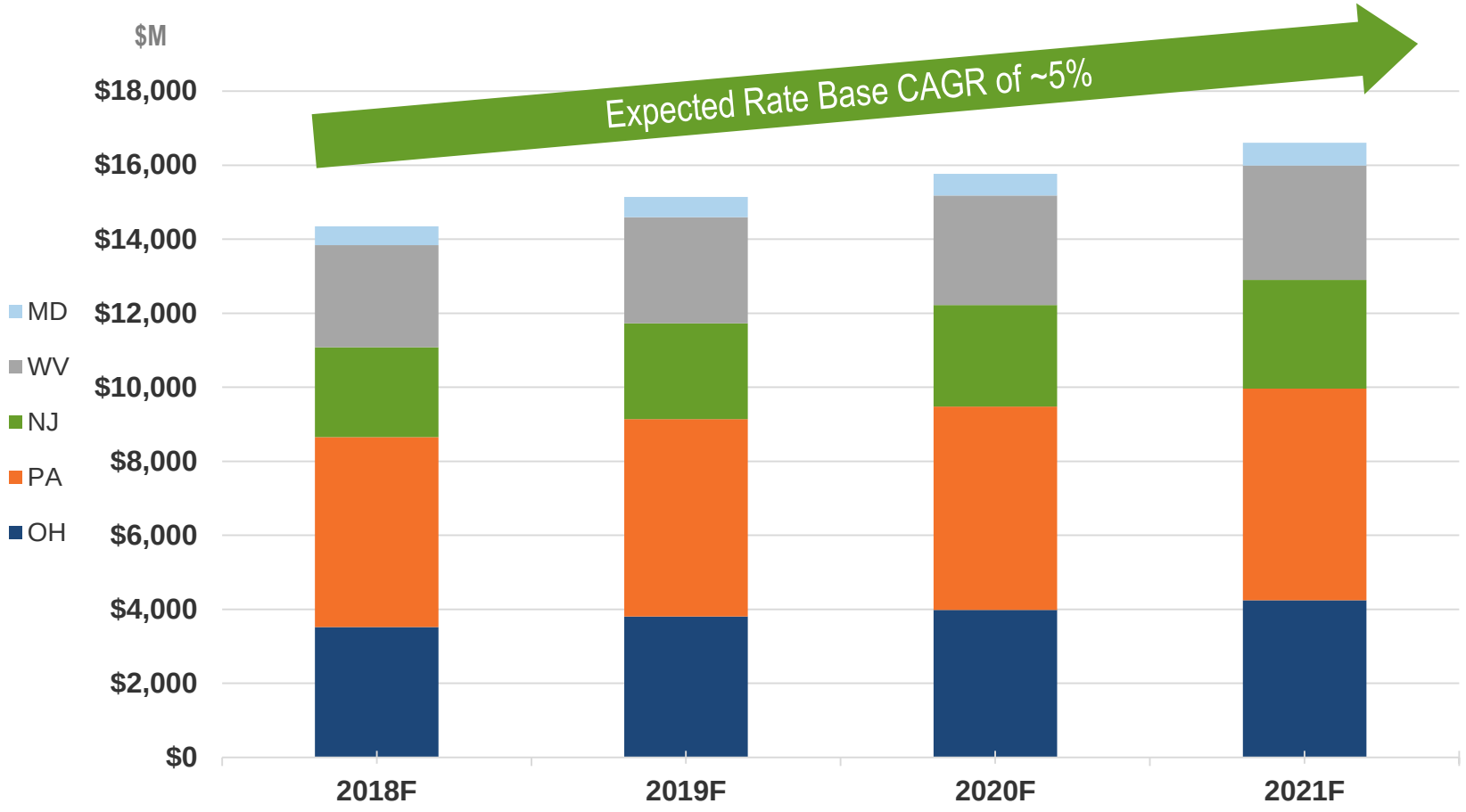
$6.2B – $6.7B in capital investments 2018-2021

$ Millions	2018A	2019F	2020F	2021F
Ohio	$370	$505 - $510	$480 - $545	$490 - $555
Stated	85	70	70	70
Formula	285	435 - 440	410 - 475	420 - 485
Pennsylvania	$666	$590 - $595	$500 - $515	$485 - $495
Stated	446	430	430	415
Formula	220	160 - 165	70 - 85	70 - 80
New Jersey	$268	$205 - $290	$205 - $315	$205 - $310
Stated	268	205	205	205
Formula	-	0 - 85	0 - 110	0 - 105
West Virginia/Maryland	$331	$300 - $305	$315 - $325	$320 - $340
Stated	286	255 - 260	285 - 295	290 - 310
Formula	45	45	30	30
Regulated Distribution – Total	**$1,635**	**$1,600 - $1,700**	**$1,500 - $1,700**	**$1,500 - $1,700**

2018A-2019F Regulated Distribution Capital Expenditures

$ Millions		Total 2018A	Total 2019F
OH	CEI	$156	$155
	OE	165	295 – 300
	TE	49	55
	Sub-total	**370**	**505 - 510**
NJ	**JCP&L**	**268**	**205 - 290**
PA	ME	194	180
	PN	191	150
	PP	54	50
	WPP	227	210 - 215
	Sub-total	**666**	**590 - 595**
WV / MD	MP	217	190 – 195
	PE	114	110
	Sub-total	**331**	**300 - 305**
Total		**$1,635**	**$1,600 - $1,700**

Regulated Distribution Rate Base Growth (2018-2021)



Weather-Adjusted Distribution Deliveries

Total Deliveries

M MWH	2018A	2019F	2020F	2021F	2018A-2021F CAGR %
Total	**148.5**	**148.6**	**147.7**	**148.3**	**-0.0%**
OH	52.6	52.6	52.3	52.4	-0.1%
PA	52.8	51.8	51.2	51.3	-1.0%
WV	15.6	16.6	17.0	17.6	4.2%
NJ	20.5	20.5	20.2	20.1	-0.7%
MD	7.0	7.1	7.0	6.9	-0.2%

Projected WV load growth CAGR of ~4% through 2021F, primarily from ~8% growth in the Industrial class

Residential

M MWH	2018A	2019F	2020F	2021F	2018A-2021F CAGR %
Sub-Total	**53.4**	**53.3**	**52.7**	**52.4**	**-0.7%**
OH	17.0	16.9	16.7	16.7	-0.6%
PA	18.5	18.1	17.8	17.8	-1.4%
WV	5.4	5.7	5.7	5.6	1.1%
NJ	9.3	9.3	9.2	9.1	-0.6%
MD	3.2	3.3	3.3	3.2	-0.2%

Commercial

M MWH	2018A	2019F	2020F	2021F	2018A-2021F CAGR %
Sub-Total	**42.1**	**42.1**	**41.7**	**41.5**	**-0.4%**
OH	15.0	15.1	15.0	14.9	-0.1%
PA	12.3	12.1	12.0	11.9	-1.1%
WV	3.7	3.8	3.8	3.8	1.4%
NJ	9.0	9.0	8.8	8.8	-0.8%
MD	2.1	2.1	2.1	2.1	0.3%

Industrial

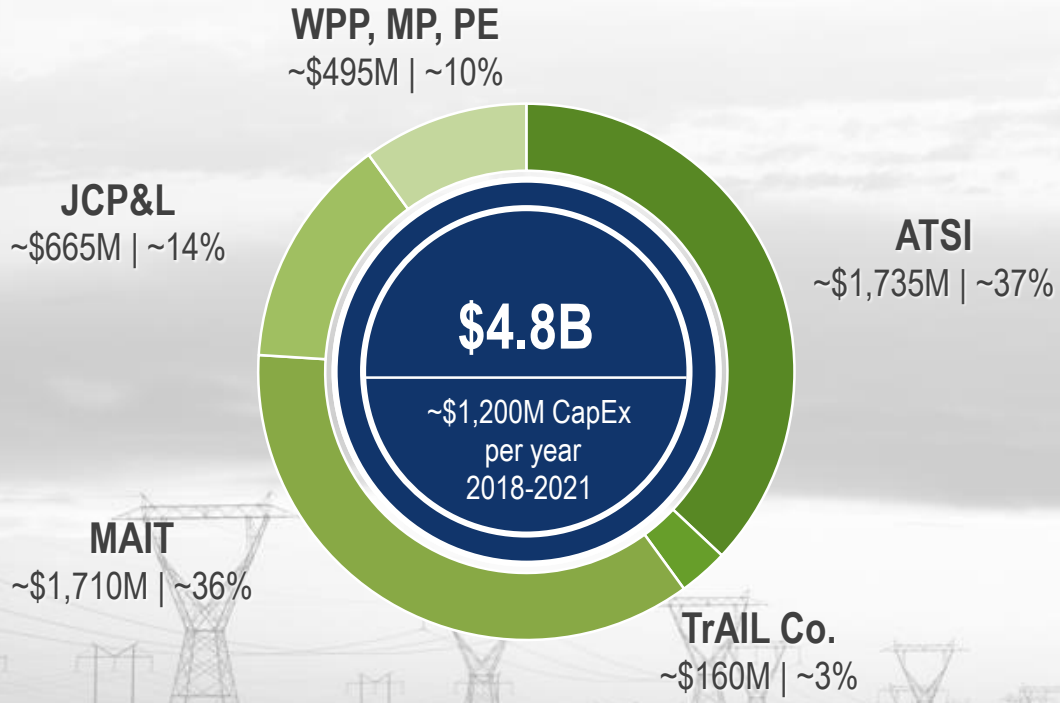
M MWH	2018A	2019F	2020F	2021F	2018A-2021F CAGR %
Sub-Total	**53.0**	**53.2**	**53.3**	**54.4**	**0.9%**
OH	20.6	20.6	20.6	20.8	0.3%
PA	22.0	21.6	21.4	21.6	-0.6%
WV	6.5	7.1	7.5	8.2	8.0%
NJ	2.2	2.2	2.2	2.2	-0.7%
MD	1.7	1.7	1.6	1.6	-0.8%

Regulated Distribution Guidance Sensitivities

Estimated Impact of Annual Retail Sales Volumes	
+ / - 1% Change in Residential Deliveries	~$0.03/share
+ / - 1% Change in Commercial Deliveries	~$0.01/share
+ / - 1% Change in Industrial Deliveries	~$0.004/share

Weather Impact on Residential/Commercial Sales Volumes	
+ / - 86 HDD vs. normal (Dec-Mar)	~$0.01/share
+ / - 28 CDD vs. normal (June-Sept)	~$0.01/share

Regulated Transmission Capital Deployment Plan



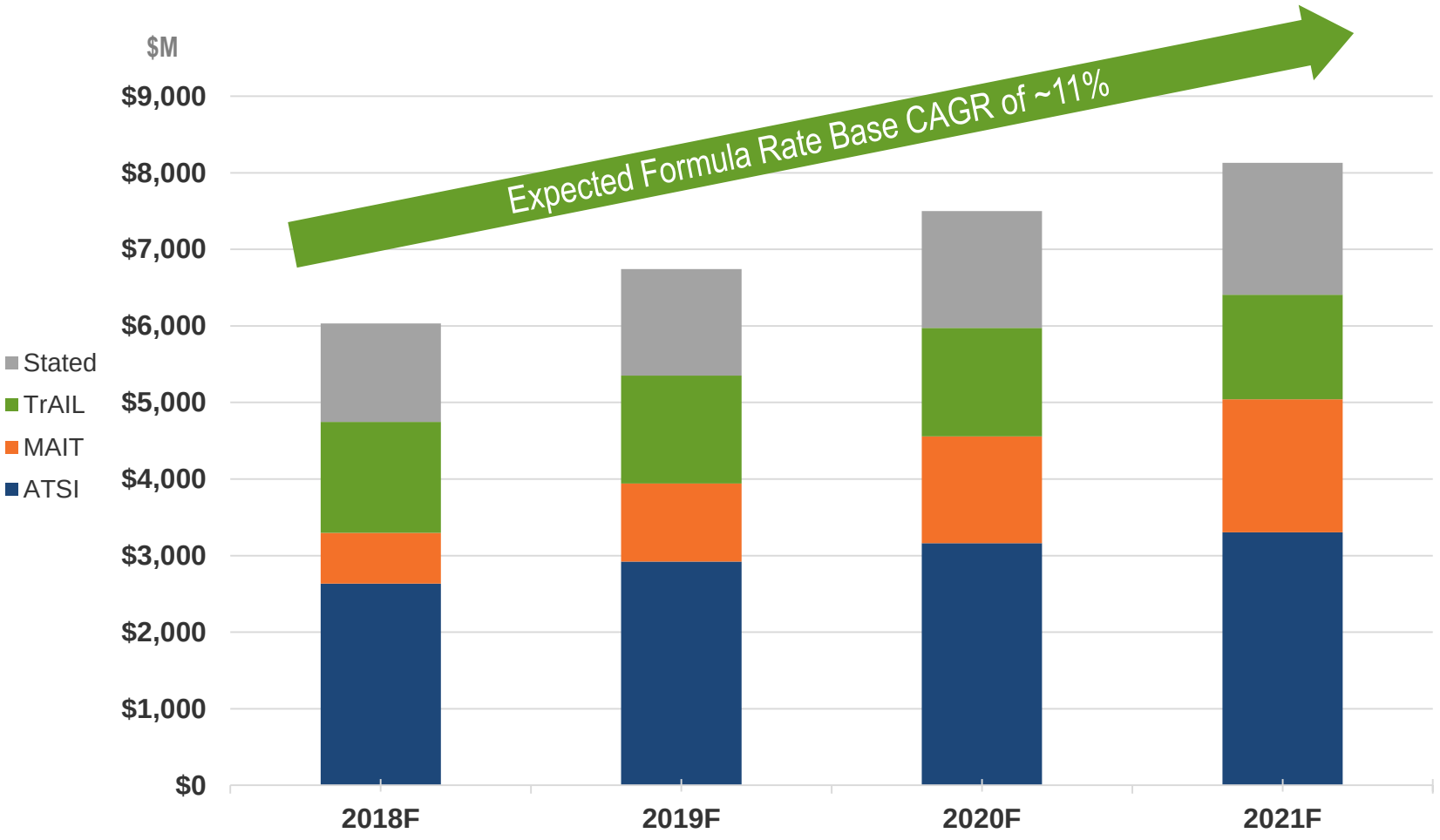
$20B+ FUTURE OPPORTUNITIES beyond 2021…

Regulated Transmission Capital Plan (2018-2021)

Energizing the Future Plan – Phase 2
~$4.8B in capital investments

$ Millions	2018A	2019F	2020F	2021F
ATSI	$465	$445	$390	$435
TrAIL Co.	35	65	30	30
MAIT	409	435	415	450
JCP&L	107	140	245	175
WPP, MP, PE	149	115	120	110
Regulated Transmission – Total	**$1,165**	**$1,200**	**$1,200**	**$1,200**

Regulated Transmission Rate Base Growth (2018-2021)



Commonly Used Terms & Acronyms

ABO	Accumulated Benefit Obligation
ADIT	Accumulated Deferred Income Taxes
AFUDC	Allowance for Funds Used During Construction
AMI	Advanced Metering Infrastructure
BOD	Board of Directors
CAGR	Compound Annual Growth Rate
CFO	Cash From Operations
CFO pre-WC	Cash From Operations pre Working Capital
CO_2	Cardon Dioxide
DCR	Delivery Capital Recovery
DMR	Distribution Modernization Rider
DOE	Department of Energy
DR	Demand Response
DRIP	Dividend Reinvestment Plan
DSIC	Distribution System Improvement Charge
EDC	Electric Distribution Company
EE	Energy Efficiency
EMAAC	EMAAC Locational Deliverability Area in PJM
EmT	Emerging Technologies
ENEC	Expanded Net Energy Costs
EPS	Earnings per Share
ESG	Environmental, Social, and Governance
ESP	Electric Security Plan
ETF	Energizing the Future
ETR	Effective Tax Rate
FCF	Free Cash Flow
FERC	Federal Energy Regulatory Commission
FEU	FirstEnergy Utilities
FFO	Funds From Operations
IIP	Infrastructure Investment Program
kWh	Kilowatt-hour
LTIIP	Long-Term Infrastructure Improvement Plans
MAAC	MAAC Locational Deliverability Area in PJM
MD PSC	Maryland Public Service Commission
MTM	Mark-to-Market
MW	Megawatt
MWH	Megawatt-hour
NJ BPU	New Jersey Board of Public Utilities
OCI	Other Comprehensive Income
OPEB	Other Post-Employment Benefits
OVEC	Ohio Valley Electric Corporation
PA PUC	Pennsylvania Public Utility Commission
PBO	Projected Benefit Obligation
PCRB	Pollution Control Revenue Bond
PJM	PJM Interconnection, LLC
PPA	Purchase Power Agreement
PUCO	Public Utilities Commission of Ohio
RD	Regulated Distribution
ROA	Return on Assets
ROE	Return on Equity
RT	Regulated Transmission
RTEP	Regional Transmission Expansion Plan
RTO	Regional Transmission Organization
S&P	Standard & Poor's
SEET	Significantly Excessive Earnings Test
SIP	Stock Investment Plan
SMIP	Smart Meter Technology Procurement and Installation Plan
SSO	Standard Service Offer
TCJA	Tax Cuts and Jobs Act
VERP	Voluntary Enhanced Retirement Program
WC	Working Capital
WV PSC	West Virginia Public Service Commission

FirstEnergy Companies

AE Supply	Allegheny Energy Supply Company, LLC
AGC	Allegheny Generating Company
ATSI	American Transmission Systems, Incorporated
CEI	The Cleveland Electric Illuminating Company
FET	FirstEnergy Transmission, LLC
JCP&L	Jersey Central Power & Light Company
MAIT	Mid-Atlantic Interstate Transmission, LLC
ME	Metropolitan Edison Company
MP	Monongahela Power Company
OE	Ohio Edison Company
PATH	Potomac-Appalachian Transmission Highline, LLC
PE	The Potomac Edison Company
PN	Pennsylvania Electric Company
PP	Pennsylvania Power Company
TE	The Toledo Edison Company
TrAIL	Trans-Allegheny Interstate Line Company
WPP	West Penn Power Company

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