

Investor FactBook

EEI Financial Conference

Published November 8, 2019

FirstEnergy

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Unless otherwise noted all numbers are as of September 30, 2019

FirstEnergy Overview



FirstEnergy®

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

$42B Total Assets	6M Total Customers in Six States	25K Transmission Miles
65K Square Miles of Service Territory	$22B Rate Base	12K Employees



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

10 distribution utilities, 6M customers, 6 states

3 FERC-regulated transmission utilities on formula rates

Significant organic growth opportunities

Operating EPS CAGR

6-8%
2018 – 2021 Target

5-7%
Extending through 2023

5%
Distribution Segment Rate Base CAGR

11%
Formula Transmission Rate Base CAGR

55-65%
Targeted Dividend Payout Ratio

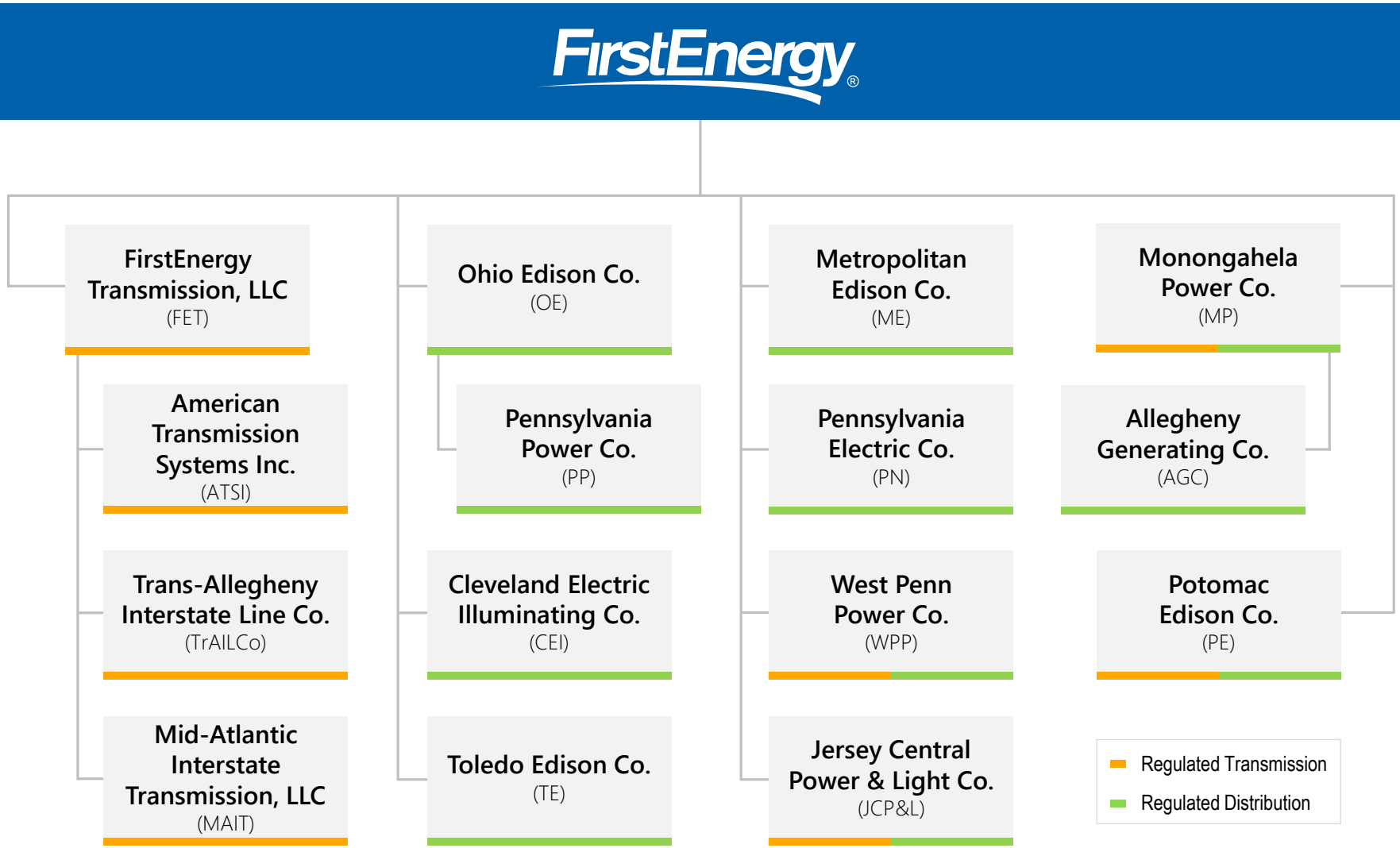
~3%
Current Dividend Yield

Improving balance sheet with investment-grade credit ratings

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

President Trump nominated James Danly to one of the two vacant seats; subject to Senate confirmation

Qualifications: Up to five commissioners who serve five-year terms; appointed by the President with advice/consent of Senate

Regulatory Calendar

Jurisdiction	Key Dates
OHIO	
• PUCO approval of Grid Mod/Tax Reform Settlement	July 17, 2019
• Decoupling Filing	November 2019
• ESP IV/Base Rate Case freeze ends	May 2024
NEW JERSEY	
• NJ BPU "JCP&L Reliability Plus" infrastructure investment plan interim recovery filing	September 16, 2019
PENNSYLVANIA	
• LTIIP Filing and PP DSIC Waiver Petition Filed	August 30, 2019
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 January 1, 2021
FERC	
• JCP&L Transmission Formula Rate Filing	October 30, 2019

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 25K 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, and MAIT.
FERC-regulated, stated rates at JCP&L, WPP, MP, and PE.

$1.2B
Planned Annual CapEx

11%
Formula Rate Base CAGR 2018-2021

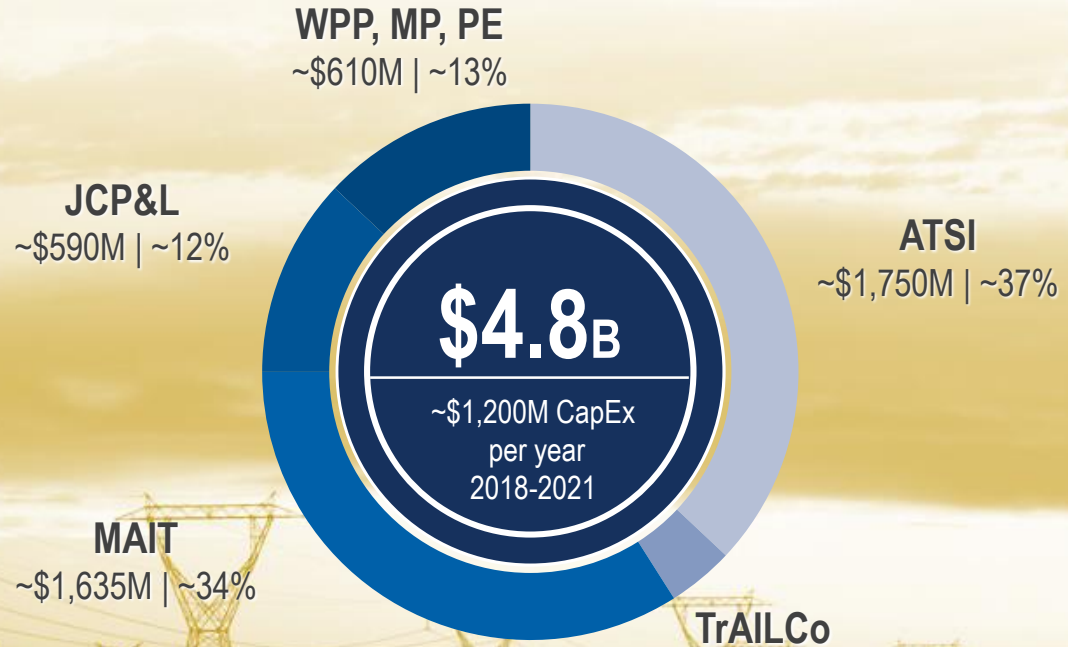
80%
Recovery via Formula Rates

Allowed, Formula Rate
ROEs
Between 10.3% and 11.7%

$20B+
CapEx Opportunities beyond 2021

$7B
Rate Base

Regulated Transmission Capital Deployment Plan



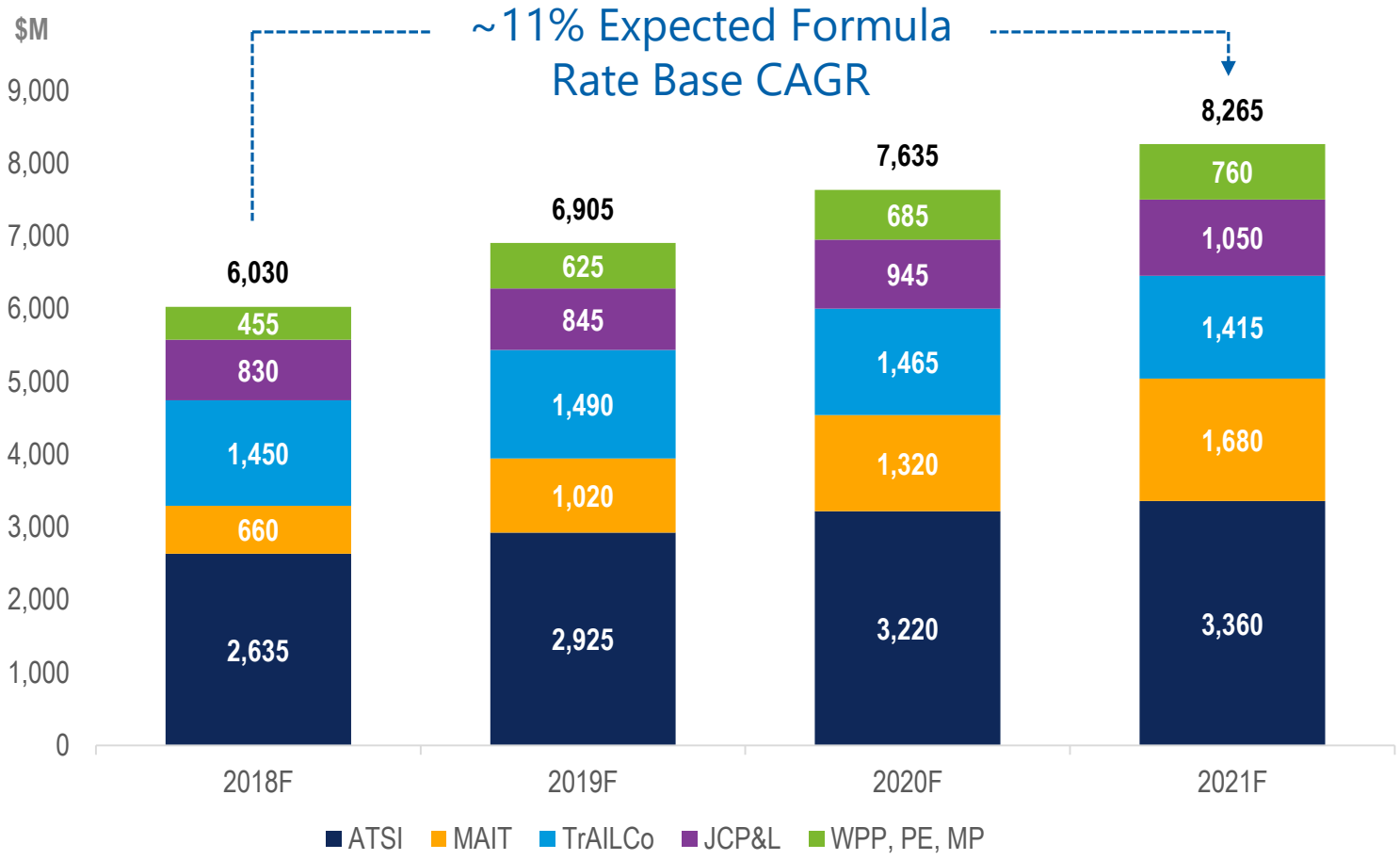
$20B+ FUTURE OPPORTUNITIES beyond 2021…

Regulated Transmission Capital Plan (2018-2021)

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

($M)	2018A	2019F	2020F	2021F
ATSI	$465	$475	$405	$405
TrAILCo	35	45	60	40
MAIT	409	425	405	395
JCP&L	107	130	175	180
WPP, MP, PE	149	125	155	180
Regulated Transmission Total	**$1,165**	**$1,200**	**$1,200**	**$1,200**

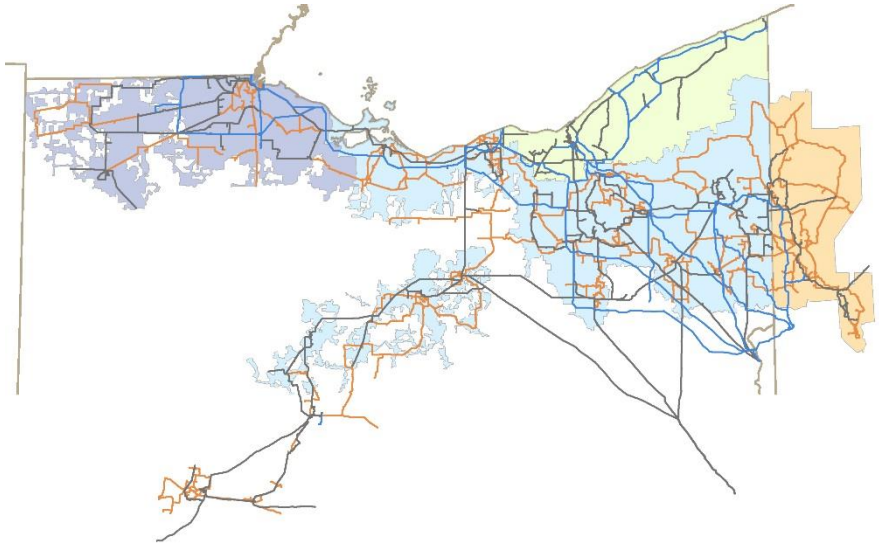
Regulated Transmission Rate Base Growth (2018-2021)



Forecasted rate base amounts exclude average CWIP balances of $500M - $700M per year

ATSI Overview

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



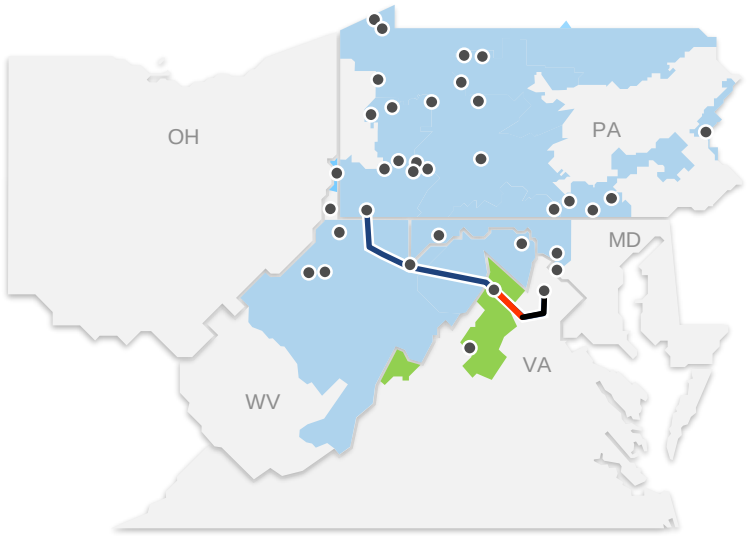
69 kV
138 kV
345 kV
Ohio Edison
Penn Power
The Illuminating Company
Toledo Edison

Jurisdiction	FERC
Test Year	Forward-Looking
Term	January – December
Filing Month	October
Allowed ROE	10.38%
Rate Base	$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

TrAILCo™
A FirstEnergy Company



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

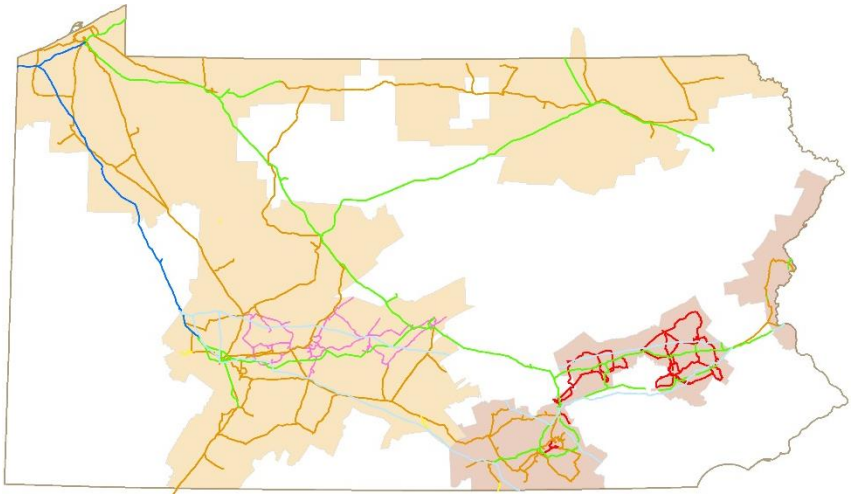
Jurisdiction	FERC
Test Year	Forward-Looking
Term	June – Following May
Filing Month	May
Allowed ROE	12.7% (TrAIL the Line & Black Oak SVC) 11.7% (All other projects)
Rate Base	$1.5B(1)
Cap Structure	40% Debt / 60% Equity(1)
Location	WPP, MP, and PE as well as some portions of ME and PN
True-Up Mechanism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

MAIT™

Mid-Atlantic Interstate Transmission, LLC
A FirstEnergy Company



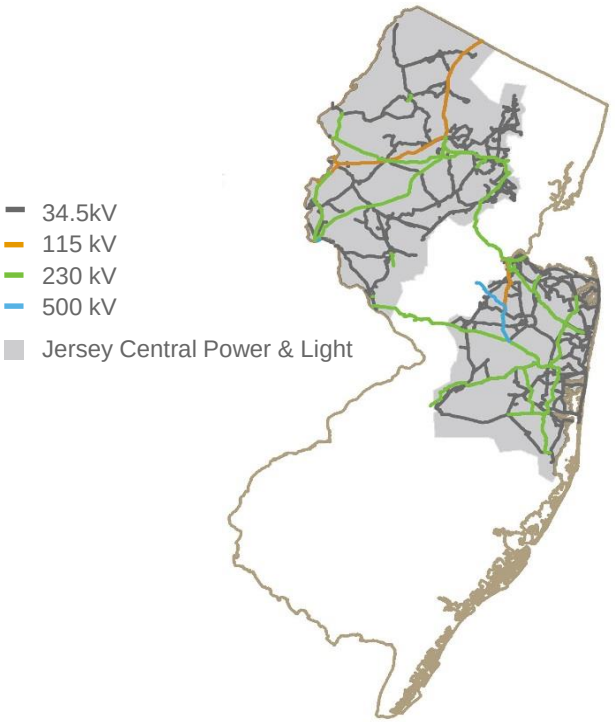
46 kV
69 kV
115 kV
138 kV
230 kV
345 kV
500 kV
Penelec
Met-Ed

Jurisdiction	FERC
Test Year	Forward-Looking
Term	January – December
Filing Month	October
Allowed ROE	10.3%
Rate Base	$1.3B(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

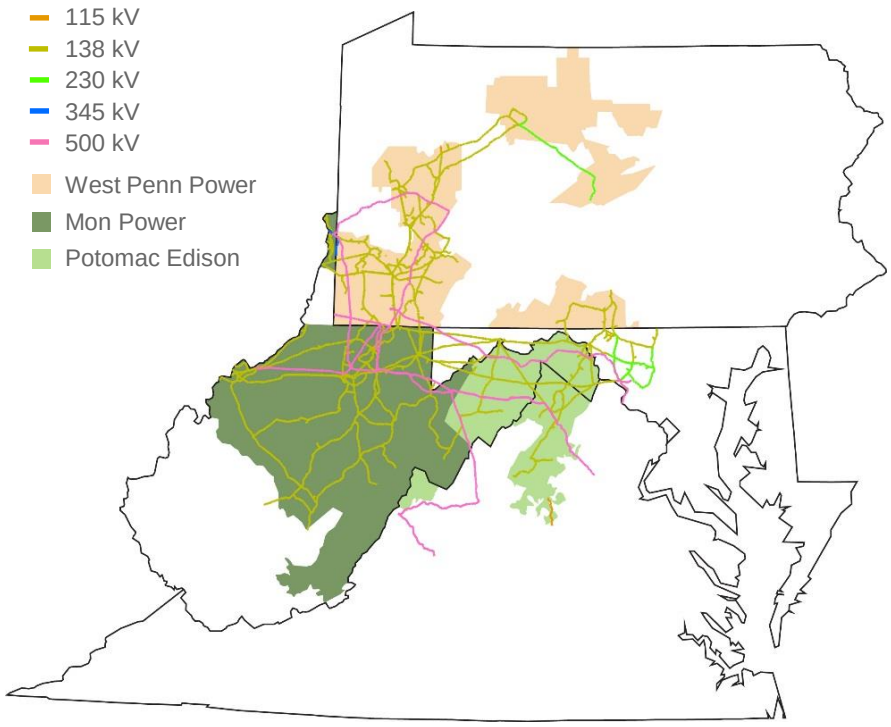
- JCP&L transmission assets on Stated Rates based on Black Box Settlement effective June 1, 2017
- On October 30, 2019, JCP&L filed to implement a forward-looking formula rate, requesting rates to be effective January 1, 2020



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)

(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

WPP, **MP**, **PE** Transmission Overview



Jurisdiction	FERC
Rate Base	$625M
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.

$1.7B
Planned Annual CapEx

5%
Rate Base CAGR 2018-2021

$15B
Rate Base

6M
Total Customers in Six States

10
Utility Operating Companies

3,790MW
Regulated Generation (primarily in WV)

Regulated Distribution Capital Plan (2018-2021)

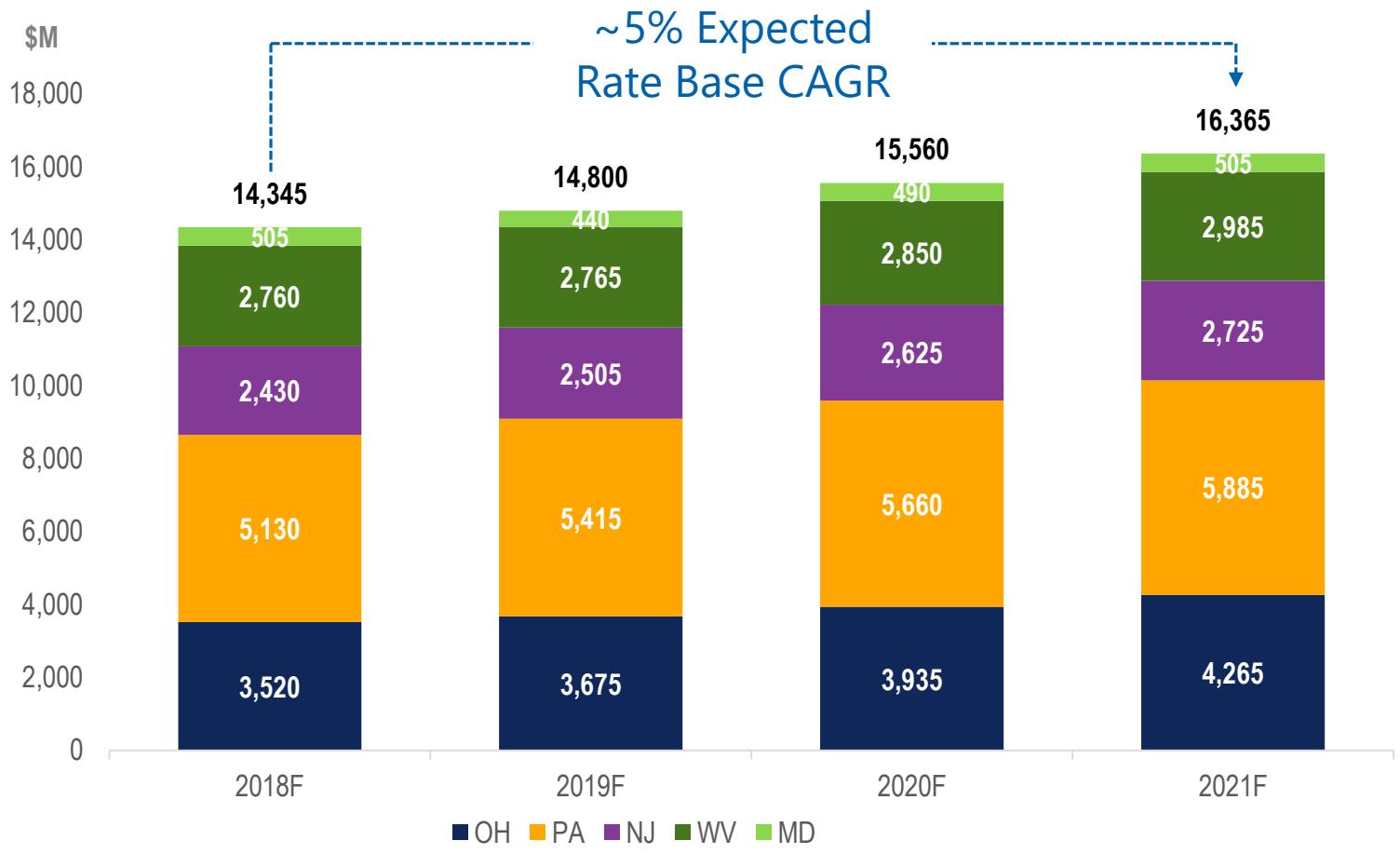
$6.7B in capital investments 2018-2021

($M)	2018A	2019F	2020F	2021F
Ohio	**$370**	**$430**	**$540**	**$585**
Stated	85	70	70	70
Formula	285	360	470	515
Pennsylvania	**$666**	**$670**	**$585**	**$550**
Stated	446	450	405	430
Formula	220	220	180	120
New Jersey	**$268**	**$285**	**$260**	**$215**
Stated	268	250	200	215
Formula	-	35	60	-
West Virginia / Maryland	**$331**	**$315**	**$315**	**$350**
Stated	286	265	265	305
Formula	45	50	50	45
Regulated Distribution Total	**$1,635**	**$1,700**	**$1,700**	**$1,700**

2018A-2020F Regulated Distribution Capital Expenditures

($M)	2018A	2019F	2020F
Ohio	**$370**	**$430**	**$540**
CEI	156	165	220
OE	165	200	235
TE	49	65	85
Pennsylvania	**$666**	**$670**	**$585**
ME	194	205	175
PN	191	175	180
PP	54	55	50
WPP	227	235	180
New Jersey (JCP&L)	**$268**	**$285**	**$260**
West Virginia / Maryland	**$331**	**$315**	**$315**
MP	217	200	195
PE	114	115	120
Regulated Distribution Total	**$1,635**	**$1,700**	**$1,700**

Regulated Distribution Rate Base Growth (2018-2021)



Forecasted rate base amounts exclude average CWIP balances of $350M - $450M per year, except for in Maryland

Weather-Adjusted Distribution Deliveries

Total Deliveries

M MWHs



	2018A	2019F	2020F	2021F	2018A-2021F CAGR %
Total	**148.5**	**147.6**	**147.7**	**148.4**	**0.0%**
OH	52.6	51.8	52.1	52.5	-0.1%
PA	52.8	52.5	51.7	51.7	-0.7%
WV	15.6	16.0	16.7	17.2	3.3%
NJ	20.5	20.3	20.3	20.1	-0.7%
MD	7.0	7.0	6.9	6.9	-0.5%

Projected WV load growth CAGR of ~3% through 2021F, primarily from ~7% growth in the Industrial class

Residential



	2018A	2019F	2020F	2021F	2018A-2021F CAGR %
Sub-Total	**53.4**	**53.6**	**53.0**	**52.8**	**-0.4%**
OH	17.0	16.9	16.9	16.8	-0.4%
PA	18.5	18.6	18.1	18.0	-0.9%
WV	5.4	5.5	5.5	5.5	0.6%
NJ	9.3	9.3	9.2	9.2	-0.4%
MD	3.2	3.3	3.3	3.3	1.0%

Commercial



	2018A	2019F	2020F	2021F	2018A-2021F CAGR %
Sub-Total	**40.1**	**39.6**	**39.8**	**39.6**	**-0.4%**
OH	15.0	14.7	14.9	14.9	-0.4%
PA	10.3	10.2	10.2	10.1	-0.7%
WV	3.7	3.7	3.7	3.8	0.0%
NJ	9.0	8.9	8.9	8.7	-1.1%
MD	2.1	2.1	2.1	2.1	0.0%

Industrial



	2018A	2019F	2020F	2021F	2018A-2021F CAGR %
Sub-Total	**55.0**	**54.3**	**54.9**	**56.0**	**0.6%**
OH	20.6	20.1	20.3	20.8	0.3%
PA	24.0	23.7	23.4	23.6	-0.6%
WV	6.5	6.8	7.5	7.9	6.7%
NJ	2.2	2.1	2.2	2.2	0.0%
MD	1.7	1.6	1.5	1.5	-4.1%

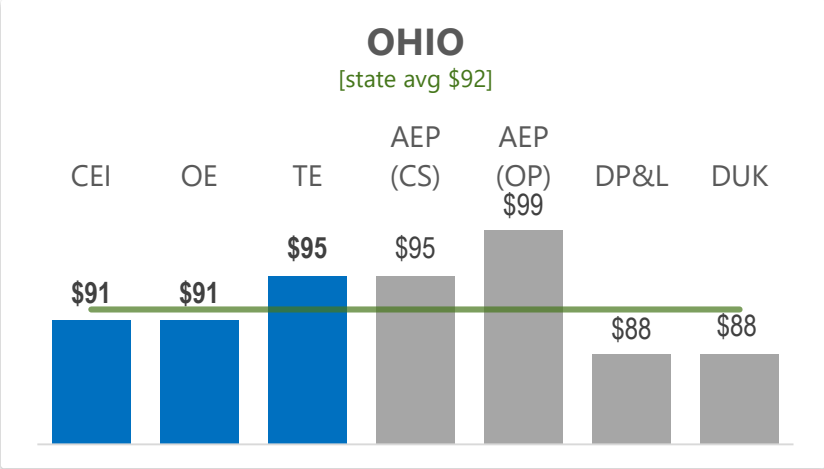
Regulated Distribution Guidance Sensitivities

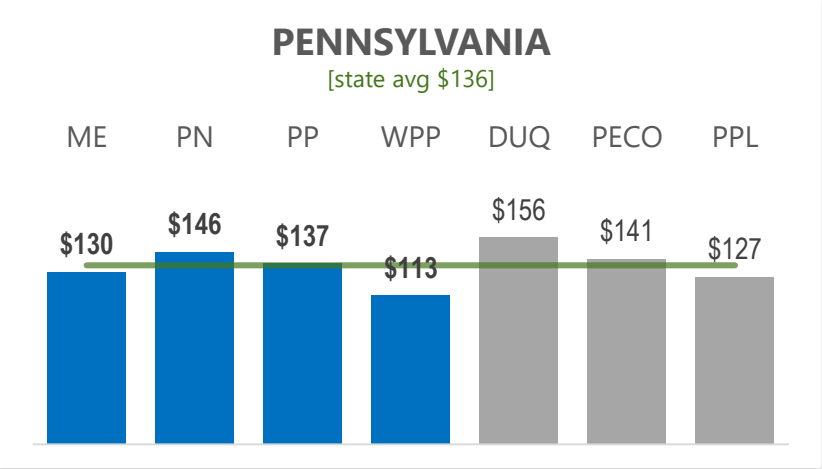
Estimated Impact of Annual Retail Sales Volumes	
+ / - 1% Change in Residential Deliveries	~$0.03/share
+ / - 1% Change in Commercial Deliveries	~$0.01/share
+ / - 1% Change in Industrial Deliveries	~$0.005/share

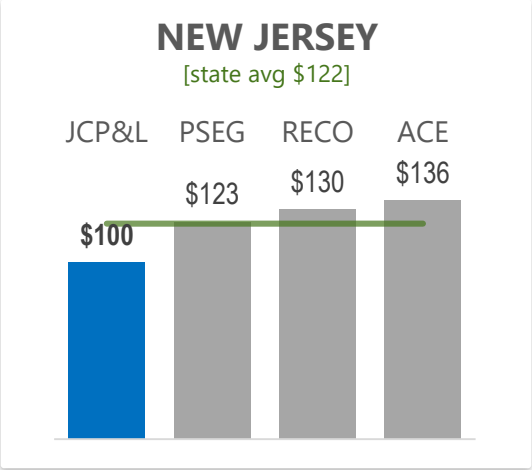
Weather Impact on Residential/Commercial Sales Volumes	
+ / - 86 HDD vs. normal (Dec-Mar)	~$0.01/share
+ / - 28 CDD vs. normal (June-Sept)	~$0.01/share

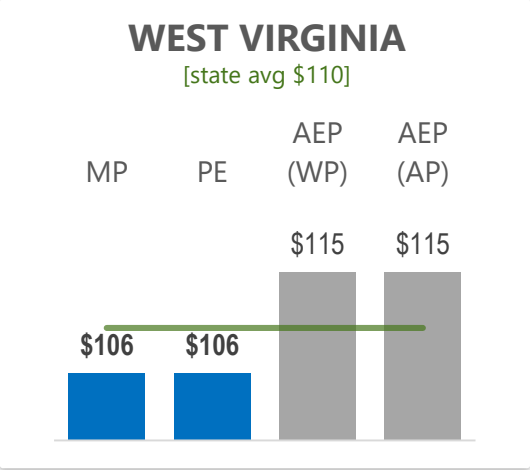
Average Customer Bills

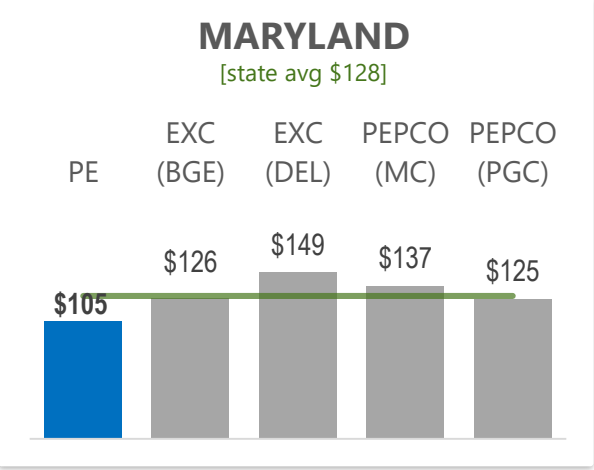
Rates Effective January 1, 2019











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

Typical bills for CEI, OE, and TE 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 QUARTILE / RANK	Distribution O&M QUARTILE / RANK
Per Circuit Mile	3rd	2nd
Per Customer	7th	4th
Per Substation	2nd	5th
Per Pole	5th	2nd

Performance Quartile Key: 1st | 2nd | 3rd | 4th

CAPITAL

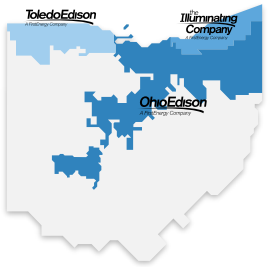
Capital costs of the Distribution system support FirstEnergy in a 1st and 2nd quartile performer compared to peers

O&M

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

Source: 2019 Transmission & Distribution Benchmarking by First Quartile Consulting

Ohio **Overview** (1 of 2)



CUSTOMERS: 2.1M

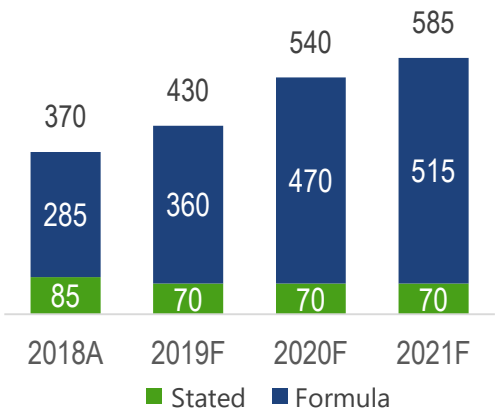
INDUSTRIES SERVED: Primary and Fabricated Metals, Chemical, Automotive, Petroleum, Plastics & Rubber

REGULATORY STRATEGY

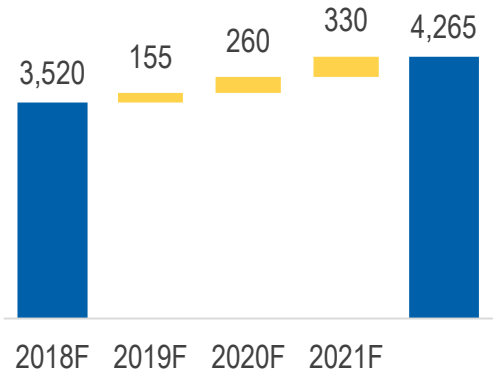
- Utilities are required to file applications to establish either an Electric Security Plan (ESP) or a Market Rate Offer to provide customers default generation service, also known as a standard service offer. ESPs establish the pricing and supply of generation service, and may include provisions regarding 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

2018-2021 GROWTH PROJECTIONS ($M)

CAPITAL EXPENDITURES



RATE BASE



LAST APPROVED RATE CASE STATISTICS (Jan. 2009)

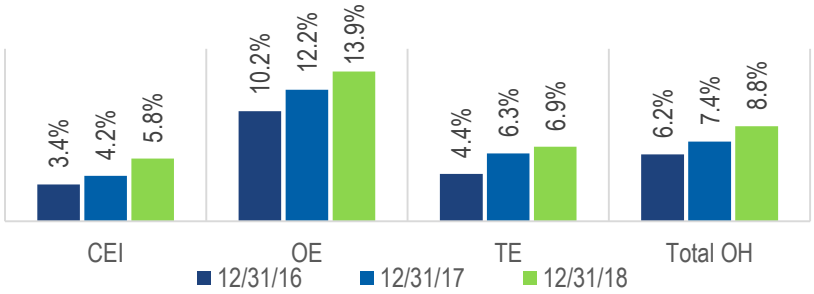
$2.7B Dx Rate Base	**10.5%** Allowed Return on Equity
51:49 Allowed Debt / Equity	**12 mos. ended Feb. 2008** Test Year

SERVICES PROVIDED

- OE, CEI, and TE provide Distribution service to ~1,050K, 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
DMR [1]	Provided FE with credit support to make grid mod investments; expired effective July 2, 2019; excluded from SEET	N/A
AMI	Recovery of commission approved grid modernization programs	Quarterly
DSE	Recovery of costs associated with energy efficiency and demand response programs and lost distribution revenues	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

[1] See slide 51 for an update on the status of Rider DMR

STORM COSTS

O&M Deferral: $26M YE 2018 regulatory asset

PENSION/OPEB

Expense recovery based on service costs (last rate case)

TAX REFORM

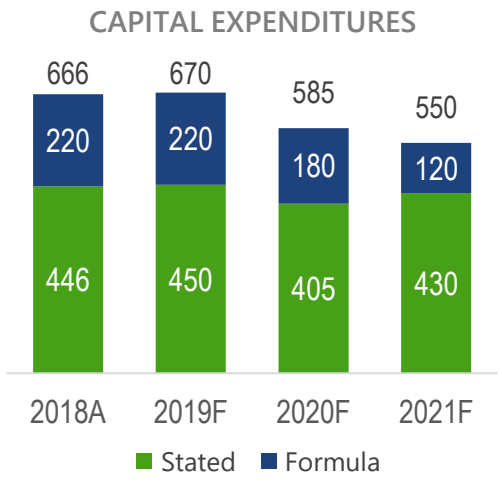
Tax Rate: Completed
EDIT: Completed

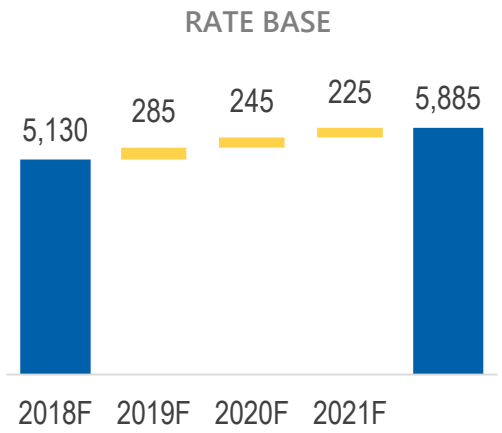
Pennsylvania **Overview** (1 of 2)

REGULATORY STRATEGY

- Continuously review considerations and timing of future rate cases
- New LTIIPs filed for the 2020-2024 period in August 2019 and are pending Commission approval by year-end. 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.
- 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

2018-2021 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)

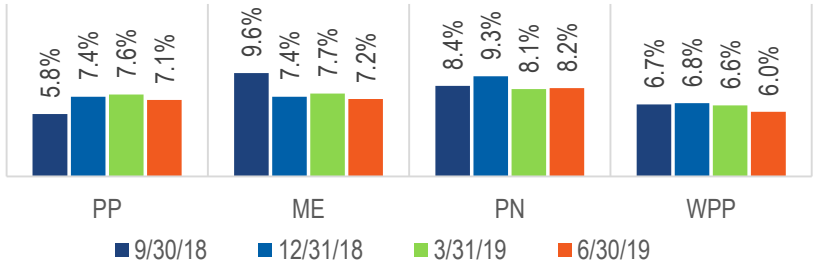
$4.8B Dx Rate Base	**SETTLED** Return on Equity
SETTLED Allowed Debt / Equity	**2017** Projected Test Year

SERVICES PROVIDED

- ME, PN, and PP provide Distribution service to ~570K, 585K, & 165K customers, respectively, while WPP provides Distribution and stated rate Transmission services to ~725K 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: $137M YE 2018 regulatory asset

PENSION/OPEB

Recovery based on historical cash contributions over the last 10yrs

TAX REFORM

Tax Rate: Completed*
EDIT: Completed

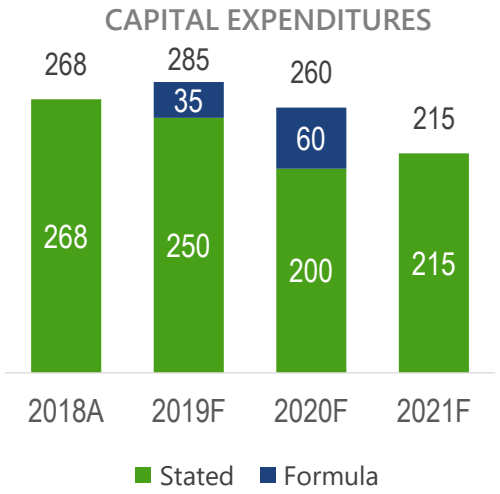
* Jan-Jun 2018 impact deferred until next base rate case or standalone proceeding by 2021

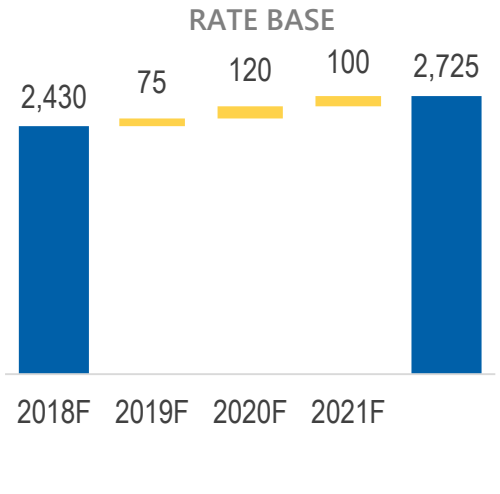
New Jersey **Overview** (1 of 2)

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
  - Second filing, at the end of the program, to recover plant-in-service for the remainder of the program

2018-2021 GROWTH PROJECTIONS ($M)







CUSTOMERS: 1.1M

INDUSTRIES SERVED: Chemical, Primary and Fabricated Metals, Food Manufacturing, Plastic & Rubber

LAST APPROVED RATE CASE STATISTICS (Jan. 2017)

$2.2B 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 ~1,135K customers
- Filed with FERC to recover transmission service costs through a forward-looking formula rate on 10/31/2019

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



- 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 through 12/31/19	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	2018 Output M MWH
Yards Creek	EMAAC	NJ	Hydro	3	210	1965	0.5



STORM COSTS

O&M Deferral: $303M YE 2018 regulatory asset

PENSION/OPEB

Recovery based on delayed recognition/smoothing

TAX REFORM

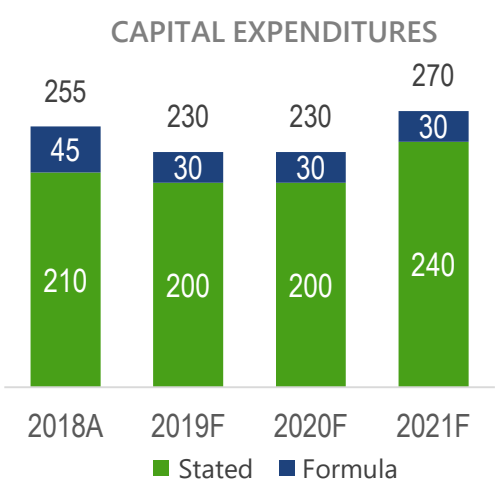
Tax Rate: Completed
EDIT: Completed

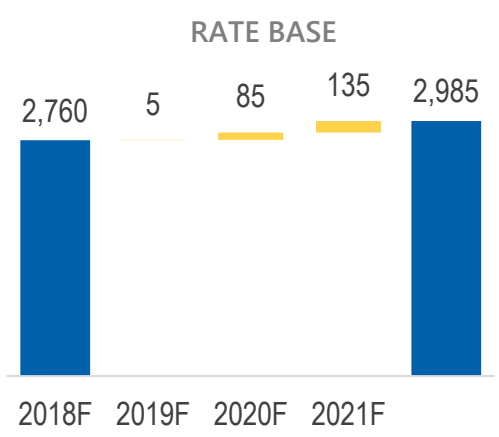
West Virginia **Overview** (1 of 2)

REGULATORY STRATEGY

- Continuously review considerations and timing of future rate cases
- Integrated Resource Plan to be filed by Jan. 1, 2021
- The WV PSC views MP and PE on a combined company basis for regulatory filings

2018-2021 GROWTH PROJECTIONS ($M)







CUSTOMERS: 540K

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

LAST APPROVED RATE CASE STATISTICS (Feb. 2015)

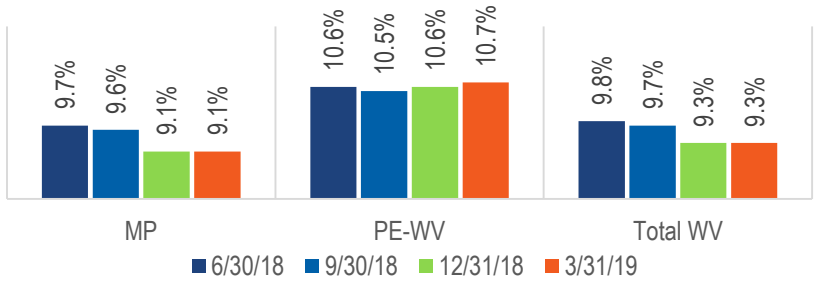
$2.5B Dx+Tx+Gx Rate Base	**SETTLED** Return on Equity
54:46 Allowed Debt / Equity	**2013** Historical Test Year

SERVICES PROVIDED

- MP, a vertically integrated company, provides Distribution, Transmission and Generation services to its ~395K 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 can be accomplished using numerous allocation methods
  - Capital structure removes investment in AGC
  - 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	2018 Output M MWH
Bath Co.	Dominion	VA	Hydro	6	487(1)	1985	0.6
Ft. Martin	APS	WV	Coal	2	1,098	1967	6.0
Harrison	APS	WV	Coal	3	1,984	1972	13.3
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:
$32M YE 2018

PENSION/OPEB

Recovery of GAAP expense with MTM smoothing

TAX REFORM

Tax Rate: Completed*
EDIT: Address by YE 2020

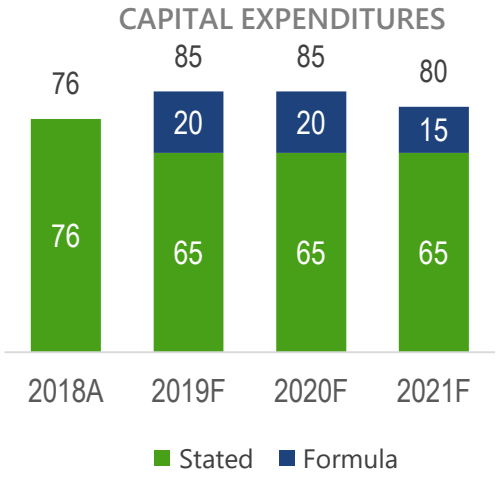
* Jan-Aug 2018 impact addressed in proposed ENEC settlement

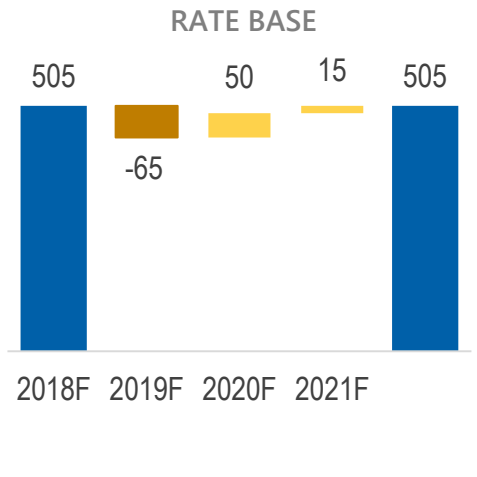
Maryland **Overview** (1 of 2)

REGULATORY STRATEGY

- Current base rates approved March 2019; must file base rate case by early 2023
- New distribution rate case must be filed within 4 years to align with the end of Electric Distribution Investment Surcharge (EDIS)
- EV Program to install 59 utility owned charging stations

2018-2021 GROWTH PROJECTIONS ($M)







CUSTOMERS: 270K

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

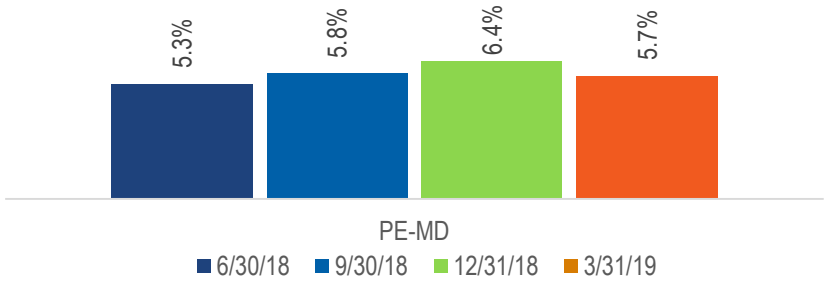
12 mos. ended Jun. 2018
Historical Test Year

SERVICES PROVIDED

- PE provides Distribution and Transmission services to its ~270K 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 can be 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%

CO_2 Emissions Reduction Goal By 2045

Social

$8M

FirstEnergy Foundation contributed to 1,300 non-profits in 2018

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 CO_2 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

- Implemented a Diversity & Inclusion Key Performance Indicator
- 9 Employee Business Resource Group Chapters (EBRGs)
- Continued focus on safety culture, experienced zero Systemwide Life Changing Events in 2018
- Provided the equivalent of 3.7 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
- Launching Corporate Responsibility Website and Report in Q4 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



- 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

- 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

- 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



CDP
DISCLOSURE INSIGHT ACTION

ISS

EEI
Edison Electric
INSTITUTE

SUSTAINALYTICS

MSCI

ROBECOSAM
We are Sustainability Investing.
Years

Transition
Pathway
Initiative

JUST capital

EQUILEAP
MAKE A DIFFERENCE AND A RETURN

FirstEnergy Corporate Responsibility Report

CLIMATE | REPORT

S&P Global

vigeo eiris

FTSE
Russell

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 CO_2 emission reductions
- Follows the Taskforce for Climate Related Disclosures (TCFD) Recommendations

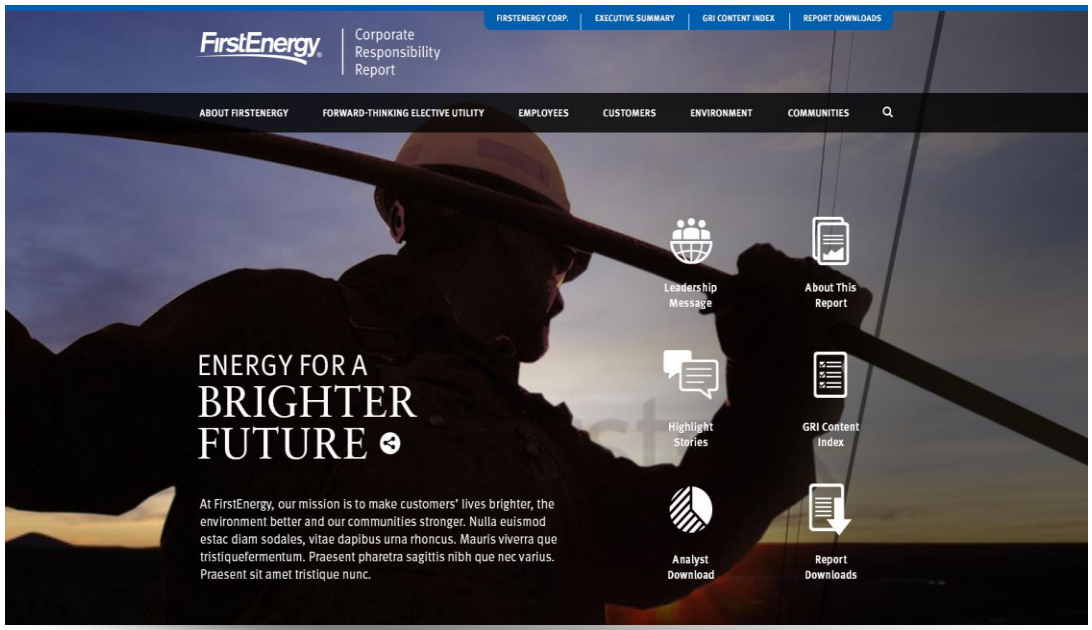


Climate Report released April 1, 2019

FirstEnergy's Corporate Responsibility Report

Energy for A Brighter Future

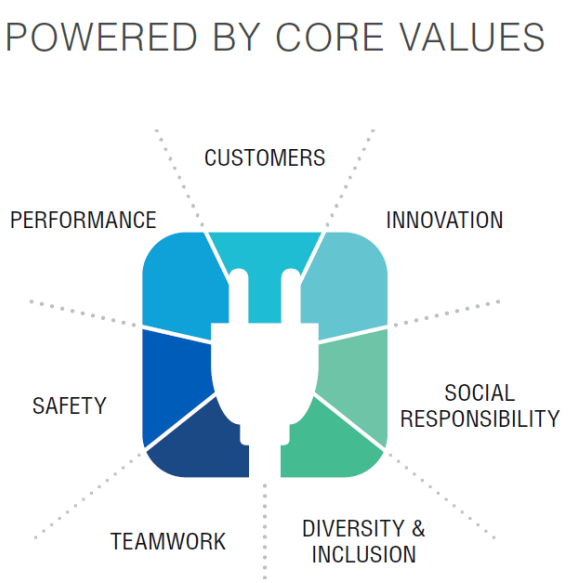
- Corporate Responsibility Website
  - Provide external stakeholders with comprehensive information about our company in a single, easy to navigate location
- Executive Summary
  - Provides an overview of our commitment to Corporate Responsibility across our entire organization
- Website to go live, and Executive Summary to be published in November 2019 in conjunction with the EEI Financial Conference
- 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
- To be published in November 2019 in conjunction with the EEI Financial Conference
- Annual refresh to be published during the fourth quarter



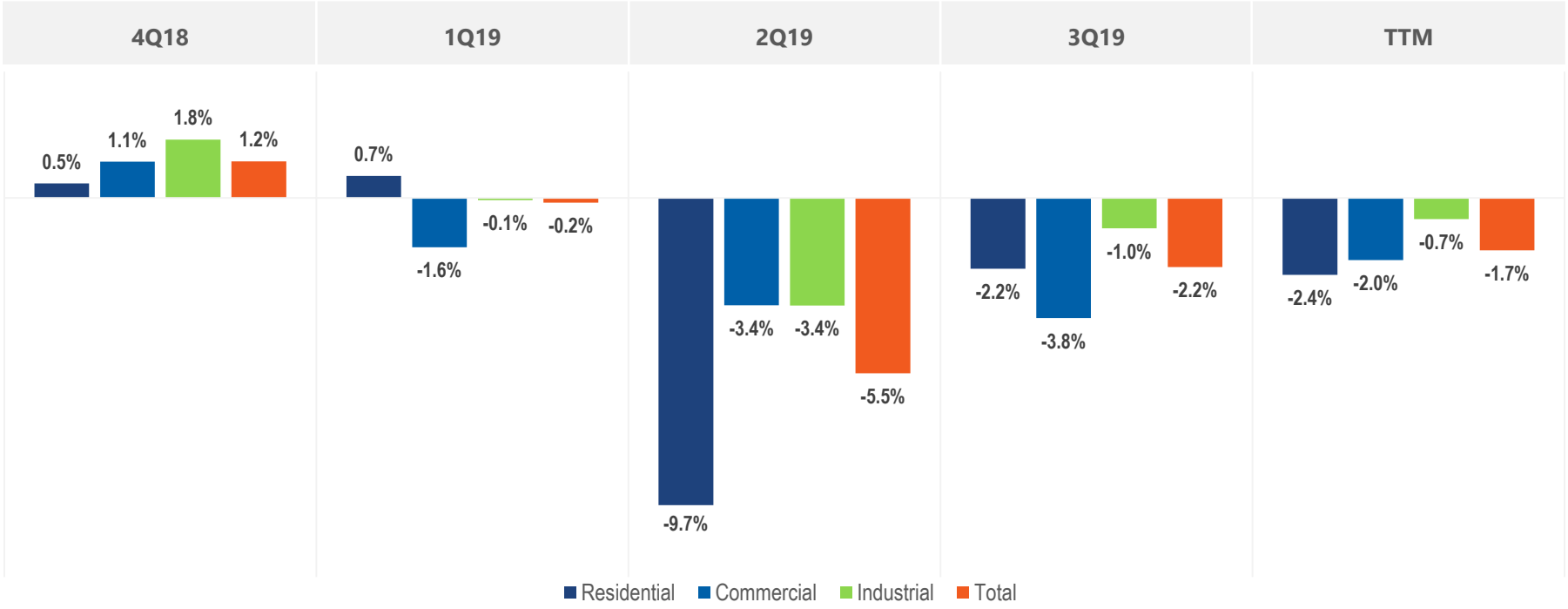


Quarterly Updates



Sales by Class

Percent change vs. prior year

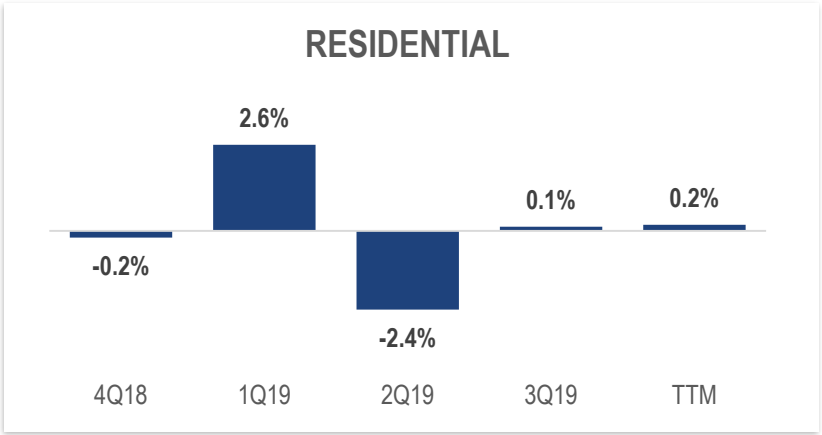


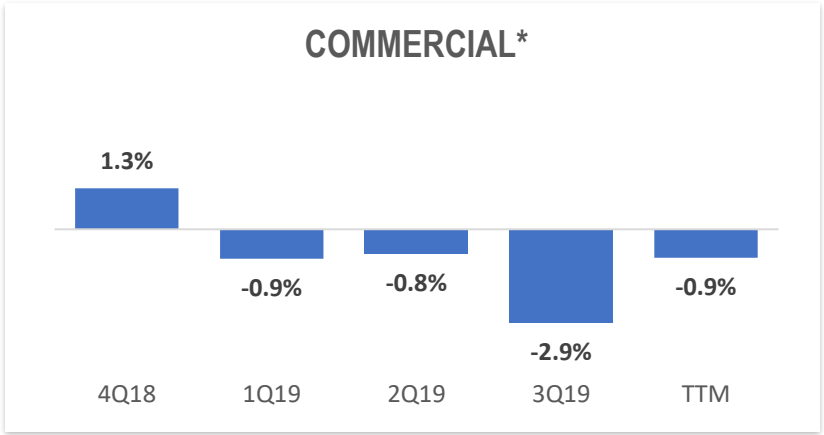
(MWh in thousands)	4Q17	4Q18	1Q18	1Q19	2Q18	2Q19	3Q18	3Q19	TTM 3Q18	TTM 3Q19
Residential	13,203	13,263	14,999	15,103	12,074	10,900	15,657	15,306	55,933	54,572
Commercial*	9,278	9,384	9,771	9,618	9,463	9,141	10,549	10,148	39,061	38,291
Industrial*	13,696	13,948	13,970	13,960	14,075	13,595	14,618	14,477	56,359	55,980
Total	**36,177**	**36,595**	**38,740**	**38,681**	**35,612**	**33,636**	**40,824**	**39,931**	**151,353**	**148,843**

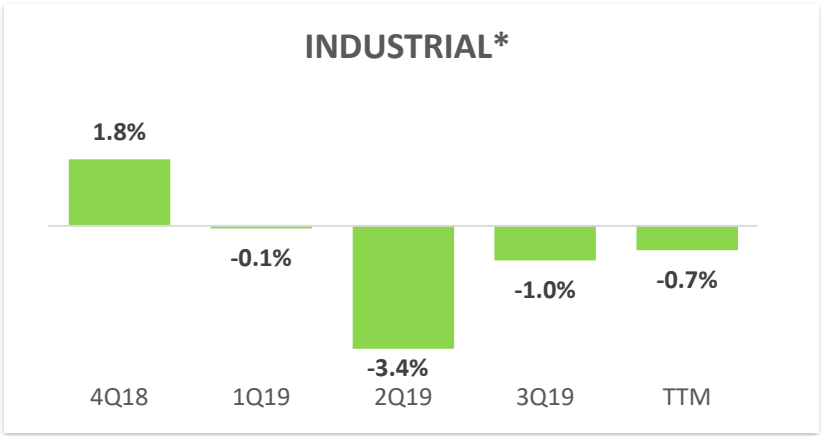
* All periods above reflect a reclassification of Commercial and Industrial customers in PA consistent with the PA PUC Order in the PA Companies' Default Service Program for the period June 1, 2019 - May 31, 2023. Commercial includes Other (Streetlight customers)

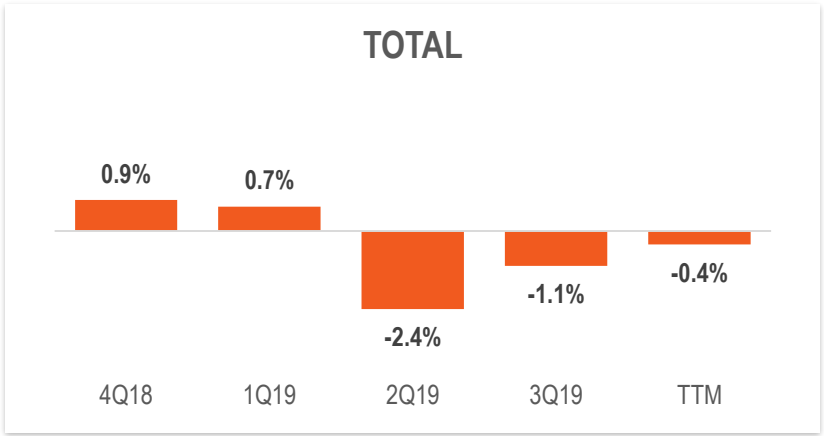
Weather Adjusted GWh Sales by Class

Percent change vs. prior year



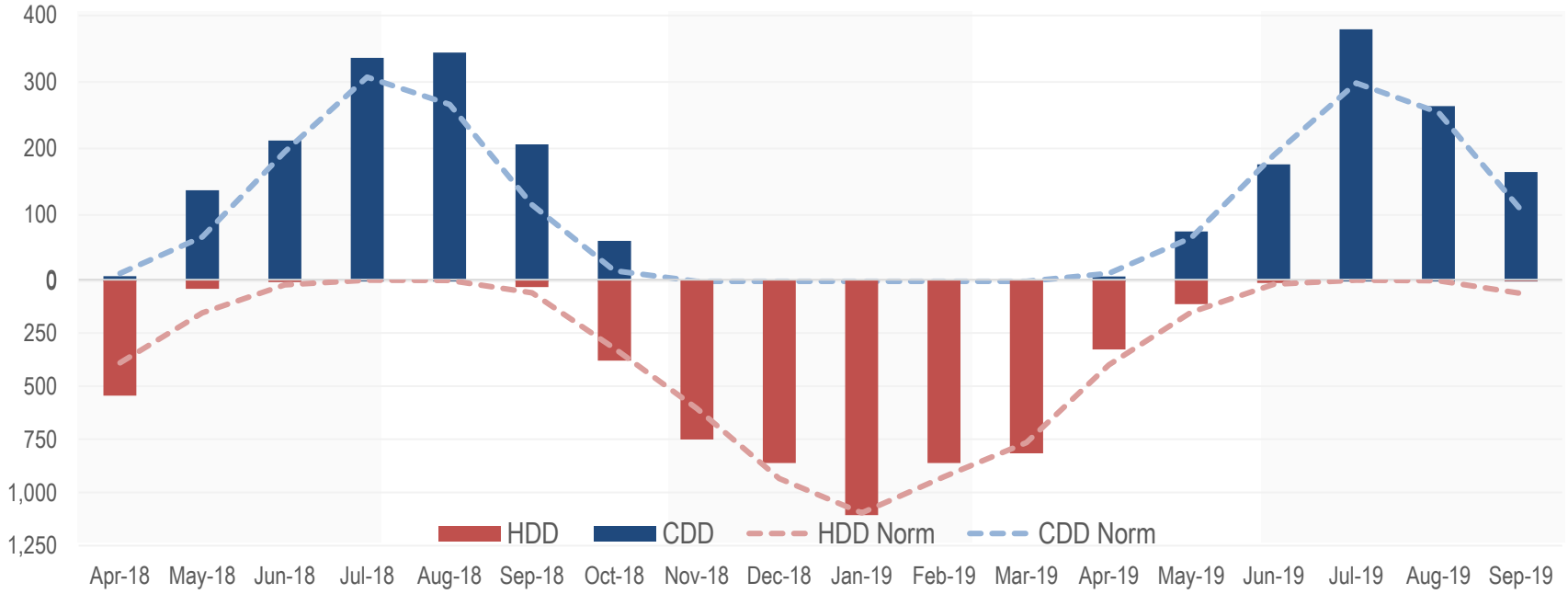






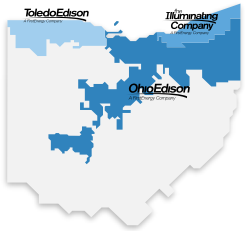
* All periods above reflect a reclassification of Commercial and Industrial customers in PA consistent with the PA PUC Order in the PA Companies' Default Service Program for the period June 1, 2019 - May 31, 2023. Commercial includes Other (Streetlight customers)

Weather Impacts



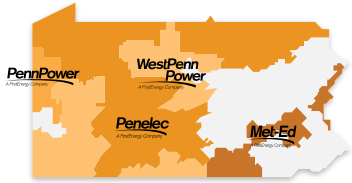
		OH		PA		NJ		WV		MD		Total	
		Days	%	Days	%	Days	%	Days	%	Days	%	Days	%
3Q19	HDD vs Normal	-90	-97%	-64	-85%	-17	-68%	-69	-95%	-45	-96%	-63	-90%
	HDD vs 3Q18	-45	-94%	-30	-72%	-11	-57%	-13	-78%	-21	-91%	-28	-81%
	CDD vs Normal	212	38%	85	14%	96	11%	233	40%	153	20%	147	22%
	CDD vs 3Q18	-64	-8%	-98	-12%	-70	-6%	-20	-2%	-53	-5%	-78	-9%

Ohio Rider DMR



- Rider DMR was approved for a three-year period ending December 31, 2019, with a potential two-year extension for the Ohio Companies (OE, CEI, TE)
  - Funds to be used, directly or indirectly, in support of grid modernization
- Several intervenors filed notices of appeal in 2017 with the Supreme Court of Ohio appealing various PUCO entries on their applications for rehearing regarding the Ohio Companies' ESP IV
  - On June 19, 2019, the Ohio Supreme Court ruled that Rider DMR did not qualify as an incentive under the law and ordered the PUCO to direct the Ohio Companies to remove Rider DMR from ESP IV
  - On July 1, 2019, the Ohio Companies filed a Motion for Reconsideration with the Court; replies by opposing parties were filed July 11, 2019
  - Rider DMR continued to be charged after July 2, 2019, although the Ohio Companies added a refund clause to the tariff stating that any Rider DMR charges billed after July 2, 2019 would be subject to refund if the Motion for Reconsideration was denied
  - On August 20, 2019, the Ohio Supreme Court denied the Ohio Companies' Motion for Reconsideration and directed the Commission to order the Ohio Companies to remove Rider DMR from the Ohio Companies' ESP IV
  - On August 22, 2019, the Commission directed the Ohio Companies to set Rider DMR to $0.00 and to refund all charges billed after July 2, 2019, prior to eliminating the rider from the ESP IV
  - On September 1, 2019, the Ohio Companies set Rider DMR to $0.00
  - On October 1, 2019, the Ohio Companies implemented Commission approved tariffs that included refunds of Rider DMR charges billed from July 2, 2019 through August 31, 2019
  - Rider DMR refunds of ~$28M were provided during the month of October 2019, and Rider DMR was removed from the Ohio Companies' tariff as of November 1, 2019

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; PP filed a petition on August 30, 2019 to increase the 5% DSIC rate cap

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

Guidance and Financials

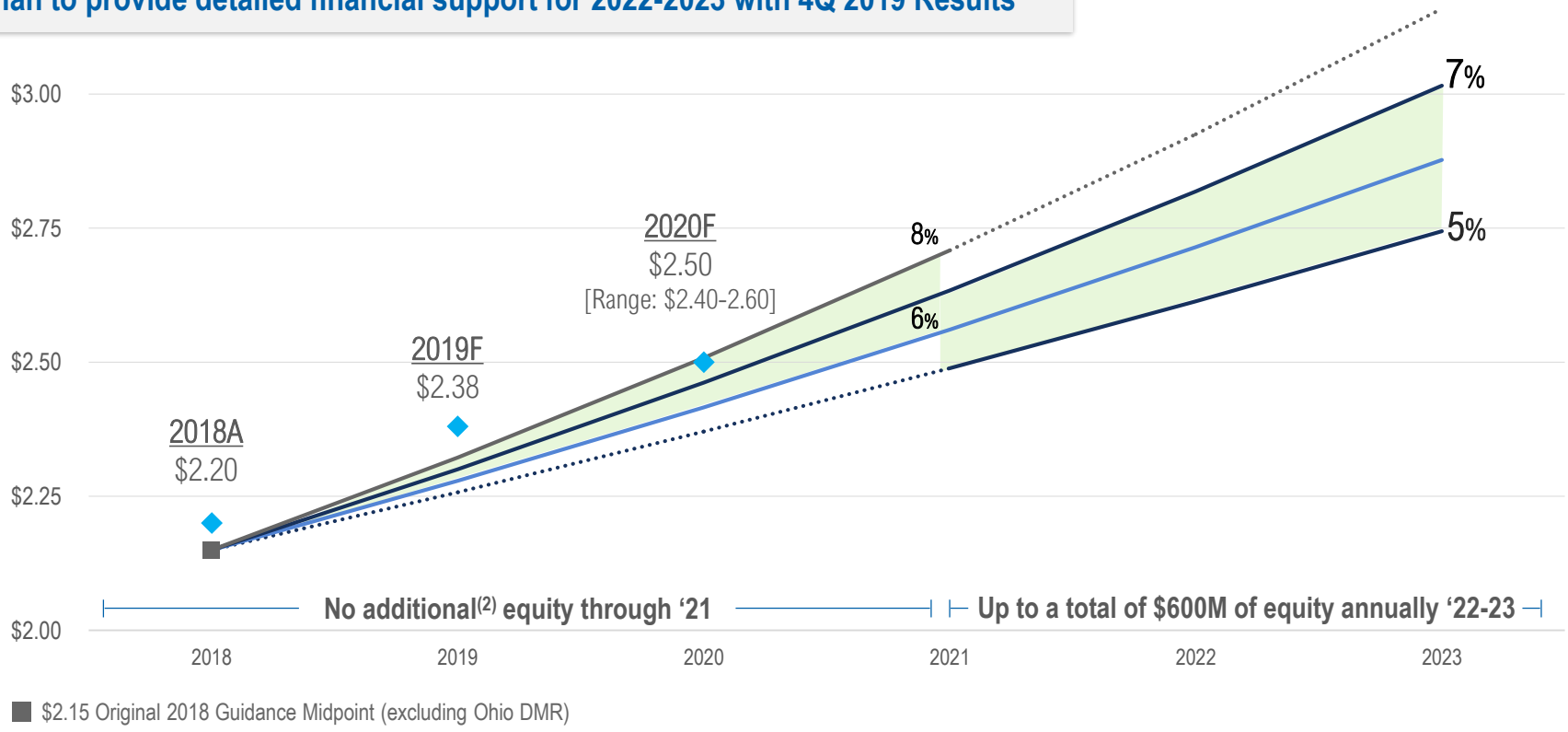


2018-2023 Operating EPS CAGR

Excludes DMR and impact of weather

6% - 8% Operating EPS[1] CAGR 2018-2021; 5% - 7% CAGR through 2023

Plan to provide detailed financial support for 2022-2023 with 4Q 2019 Results



[1] Special items cannot be reasonably estimated. See Slide 76.

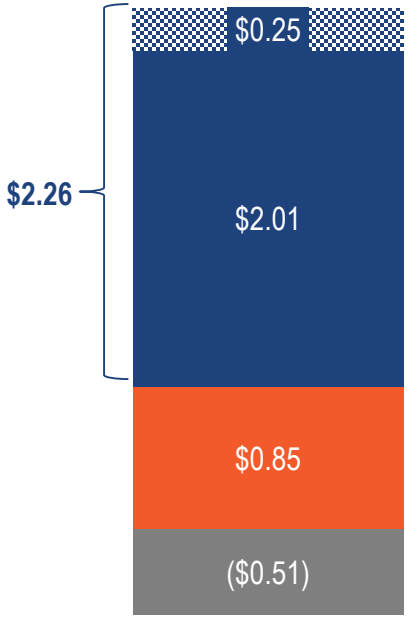
[2] Forecast assumes non-cash annual equity issuances of ~$100M through FE's stock investment and employee benefit plans

2019 Operating EPS[(1)] Guidance

Narrowing range from $2.45 - $2.75 to $2.50 - $2.60; despite only a half year's benefit from Ohio DMR

Original 2019 Guidance Range
$2.45 - $2.75

$2.60 *(Mid-point)*



2019F Original Operating EPS Midpoint [(2)]
(540M fully diluted shares)

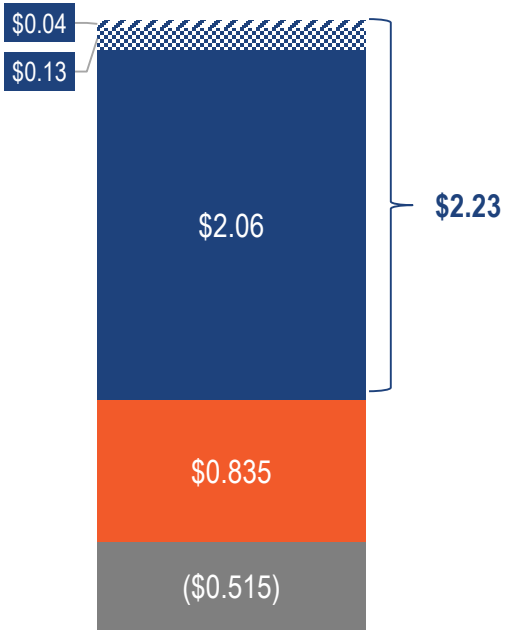
Revised 2019 Operating EPS Guidance	
Regulated Distribution	$2.20 – $2.26
Regulated Transmission	$0.83 – $0.84
Corp / Other	($0.53) – ($0.50)
	$2.50 – $2.60

Summary of Guidance Drivers – Original vs. Revised	
Ohio DMR (2nd half 2019)	-
YTD Weather vs. Normal	+
Net Operating & Misc. Expense	+
Effective Income Tax Rate (ETR)	+

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

Revised 2019 Guidance Range
$2.50 - $2.60

$2.55 *(Mid-point)*



2019F Revised Operating EPS Midpoint [(2)]
(540M fully diluted shares)

[(1)] See Slide 76 for information on Non-GAAP Financial Matters
[(2)] See Slides 73-74 for the 2019 GAAP to Non-GAAP earnings reconciliation

Note: 2019F ETRs: RD 20-23%, RT 20-23%, Consolidated 20-23%
2018A ETRs: RD 23.5%, RT 23.5%, Consolidated 24.7%

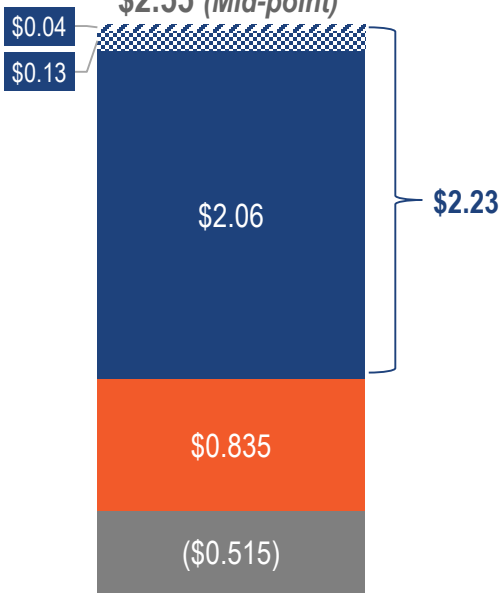
2020 Operating EPS[(1)] Guidance

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

$2.55 *(Mid-point)*



2019F Revised Operating EPS Midpoint [(2)]
(540M fully diluted shares)

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 +$0.14 *(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
RD: Ohio DMR
RD: Weather vs. Normal
Regulated Transmission
Corp/Other

2020 Guidance Range
$2.40 - $2.60

$2.50 *(Mid-point)*



2020F Operating EPS Midpoint [(3)]
(542M fully diluted shares)

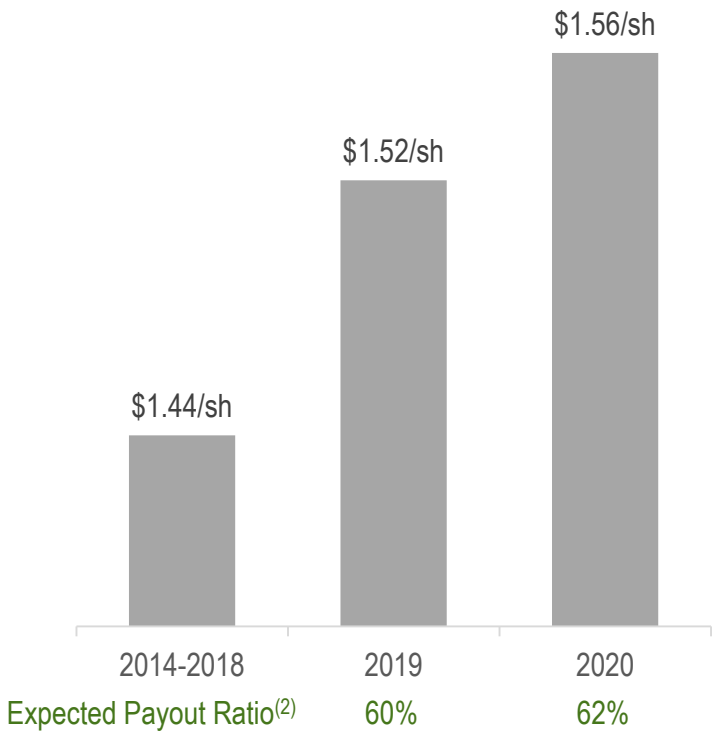
[(1)] See Slide 76 for information on Non-GAAP Financial Matters
[(2)] See Slides 73-74 for 2019 GAAP to Non-GAAP earnings reconciliation

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

[(3)] 2020 operating (non-GAAP) earnings guidance of $2.40 to $2.60 per share is based on GAAP net income of $1,300M - $1,410M and fully diluted shares of 542M. Forecasted net income (loss) ranges by segment are as follows: $1,155M - $1,230M for Regulated Distribution, $460M - $485M for Regulated Transmission, and ($315M) – ($305M) for Corp/Other. See Slide 76.

Dividend Update

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 and excludes Rider DMR

Financing Plan (2019-2021)

Committed to maintaining investment-grade credit ratings

FE CORP

Year	Entity	Amount	Purpose
2019F	FE Corp	Up to $628M	New notes to FES creditors
2020F	FE Corp	Up to $1.75B	Refinance $1.75B Term Loans maturing in 2020 and 2021

REGULATED TRANSMISSION

Year	Entity	Amount	Purpose
2019F	✓ ATSI	$100M	New Issuance
	✓ FET	$500M	New Issuance
	MAIT	$150M	New Issuance
2020F	ATSI	$100M	New Issuance
	MAIT	$100M	New Issuance
2021F	ATSI	$100M	New Issuance
	FET	$400M	New Issuance
	MAIT	$100M	New Issuance

REGULATED DISTRIBUTION

Year	Entity	Amount	Purpose
2019F	✓ ME	$500M	$300M at 7.70% matured 1/15/19
	✓ JCP&L	$400M	$300M at 7.35% matured 2/1/19
	✓ WPP	$250M	New Issuance
	✓ PN	$300M	$125M at 6.625% matured 4/1/19
	✓ MP[(1)]	$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
	PE	$175M	New Issuance
2021F	MP	$200M	$74M at 3.0% PCRB mandatory put on 10/15/21

REGULATED GENERATION

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

(1) $200M will be funded on 11/14/2019

Pension/OPEB Overview

Key assumptions for expense	2018	2019
Expected Return on Assets	7.50%	7.50%
Pension Discount Rate	3.75%	4.44%
OPEB Discount Rate	3.50%	4.30%

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)

MTM Method

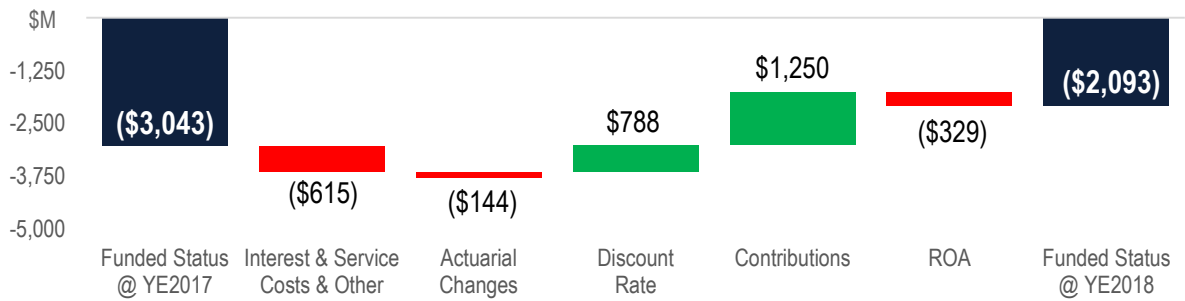
- Beginning in 2011, adopted MTM method for pension and OPEB accounting
- Net gain or loss is recognized in 4Q GAAP results; excluded from operating (non-GAAP) results
  - Preferred method of accounting under GAAP

After-Tax Impact - MTM Drivers	2018	2019F*
Difference from expected return	($680M)	$505M*
Changes to discount rate	$645M	($860M - $1,460M)*
Other changes (Demographic, VERP, Misc.)	($70M)	($45M)
Net Income Impact	**($105M)**	**($400M) – ($1,000M)**

*Assumes a discount rate of 3.00% - 3.50% and actual investment performance through 9/30/19

2018A Qualified Pension Funded Status

(Excludes $500M Contribution on 2/1/19)



2018 Pension/OPEB Summary

Pension/OPEB Funded Status: Year-End 2018A

($M)	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

($M)	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)[1]	**$29**	**($82)**	**($53)**	**($142)**
Pension/OPEB Mark-To-Market Adjustment	227	(82)	145	145
Special Termination Costs (VERP)	31	8	39	39
GAAP Net Periodic Cost (Credit)	**$287**	**($156)**	**$131**	**$42**

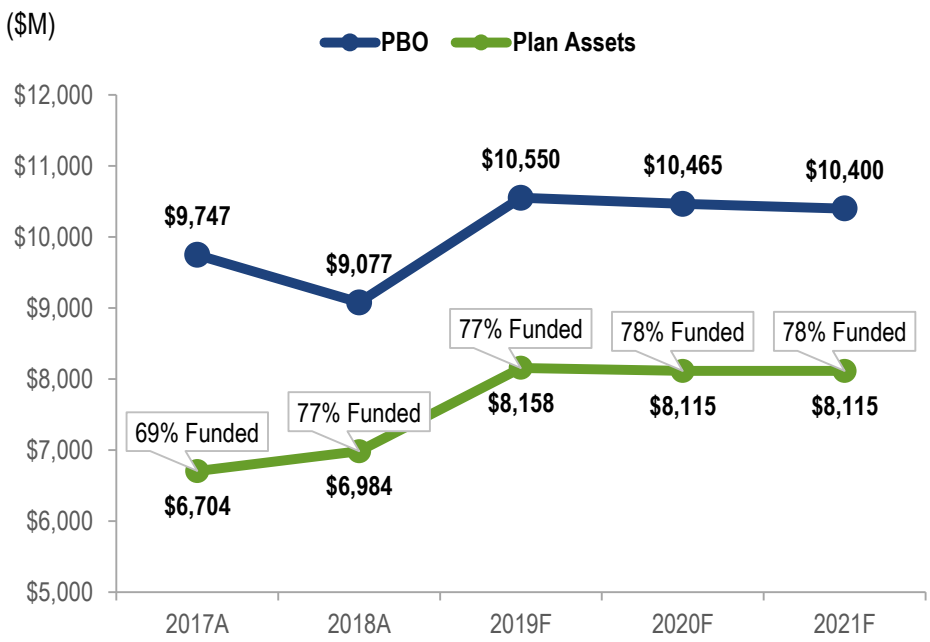
[1] See Slide 76 for information on Non-GAAP Financial Matters

2018-2021 Qualified Pension Funding

Qualified Pension Plan

- Pension Contributions
  - January 2018: $1,250M
  - February 2019: $500M
- No required contributions through 2021
- Key assumptions:
  - 2019 investment return of 17% (based on results @ 9/30/19)
  - Expected Return on Assets of 7.50% in 2020 and 2021
  - Discount Rate of 3.29% (full yield curve) @ 9/30/19

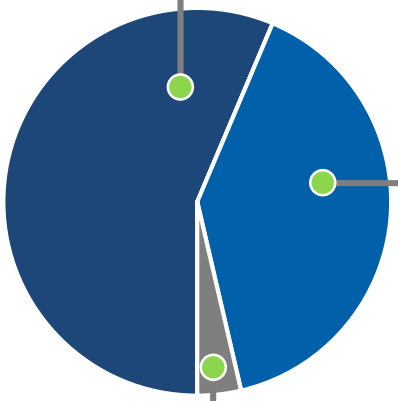
Projected Funding Status – Qualified Pension Plan



Capital Expenditures Forecast Summary

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

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



($M)	2018A	2019F	2020F	2021F
Regulated Distribution (~40% formula rates)	**$1,635**	**$1,700**	**$1,700**	**$1,700**
Stated Rate	$1,085	$1,035	$940	$1,020
Formula Rate	$550	$665	$760	$680
Regulated Transmission (80%+ formula rates)	**$1,165**	**$1,200**	**$1,200**	**$1,200**
Stated Rate	$256	$255	$155	$180
Formula Rate	$909	$945	$1,045	$1,020
Corp/Other	**$183**	**$105**	**$90**	**$110**

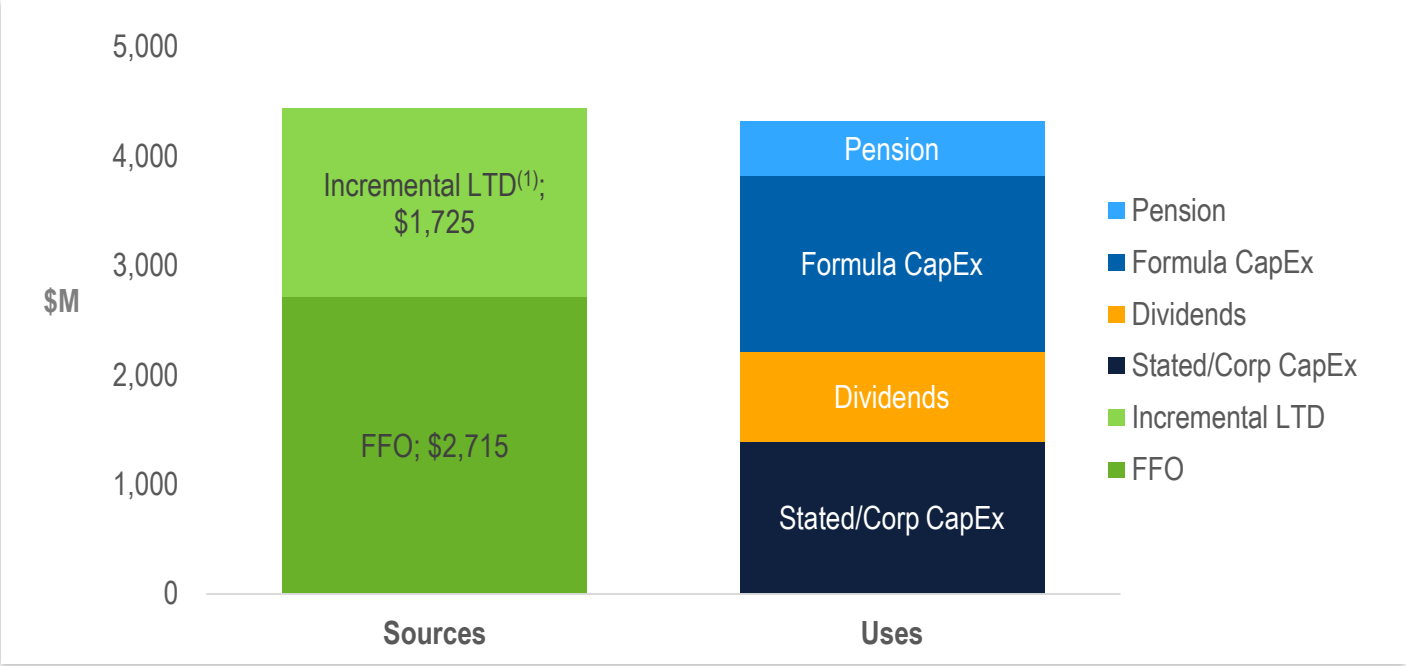
2019 FFO and FCF Forecast

($M)	FE Consolidated 2019F	FE Consolidated 2020F
Cash from Operations (GAAP)	$2,150 - $2,250	$2,840 - $3,040
Working Capital [1]	30 - 0	(75) - (105)
Pension Contributions [2]	500	–
Funds from Operations (FFO) (Non-GAAP)	$2,680 - $2,750	$2,765 - $2,935
Capital Expenditures	(3,005)	(2,990)
Cash Before Other Items	($325) - ($255)	($225) - ($55)
Working Capital/Other [3]	70 - 100	190 - 220
Pension Contributions	(500)	–
Cash Before Dividends and Equity	($755) - ($655)	($35) - $165
Dividends	(820)	(845)
Equity [4]	–	–
Free Cash Flow [5] (Non-GAAP)	($1,575) - ($1,475)	($880) - ($680)

(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

2019 Cash Forecast

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



Note: Sources and Uses amounts use the mid-points from Slide 63 (2019 FFO and FCF Forecast)

(1) See Slide 58 (2019-2021 Financing Plan)

Credit Ratings

As of November 8, 2019

	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.

- On November 7, Moody's revised FE Corp's CFO pre-WC to debt threshold to **11%**
- On November 8, Fitch Ratings **resolved its positive outlook** and issued one-notch upgrades to FE Corp, ATSI, CEI, FET, JCP&L, ME, MAIT, OE, PN, PP, TE, TrAIL and WPP. The ratings of AGC, MP, and PE were affirmed. The outlook on all entities is stable.

Financial Updates

Since July 23, 2019 (2Q 2019 Earnings Release)

Dividend:

- On September 17, 2019, Board declared a quarterly dividend of $0.38 per share of outstanding common stock
- On November 8, 2019, Board declared a quarterly dividend of $0.39 per share of outstanding common stock

Declaration Date	Payable	Record Date
9/17/2019	12/1/2019	11/7/2019
11/8/2019	3/1/2020	2/7/2020

Financing Activities:

	WPP
Date	8/15/2019
Type	First Mortgage Bonds
Amount Issued	$150M
Interest Rate	4.22%
Use of proceeds	To (i) refinance existing indebtedness, (ii) fund capital expenditures, (iii) fund working capital needs, and (iv) for other general corporate purposes.

FE Term Loan Activities (9/11/2019):

- FE Corp. 364-Day Term Loan extended until September 9, 2020
- FE Corp. Two-Year Term Loan extended until September 11, 2021
- In addition, the Term Loan Amendments reallocated $250 million of loans from the 364-Day Term Loan to the Two-Year Term Loan

Credit Profile

$3.5B Revolving Credit Facilities (RCF)

$1.75B Term Loan Credit Agreements

$5.5B Credit Commitment from 24 Financial Institutions

$4.2B Available Liquidity (as of 10/31/2019)

9% 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; $8.5B of additional debt capacity or $4.6B of equity decrease capacity.

Bank Covenant View of Debt-to-Cap Ratio

✓ Compliant with RCF covenant; $8.5B of additional debt capacity or $4.6B of equity decrease capacity

Debt to Total Capitalization Ratio as defined under the FE Credit Facility:	9/30/2019 $M	9/30/2019 %	12/31/2018 $M	12/31/2018 %
Total Stockholders' Equity (GAAP)	$ 7,272	20%	$ 6,814	20%
Non-cash Charges / Non-cash Write Downs[1]	8,264	23%	8,264	24%
Less: Accumulated Other Comprehensive Income (GAAP)	(27)	0%	(41)	0%
Adjusted Equity (Non-GAAP)[2]	**15,509**	**43%**	**15,037**	**44%**
Long-term Debt and Other Long-term Obligations (GAAP)	19,422	54%	17,751	52%
Currently Payable Long-term Debt (GAAP)	381	1%	503	1%
Short-term Borrowings (GAAP)	1,000	3%	1,250	4%
Reimbursement Obligations	9	0%	10	0%
Guarantees of Indebtedness	145	1%	190	1%
Less: Securitization Debt	(627)	(2%)	(687)	(2%)
Adjusted Debt (Non-GAAP)[2]	**20,330**	**57%**	**19,017**	**56%**
Adjusted Capitalization (Non-GAAP) [2]	**$ 35,839**	**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 76 for information on Non-GAAP Financial Matters.

Consolidated Long-Term Debt Maturities

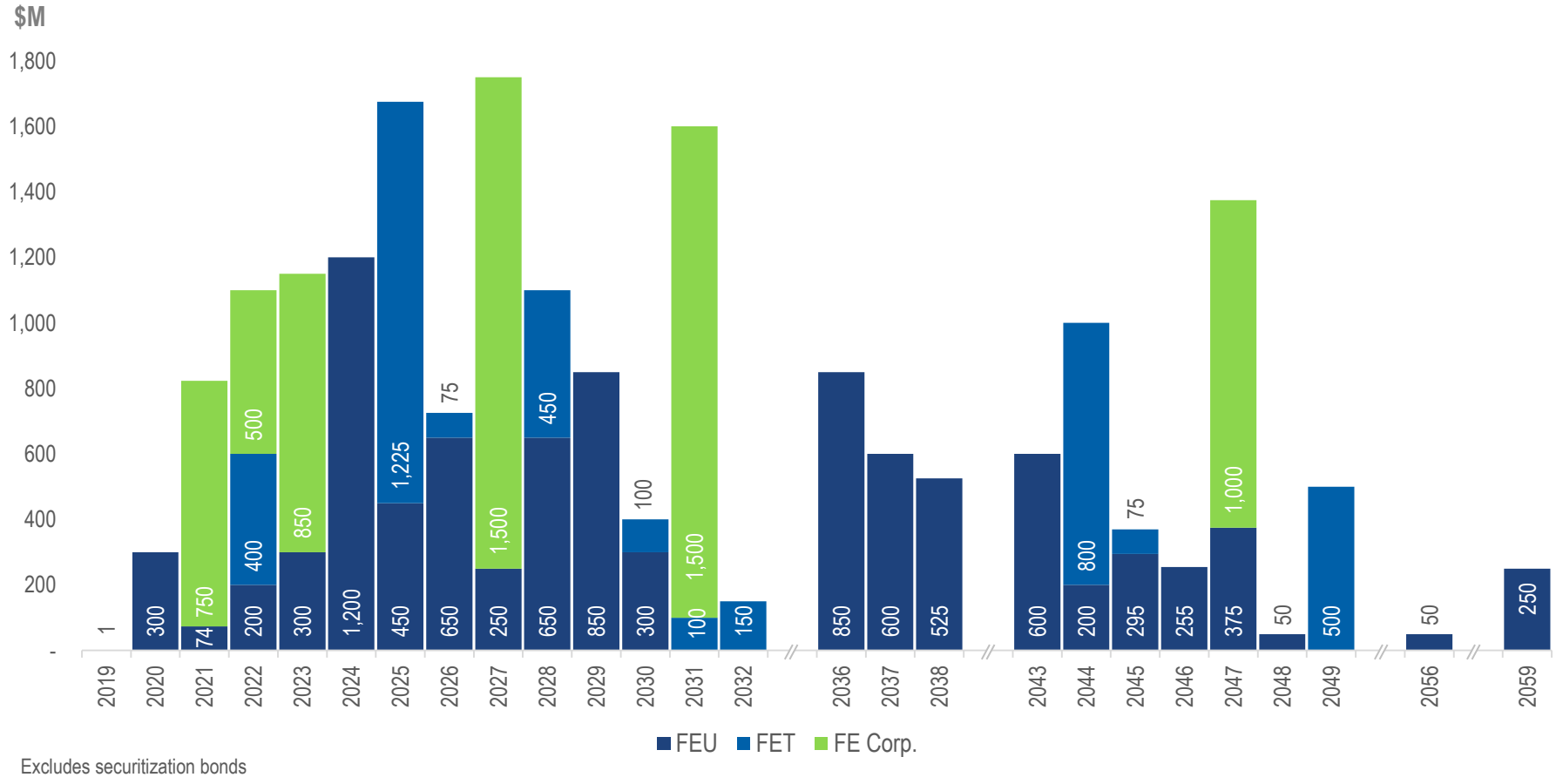
AVG RATES

FEU	FET	CORP
4.80%	4.52%	4.74%

$19.2B FACE VALUE

AVG LENGTH

FEU	FET	CORP
14yrs	14yrs	10yrs



Excludes securitization bonds

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Commonly Used Terms & Acronyms

ADIT	Accumulated Deferred Income Taxes
AFUDC	Allowance for Funds Used During Construction
AMI	Advanced Metering Infrastructure
BGS	Basic Generation Service
BOD	Board of Directors
CAGR	Compound Annual Growth Rate
CapEx	Capital Expenditures
CDD	Cooling Degree Days
CFO	Cash From Operations
CFO pre-WC	Cash From Operations pre Working Capital
CO_2	Cardon Dioxide
CWIP	Construction Work in Progress
DCR	Delivery Capital Recovery
DMR	Distribution Modernization Rider
DRIP	Dividend Reinvestment Plan
DSE	Demand Side Management and Energy Efficiency
DSIC	Distribution System Improvement Charge
DSSR	Default Service Support Rider
Dx	Distribution
EDIS	Electric Distribution Investment Surcharge
EDIT	Excessive Deferred Income Taxes
EE	Energy Efficiency
EEC	Energy Efficiency Conservation
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
EV	Electric Vehicle
FCF	Free Cash Flow
FERC	Federal Energy Regulatory Commission
FEU	FirstEnergy Utilities
FFO	Funds From Operations
GEN	Generation Service Rider
Gx	Generation
HDD	Heating Degree Days
IIP	Infrastructure Investment Program
kV	Kilovolt
kWh	**Kilowatt-hour**
LTD	Long-Term Debt
LTIIP	Long-Term Infrastructure Improvement Plan
MD PSC	Maryland Public Service Commission
MTM	Mark-to-Market
MW	Megawatt
MWH	Megawatt-hour
NJ BPU	New Jersey Board of Public Utilities
NGC	Non-Utility Generation Charge
NMB	Non-Market Based
NOL	Net Operating Loss
OSHA	Occupational Safety and Health Administration
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
PTC	Price-to-Compare
PUCO	Public Utilities Commission of Ohio
RD	Regulated Distribution
ROA	Return on Assets
ROE	Return on Equity
RRC	Regional Greenhouse Gas Initiative (RGGI) Recovery Charge
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
SOS	Standard Offer Service
SRC	Storm Recovery Charge
TCJA	Tax Cuts and Jobs Act
TTM	Trailing Twelve Months
Tx	Transmission
VERP	Voluntary Enhanced Retirement Program
WC	Working Capital
WV PSC	West Virginia Public Service Commission
YE	Year End

FirstEnergy Companies	
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
Ohio Companies	OE, CEI, TE
OE	Ohio Edison Company
PA Companies	ME, PN, PP, WPP
PE	The Potomac Edison Company
PN	Pennsylvania Electric Company
PP	Pennsylvania Power Company
TE	The Toledo Edison Company
TrAILCo	Trans-Allegheny Interstate Line Company
WPP	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%.

2019F GAAP to Operating (Non-GAAP) Earnings[1] Reconciliation

(In $M, except per share amounts)	2019 Forecast			
	Regulated Distribution	Regulated Transmission	Corporate/ Other	FirstEnergy Consolidated
2019F Net Income (Loss) attributable to Common Stockholders (GAAP)	**$720 - $1,085**	**$455 - $460**	**($770) – ($525)**	**$405 - $1,020**
2019F Earnings (Loss) Per Share	**$1.35 - $2.03**	**$0.85 - $0.86**	**($1.44) – ($0.99)**	**$0.76 - $1.90**
Excluding Special Items:				
Impact of full dilution	($0.04)	($0.02)	$0.04	($0.02)
Mark-to-market adjustments – Pension/OPEB actuarial assumptions	$1.01 - $0.40	–	$0.73 - $0.30	$1.74 - $0.70
Regulatory charges	($0.14)	–	–	($0.14)
Exit of competitive generation	$0.02	–	$0.14	$0.16
Total Special Items	**$0.85 – $0.24**	**($0.02)**	**$0.91 – $0.48**	**$1.74 – $0.70**
2019F Operating Earnings (Loss) Per Share – Non-GAAP (540M fully diluted shares)	**$2.20 – $2.27**	**$0.83 – $0.84**	**($0.53) – ($0.51)**	**$2.50 – $2.60**

[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 (540M 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%. 2019F Earnings (Loss) Per Share is based on 535M shares and 2019F Operating Earnings (Loss) Per Share - Non-GAAP are based on 540M shares.

2018A and 2019F 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 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 (see Glossary of Terms for definitions of capitalized terms): 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 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 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, 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 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, including the Tax Act, 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 the year-to-date 2019 period, 540 million shares in the third quarter 2019 and full year 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 calculated 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 terms 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.