FirstEnergy®

Quarterly Highlights

3Q 2018 Earnings Call

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October 26, 2018

Forward-Looking Statements

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 based on information currently available to management. Such statements are subject to certain risks and uncertainties and readers are cautioned not to place undue reliance on these forward-looking statements. These statements include declarations regarding management's intents, beliefs and current expectations. These statements typically contain, but are not limited to, the terms “anticipate,” “potential,” “expect,” "forecast," "target," "will," "intend," “believe,” "project," “estimate," "plan" and similar words. Forward-looking statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements, which may include the following: the ability to successfully execute an exit of commodity-based generation that minimizes cash outflows and associated liabilities, including, without limitation, the losses, guarantees, claims and other obligations of FirstEnergy Corp. (FE), together with its consolidated subsidiaries (FirstEnergy), as such relate to the entities previously consolidated into FirstEnergy, including FirstEnergy Solutions Corp. (FES), its subsidiaries, and FirstEnergy Nuclear Operating Company (FENOC), which have filed for bankruptcy protection (FES Bankruptcy); the risks that conditions to the definitive settlement agreement with respect to the FES Bankruptcy may not be met or that the settlement agreement may not be otherwise consummated, and if so, the potential for litigation and payment demands against FirstEnergy by FES, FENOC or their creditors; the risks associated with the FES Bankruptcy that could adversely affect FirstEnergy, its liquidity or results of operations; the accomplishment of our regulatory and operational goals in connection with our transmission and distribution investment plans; changes in assumptions regarding economic conditions within our territories, assessment of the reliability of our transmission and distribution system, or the availability of capital or other resources supporting identified transmission and distribution investment opportunities; the ability to accomplish or realize anticipated benefits from strategic and financial goals, including, but not limited to, our strategy to operate as a fully regulated business and to grow the Regulated Distribution and Regulated Transmission segments to continue to reduce costs through FE Tomorrow, FirstEnergy’s initiative launched in late 2016 to identify its optimal organizational structure and properly align corporate costs and systems to efficiently support a fully regulated company going forward, and other initiatives, and to improve our credit metrics and strengthen our balance sheet; the risks and uncertainties associated with litigation, arbitration, mediation and like proceedings; the uncertainties associated with the sale, transfer or deactivation of our remaining commodity-based generating units, including the impact on vendor commitments, and as it relates to the reliability of the transmission grid, the timing thereof; the uncertainty of the timing and amounts of the capital expenditures that may arise in connection with any litigation, including New Source Review litigation, or potential regulatory initiatives or rulemakings; changes in customers' demand for power, including, but not limited to, changes resulting from the implementation of state and federal energy efficiency and peak demand reduction mandates; economic and weather conditions affecting future sales, margins and operations, such as significant weather events, and all associated regulatory events or actions; changes in national and regional economic conditions affecting FirstEnergy and/or our major industrial and commercial customers, and other counterparties with which we do business; the impact of labor disruptions by our unionized workforce; the risks associated with cyber-attacks and other disruptions to our information technology system that may compromise our generation, transmission and/or distribution services and data security breaches of sensitive data, intellectual property and proprietary or personally identifiable information regarding our business, employees, shareholders, customers, suppliers, business partners and other individuals in our data centers and on our networks; the impact of the regulatory process and resulting outcomes on the matters at the federal level and in the various states in which we do business, including, but not limited to, matters related to rates; the impact of the federal regulatory process on Federal Energy Regulatory Commission (FERC) regulated entities and transactions, in particular FERC regulation of PJM Interconnection, L.L.C. (PJM) wholesale energy and capacity markets and cost-of-service rates, as well as FERC’s compliance and enforcement activity, including compliance and enforcement activity related to North American Electric Reliability Corporation’s mandatory reliability standards; the uncertainties of various cost recovery and cost allocation issues resulting from American Transmission Systems, Incorporated's realignment into PJM; the ability to comply with applicable state and federal reliability standards and energy efficiency and peak demand reduction mandates; other legislative and regulatory changes, including the federal administration's required review and potential revision of environmental requirements, including, but not limited to, the effects of the United States Environmental Protection Agency's Clean Power Plan, Coal Combustion Residuals, and Cross State Air Pollution Rule programs, including our estimated costs of compliance, Clean Water Act (CWA) waste water effluent limitations for power plants, and CWA 316(b) water intake regulation; changing market conditions that could affect the measurement of certain liabilities and the value of assets held in our pension trusts and other trust funds, and cause us and/or our subsidiaries to make additional contributions sooner, or in amounts that are larger, than currently anticipated; the impact of changes to significant accounting policies; the impact of 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 and our subsidiaries; actions that may be taken by credit rating agencies that could negatively affect us and/or our subsidiaries’ access to financing, increase the costs thereof, letters of credit and other financial guarantees, and the impact of these events on the financial condition and liquidity of FE and/or its subsidiaries; issues concerning the stability of domestic and foreign financial institutions and counterparties with which we do business; and the risks and other factors discussed from time to time in our United States Securities and Exchange Commission (SEC) filings, and other similar factors. Dividends declared from time to time on FE's common stock, and thereby on FE's preferred stock, during any period may in the aggregate vary from prior periods due to circumstances considered by FE'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 our filings with the SEC, including but not limited to the most recent Quarterly Report on Form 10-Q, which risk factors supersede and replace the risk factors contained in the Annual Report on Form 10-K and previous Quarterly Reports on Form 10-Q, and 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 presentation contains references to non-GAAP financial measures including, among others, Operating earnings (loss), Operating earnings (loss) per share and Operating earnings (loss) per share by segment. 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. The Company's 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 to a GAAP measure without unreasonable effort.

Operating earnings (loss) per share is calculated by dividing Operating earnings (loss), which excludes special items as discussed above, for the periods presented by 538 million shares, which reflects the full impact of share dilution from the equity issuance in January 2018. Operating earnings (loss) per share by segment is calculated by dividing segment Operating earnings (loss), which excludes special items as discussed above, for the periods presented by 538 million shares. 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 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 quantitative reconciliations within this presentation of the non-GAAP financial measures to the most directly comparable GAAP financial measures. Refer to appendix slides 10-15.

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 FirstEnergy Corp.'s (FE) 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, LLC (AE Supply) that are subject to completed or pending asset sales and transfers, collectively representing substantially all of FirstEnergy'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. Disclosures for FE's reportable operating segments for 2017, including the presentation of non-GAAP financial measures, have been revised to conform to the current presentation.

Business Updates

Exit of Competitive Generation

- **On September 25, 2018, Bankruptcy court approved definitive settlement agreement in the Chapter 11 proceedings of FES, its subsidiaries and FENOC**

FE Tomorrow

- **In the final stages of implementing FE Tomorrow initiative; majority of these organizational changes went into effect during 3Q18**
  - Nearly 500 employees accepted voluntary enhanced retirement package
  - Created flatter, leaner management structure by reducing layers and increasing spans of control
- **Identified $300M costs associated with competitive operations that will be eliminated**
- **Identified $85M of incremental cash savings**
  - $50M O&M and interest savings; more than offsets $30M in depreciation of common systems shared with FES
  - $35M capital reductions

We are confident the FE Tomorrow initiative will result in the proper organization and cost structure to support our fully regulated business

Business Updates (continued)

3Q 2018 Results

- **Reported strong results, exceeded operating (non-GAAP) earnings guidance largely due to weather**
  - Second consecutive quarter of growth in weather-adjusted residential usage
  - Ninth consecutive quarter of growth in industrial usage

Regulatory Updates

- **In August, Potomac Edison filed the first base rate case in Maryland in nearly 25 years**
  - This week, supplemented filing to update partially forecasted test year with full twelve months of actual data
  - Requested revenue increase of $19.7M; net of $7.3M in customer savings from federal tax reform
  - Evidentiary hearings begin January 22, 2019
  - Final order expected by March 23, 2019
- **In Ohio, application for a $450M Distribution Platform Modernization plan is pending**
- **In New Jersey, our four-year, $400M "JCP&L Reliability Plus" infrastructure investment plan is pending at the BPU**
  - Hopeful that we will receive a procedural schedule soon to facilitate timely approval by the BPU

Business Updates (continued)

Transmission Update

- **Continue to execute Energizing the Future transmission program across our footprint**
  - Remain on track to invest ~$1.1B in our system this year

2018 Guidance

- **Updated 2018 GAAP earnings forecast to $1.68 - $2.60 per basic share**
  - Reflects the deconsolidation and court-approved bankruptcy settlement with FES and FENOC and an estimate for the annual pension and OPEB mark-to-market adjustments
- **Driven by strong performance and the impact of favorable weather through September, raised and narrowed 2018 Operating (non-GAAP) EPS guidance range to $2.50 to $2.60 per share***
- **Affirmed long-term Operating (non-GAAP) EPS CAGR** projection of 6% to 8% through 2021**

* Per share amounts are based on the number of shares outstanding assuming full impact of dilution from the $2.5 billion equity issuance in January 2018 (538M fully diluted shares). Refer to the appendix (slide 15) for reconciliation between GAAP and Operating (non-GAAP) earnings.

** The Company's management team cannot estimate on a forward-looking basis the impact of special items in the context of Operating earnings (loss) per share growth projections because special 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 to a GAAP measure without unreasonable effort.

Note: Operating (non-GAAP) EPS guidance was referred to in our February 2018 investor materials as Regulated Operating (non-GAAP) EPS guidance

3Q 2018 Earnings Results

Quarter-over-Quarter (Basic EPS / Operating EPS*)

3Q 2018 vs. 3Q 2017 EPS Variance	(GAAP) Basic EPS	(Non-GAAP) Operating EPS*
Regulated Distribution	+$0.12	+$0.19
Regulated Transmission	+$0.01	+$0.02
Corporate / Other	($2.04)	($0.04)
FE Consolidated	**($1.91)**	**+$0.17**

- **Continue to present all operating results and projections on a fully diluted basis**
- **Reported 3Q 2018 GAAP loss of ($1.02) per basic share**
  - Results include pre-tax charge of $1.2B, representing expected obligations under our settlement agreement in the FES and FENOC bankruptcy cases
  - Moved Pleasants plant into discontinued operations, reflecting its upcoming transfer to FES, and excluded it from operating (non-GAAP) earnings beginning this quarter
- **Reported 3Q 2018 Operating (non-GAAP) earnings* of $0.80 per share**
- **Regulated Distribution +$0.12 / +$0.19**
  - Favorable results primarily driven by favorable weather and lower net operating and miscellaneous expenses
  - Total distribution deliveries increased 6.3% in 3Q 2018
    - Cooling-degree-days 28% above 3Q 2017, and 29% above normal for the quarter
  - Special items – include regulatory charges, exit of competitive generation, and impact of full dilution to 538M shares
- **Regulated Transmission: +$0.01 / +$0.02**
  - Favorable results primarily from higher rate base at MAIT and ATSI and higher revenues at JCP&L
  - Special item – includes impact of full dilution to 538M shares
- **Corporate / Other: ($2.04) / ($0.04)**
  - Unfavorable results primarily from the impact of a lower federal tax rate
  - Special items – include exit of competitive generation and impact of full dilution to 538M shares

Per share amounts for the special items and earnings drivers above and throughout this report 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 $2.5 billion 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% and 35% to 42% in the third quarter of 2018 and 2017, respectively.

* Refer to the appendix (slides 10-15) for reconciliation between GAAP and Operating (non-GAAP) earnings

Business Updates (continued)

Liquidity Update Guidance

- **As a fully regulated company, we have a much-improved risk profile that comes with lower liquidity requirements**
  - These credit facility changes reduce interest expense in connection with our FE Tomorrow initiative
- **On October 19, entered into new term loans and amended credit facilities:**
  - Transacted two new term loans totaling $1.75B to refinance our revolver borrowings
  - Reduced commitments under Revolving Credit Facilities to $3.5B from $5.0B and extended their maturity dates to December 2022

Remain committed to positioning FirstEnergy for stable, predictable and customer-service oriented growth

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Appendix

Earnings (Loss) Per Share – 3Q 2018 and 3Q 2017

Reconciliation of GAAP to Operating (Non-GAAP) Earnings

(In millions, except per share amounts)

Three Months Ended September 30, 2018	Regulated Distribution	Regulated Transmission	Corporate / Other	FirstEnergy Corp. Consolidated
3Q 2018 Net Income (Loss) attributable to Common Stockholders (GAAP)	$ 416	$ 99	$ (1,027)	$ (512)
3Q 2018 Basic Earnings (Loss) per share (avg. shares outstanding 503M)	$ 0.83	$ 0.20	$ (2.05)	$ (1.02)
Excluding Special Items:				
Impact of full dilution to 538M shares	(0.05)	(0.01)	0.24	0.18
Regulatory charges	(0.05)	—	—	(0.05)
Exit of competitive generation	0.05	—	1.64	1.69
Total Special Items	$ (0.05)	$ (0.01)	$ 1.88	$ 1.82
3Q 2018 Operating Earnings (Loss) Per Share (Non-GAAP) (538M fully diluted shares)	$ 0.78	$ 0.19	$ (0.17)	$ 0.80

Three Months Ended September 30, 2017	Regulated Distribution	Regulated Transmission	Corporate / Other	FirstEnergy Corp. Consolidated
3Q 2017 Net Income (Loss) attributable to Common Stockholders (GAAP)	$ 314	$ 84	$ (2)	$ 396
3Q 2017 Basic Earnings (Loss) per share (avg. shares outstanding 444M)	$ 0.71	$ 0.19	$ (0.01)	$ 0.89
Excluding Special Items:				
Impact of full dilution to 538M shares	(0.13)	(0.04)	—	(0.17)
Regulatory charges	0.01	0.02	—	0.03
Debt redemption costs	—	—	0.01	0.01
Exit of competitive generation	—	—	(0.13)	(0.13)
Total Special Items	$ (0.12)	$ (0.02)	$ (0.12)	$ (0.26)
3Q 2017 Operating Earnings (Loss) Per Share (Non-GAAP) (538M fully diluted shares)	$ 0.59	$ 0.17	$ (0.13)	$ 0.63

Per share amounts for the special items and earnings drivers above and throughout this report 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 $2.5 billion 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% and 35% to 42% in the third quarter of 2018 and 2017, respectively. See slide 13 for details regarding special items.

Earnings (Loss) Per Share – YTD 2018 and YTD 2017

Reconciliation of GAAP to Operating (Non-GAAP) Earnings

(In millions, except per share amounts)

Nine Months Ended September 30, 2018	Regulated Distribution	Regulated Transmission	Corporate / Other	FirstEnergy Corp. Consolidated
2018 Net Income (Loss) attributable to Common Stockholders (GAAP)	$ 1,115	$ 302	$ (564)	$ 853
2018 Basic Earnings (Loss) Per Share (avg. shares outstanding 485M)	$ 2.30	$ 0.62	$ (1.16)	$ 1.76
Excluding Special Items:				
Impact of full dilution to 538M shares	(0.23)	(0.06)	0.78	0.49
Regulatory charges	(0.21)	—	—	(0.21)
Exit of competitive generation	0.05	—	(0.23)	(0.18)
Debt redemption costs	—	—	0.21	0.21
Tax Reform	0.02	—	—	0.02
Total Special Items	$ (0.37)	$ (0.06)	$ 0.76	$ 0.33
2018 Operating Earnings (Loss) Per Share (Non-GAAP) (538M fully diluted shares)	$ 1.93	$ 0.56	$ (0.40)	$ 2.09

Nine Months Ended September 30, 2017	Regulated Distribution	Regulated Transmission	Corporate / Other	FirstEnergy Corp. Consolidated
2017 Net Income (Loss) attributable to Common Stockholders (GAAP)	$ 756	$ 264	$ (245)	$ 775
2017 Basic Earnings (Loss) Per Share (avg. shares outstanding 444M)	$ 1.71	$ 0.59	$ (0.55)	$ 1.75
Excluding Special Items:				
Impact of full dilution to 538M shares	(0.31)	(0.11)	0.10	(0.32)
Regulatory charges	0.03	0.02		0.05
Debt redemption costs	—	—	0.01	0.01
Exit of competitive generation	—	—	0.11	0.11
Total Special Items	$ (0.28)	$ (0.09)	$ 0.22	$ (0.15)
2017 Operating Earnings (Loss) Per Share (Non-GAAP) (538M fully diluted shares)	$ 1.43	$ 0.50	$ (0.33)	$ 1.60

Per share amounts for the special items and earnings drivers above and throughout this report 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 $2.5 billion 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% and 35% to 38% in the first nine months of 2018 and 2017, respectively. See slide 14 for details regarding special items.

Earnings Per Share – 3Q / YTD 2017 vs. Previously Reported 3Q / YTD 2017

Reconciliation of GAAP to Operating (Non-GAAP) Earnings

(In millions, except per share amounts)

Reconciliation of 3Q 2017 Operating EPS to as previously reported in 2017

Three Months Ended September 30, 2017		FirstEnergy Corp. Consolidated
3Q 2017 Net Income Attributable to Common Stockholders (GAAP)	$	396
3Q 2017 Basic EPS (avg. shares outstanding 444M)	$	0.89
Excluding Special Items as reported in 3Q 2017:		
Mark-to-market adjustments		0.01
Debt redemption costs		0.01
Regulatory charges		0.03
Asset impairment/Plant exit costs		0.03
Total Special Items		0.08
3Q 2017 Operating EPS (Non-GAAP) as reported in 2017		0.97
Remove Competitive Energy Services Operating Earnings		(0.19)
3Q 2017 Operating EPS (Non-GAAP) without competitive energy services operating earnings		0.78
Impact of full dilution to 538M shares		(0.15)
3Q 2017 Operating EPS (Non-GAAP) (538M fully diluted shares)	$	0.63

Reconciliation of 2017 Operating EPS to as previously reported in 2017

Nine Months Ended September 30, 2017		FirstEnergy Corp. Consolidated
2017 Net Income Attributable to Common Stockholders (GAAP)	$	775
2017 Basic EPS (avg. shares outstanding 444M)	$	1.75
Excluding Special Items as reported in 2017:		
Mark-to-market adjustments		0.09
Trust securities impairment		0.01
Regulatory charges		0.05
Asset impairment/Plant exit costs		0.45
Debt redemption costs		0.01
Total Special Items		0.61
2017 Operating EPS (Non-GAAP) as reported in 2017		2.36
Remove Competitive Energy Services Operating Earnings		(0.43)
2017 Operating EPS (Non-GAAP) without competitive energy services operating earnings		1.93
Impact of full dilution to 538M shares		(0.33)
2017 Operating EPS (Non-GAAP) (538M fully diluted shares)	$	1.60

FE Corp. Income Statements – 3Q 2018 and 3Q 2017

Consolidated GAAP and Special Items

(In millions, except per share amounts)

	Three Months Ended September 30, 2018		Three Months Ended September 30, 2017	
	GAAP	Special Items	GAAP	Special Items
(1) **Revenues**	$ 3,064	$ —	$ 2,910	$ —
Operating Expenses				
(2) Fuel	137	—	126	—
(3) Purchased power	876	—	774	—
(4) Other operating expenses	739	(65) (a) (b)	652	(34) (a) (b)
(5) Provision for depreciation	283	—	261	—
(6) Amortization of regulatory assets, net	67	—	113	—
(7) General taxes	252	—	238	—
(8) Impairment of assets	—	—	13	(13) (a)
(9) **Total Operating Expenses**	2,354	(65)	2,177	(47)
(10) **Operating Income**	710	65	733	47
Other Income (Expense)				
(11) Miscellaneous income, net	49	(3) (a) (b)	19	—
(12) Interest expense	(255)	—	(262)	6 (c)
(13) Capitalized financing costs	16	—	13	—
(14) **Total Other Expense**	(190)	(3)	(230)	6
(15) **Income Before Income Taxes**	520	62	503	53
(16) Income taxes	133	21	202	5
(17) **Income From Continuing Operations**	387	41	301	48
(18) Discontinued operations (net of income taxes)	(845)	845 (b)	95	(95) (b)
(19) **Net Income (Loss)**	$ (458)	$ 886	$ 396	$ (47)

The above special items provide additional transparency to our disclosures by providing specific line items to which the special items are recorded. Management consistently utilizes these reconciliations to assist in its analysis of historical and ongoing performance. Additionally, the table above summarizes the pre-tax impact of each special item and the cumulative impact to income taxes (benefits) based on the current and deferred income tax expense associated with each special item. See slide 10 for GAAP to Operating (non-GAAP) EPS Reconciliation.

(a) **Regulatory charges: 2018 (($0.05) per share)**, $35 million included in "Other operating expenses"; $6 million included in "Miscellaneous income, net". **2017 ($0.03 per share)**, ($8) million included in "Other operating expenses"; ($13) million included in "Impairment of assets".

(b) **Exit of competitive generation: 2018 ($1.69 per share)**, ($100) million included in "Other operating expenses"; ($9) million included in "Miscellaneous income, net"; $845 million included in "Discontinued operations (net of income taxes)". **2017 (($0.13) per share)**, ($26) million included in "Other operating expenses"; ($95) million included in "Discontinued operations (net of income taxes)".

(c) **Debt redemption costs: 2017 ($0.01 per share)**, $6 million included in "Interest expense".

Per share amounts included above are based on the after-tax effect of the above special items as discussed on slide 10 divided by 538 million fully diluted shares.

FE Corp. Income Statements – YTD 2018 and YTD 2017

Consolidated GAAP and Special Items

(In millions, except per share amounts)

	Nine Months Ended September 30, 2018		Nine Months Ended September 30, 2017	
	GAAP	Special Items	GAAP	Special Items
(1) **Revenues**	$ 8,551	$ —	$ 8,247	$ —
Operating Expenses				
(2) Fuel	404	—	396	—
(3) Purchased power	2,393	—	2,215	—
(4) Other operating expenses	2,363	(87) (a) (b)	1,958	(100) (a) (b)
(5) Provision for depreciation	843	—	765	—
(6) Amortization (deferral) of regulatory assets, net	(188)	52 (a)	274	—
(7) General taxes	746	—	703	—
(8) Impairment of assets	—	—	13	(13) (a)
(9) **Total Operating Expenses**	6,561	(35)	6,324	(113)
(10) **Operating Income**	1,990	35	1,923	113
Other Income (Expense)				
(11) Miscellaneous income, net	164	(4) (a) (b)	44	—
(12) Interest expense	(858)	106 (c)	(751)	6 (c)
(13) Capitalized financing costs	47	—	39	—
(14) **Total Other Expense**	(647)	102	(668)	6
(15) **Income Before Income Taxes**	1,343	137	1,255	119
(16) Income taxes	503	(122) (d)	483	43
(17) **Income From Continuing Operations**	840	259	772	76
(18) Discontinued operations (net of income taxes)	370	(347) (b) (c)	3	2 (b)
(19) **Net Income**	$ 1,210	$ (88)	$ 775	$ 78

The above special items provide additional transparency to our disclosures by providing specific line items to which the special items are recorded. Management consistently utilizes these reconciliations to assist in its analysis of historical and ongoing performance. Additionally, the table above summarizes the pre-tax impact of each special item and the cumulative impact to income taxes (benefits) based on the current and deferred income tax expense associated with each special item. See slide 11 for GAAP to Operating (non-GAAP) EPS Reconciliation.

(a) **Regulatory charges: 2018 (($0.21) per share)**, $98 million included in "Other operating expenses"; $52 million included in "Amortization (deferral) of regulatory assets, net"; $6 million included in "Miscellaneous income, net". **2017 ($0.05 per share)**, ($25) million included in "Other operating expenses"; ($13) million included in "Impairment of assets".

(b) **Exit of competitive generation: 2018 (($0.18) per share)**, ($185) million included in "Other operating expenses"; ($10) million included in "Miscellaneous income, net"; ($360) million included in "Discontinued operations (net of income taxes)". **2017 ($0.11 per share)**, ($75) million included in "Other operating expenses"; $2 million included in "Discontinued operations (net of income taxes)".

(c) **Debt redemption costs: 2018 ($0.21 per share)**, $106 million included in "Interest expense"; $13 million included in "Discontinued operations". **2017 ($0.01 per share)**, $6 million included in "Interest expense".

(d) **Tax Reform: 2018 ($0.02 per share)**, $13 million included in "Income taxes".

Per share amounts included above are based on the after-tax effect of the above special items as discussed on slide 11 divided by 538 million fully diluted shares.

Earnings (Loss) Per Share – 2018 Earnings Guidance

Reconciliation of GAAP to Operating (Non-GAAP) Earnings

(In millions, except per share amounts)

	Estimate for Year 2018*			
(In millions, except per share amounts)	Regulated Distribution	Regulated Transmission	Corporate / Other	FirstEnergy Corp. Consolidated
2018F Net Income (Loss) attributable to Common Stockholders (GAAP)	$1,150 - $1,445	$400 - $410	$(725) - $(580)	$825 - $1,275
2018F Basic Earnings (Loss) Per Share (avg. shares outstanding 490M)	$2.35 - $2.95	$0.82 - $0.84	$(1.49) - $(1.19)	$1.68 - $2.60
Excluding Special Items:				
Regulatory charges	(0.21)	—	—	(0.21)
Mark-to-market adjustments - Pension/OPEB actuarial assumptions	0.32 - (0.17)	—	0.12 - (0.13)	0.44 - (0.30)
Exit of competitive generation	0.07	—	(0.22)	(0.15)
Debt redemption costs	—	—	0.21	0.21
Tax reform	0.02	—	—	0.02
Impact of full dilution to 538M shares	(0.21) - (0.26)	(0.08)	0.80 - 0.77	0.51 - 0.43
Total Special Items	$(0.01) - $(0.55)	$(0.08)	$0.91 - $0.63	$0.82 - $0.00
2018F Operating Earnings (Loss) Per Share - Non-GAAP (538M fully diluted shares)	$2.34 - $2.40	$0.74 - $0.76	($0.58) - ($0.56)	$2.50 - $2.60

* 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 $2.5 billion 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%.

Federal – **Tax Reform**

	Past Activities	Future Activities
OH	• Effective January 1, 2018: Ohio Companies established a regulatory liability for the estimated reduction in federal income tax resulting from the Tax Cuts and Jobs Act (TCJA) • January 10, 2018: PUCO opened a case to consider the impacts of the TCJA and determine the appropriate course of action to pass benefits to customers • February 15, 2018: Filed comments explaining that customers will save nearly $40M annually as a result of updating tariff riders, including DMR and DCR, for the tax rate changes and that the Ohio Companies' base distribution rates are not impacted by the TCJA changes because they are frozen through May 2024 • March 7, 2018: Reply comments were filed by the Ohio Companies and other parties • Summer 2018: Testimony filed, hearing and briefs filed on the narrow question of whether the utilities should be required to establish a net regulatory liability, effective January 1, 2018. The Companies elected not to participate. • On October 24, 2018, the PUCO entered an Order in its investigation into the impacts of the TCJA on Ohio's utilities directing that by January 1, 2019, all Ohio rate-regulated utility companies, unless ordered otherwise, file applications not for an increase in rates to reflect the impact of the TCJA on each specific utility's current rates	• File application with respect to TCJA by January 1, 2019
PA	• Effective January 1, 2018: Pennsylvania Companies established a regulatory liability for the estimated reduction in federal income tax resulting from the TCJA • February 12, 2018: PPUC initiated a proceeding to determine the effects of the TCJA on the tax liability of utilities and the feasibility of reflecting such impacts in rates charged to customers • March 9, 2018: Submitted calculation of the net annual effect of the TCJA on income tax expense and rate base of $37M for ME, $40M for PN, $9M for Penn, and $30M for WP. The Pennsylvania Companies also filed comments proposing that rates be adjusted to reflect the tax rate changes prospectively from the date of a final PPUC order via a reconcilable rider, with the amount that would otherwise accrue between January 1, 2018, and the date of a final order being used to invest in the Pennsylvania Companies' infrastructure • On May 17, 2018, PPUC adopted Orders directing Companies to file new Riders for a negative surcharge effective July 1, 2018 for annual tax savings and to establish deferred regulatory liability account to record, with interest, tax savings for the period January 1, 2018 thru June 30, 2018 in a future base rate case or within three years • On June 14, 2018, PPUC directed in a Reconsideration Order to record in a memorandum account the tax savings, with interest, for the period January 1, 2018, through March 15, 2018 • On July 1, 2018, TCJA Voluntary Surcharge Rider implemented and will remain in effect until the next base rate case	• Proceeding is complete

NJ	• Effective January 1, 2018: JCP&L established a regulatory liability for the estimated reduction in federal income tax resulting from the TCJA
	• January 31, 2018: NJBPU instituted a proceeding to examine the impacts of the TCJA on the rates and charges of New Jersey utilities
	• March 2, 2018: JCP&L proposed to:
	    • Reduce base rates by $28.6M on April 1, 2018 to reflect the change in federal income tax expense
	    • Defer the impacts of the TCJA during the pendency of the NJBPU proceeding creating a regulatory liability to be addressed in the next base rate case
	    • Create Rider TCJA to include the amortization of the excess deferred tax liabilities effective July 1, 2018
	• March 26, 2018: NJBPU approved JCP&L's rate reduction effective April 1, 2018, on an interim basis subject to refund, pending the outcome of this proceeding
		• Awaiting final outcome

Federal – **Tax Reform**

	Past Activities	Future Activities
WV	• Effective January 1, 2018: MP and PE established a regulatory liability for the estimated reduction in federal income tax resulting from the TCJA • January 3, 2018: WVPSC initiated a proceeding to investigate the effects of the TCJA on the revenue requirements of utilities • January 26, 2018: WVPSC issued an order clarifying that regulatory accounting should be implemented as of January 1, 2018, including the recording of any regulatory liabilities resulting from the TCJA • May 30, 2018: MP and PE filed testimony indicating a $26.2M decrease due to tax rate changes • July 13, 2018: MP and PE filed reply testimony • July 24-26, 2018: WVPSC hearings held • August 24, 2018: WVPSC approved settlement implementing a $25.6M decrease effective September 1, 2018 for the change in current taxes and deferring until 2020 consideration of excess ADITs and disposition of regulatory liability accrued from January-August 2018	• Proceeding is complete
MD	• Effective January 1, 2018: PE established a regulatory liability for the estimated reduction in federal income tax resulting from the TCJA • January 12, 2018: MDPSC instituted a proceeding to examine the impacts of the TCJA on the rates and charges of Maryland utilities • February 15, 2018: Submitted a report to the MDPSC estimating that the TCJA impacts would be ~$7- $8M annually for PE's customers • August 24, 2018: PE filed a base rate case where the benefits from the effects of the TCJA are realized by customers through a lower rate increase than would otherwise be necessary • September 19, 2018: MDPSC took under advisement whether to decrease rates now due to the effects of the TCJA or wait until conclusion of the pending base rate case. • October 5, 2018: MDPSC Orders refund of regulatory liability (Jan-Sept 2018) within 60 days, no change to existing rates until conclusion of base rate case	• Base rate case final order expected by March 23, 2019
FERC	• March 15, 2018: FERC issued Section 206 show cause orders directing FirstEnergy's Allegheny transmission affiliates Mon Power, West Penn Power, and Potomac Edison and 45 other public utilities to propose revisions to their respective stated transmission rates to reflect the change in the federal corporate income tax rate, and describe the methodology used for making those revisions; or show cause why they should not be required to do so. A refund effective date of March 21, 2018, was established by FERC • On May 14, 2018, FirstEnergy's Allegheny Transmission affiliates filed with FERC a proposed reduction of 6.7% to the stated transmission rate in response to the show cause order • For companies with forward-looking formula rates, the federal rate will automatically be lowered in connection with the normal annual update / true-up process • JCP&L transmission settlement fully addressed tax reform	• 4Q 2018: FERC Order anticipated

Maryland – **Regulatory Update**

- **On August 24, 2018, PE filed request with the MD PSC for a Distribution base rate increase**
  - PE's first base rate filing in MD since 1994 (and first as a distribution-only company)
  - Transmission not included in the base rate filing
- **On October 22, 2018, PE supplemented its original filing to update the partially forecasted test year with a full twelve months of actual data**
- **Financials**
  - Requested ROE: 10.80% (last authorized ROE was 11.9% from 1994)
  - Capital structure: 47% debt / 53% equity; Cost of debt: 4.335%
  - Rate base: $412M ($465M with adjustments)
  - Rate case historic test year: 12 months ended June 30, 2018
  - Requested annual distribution rate increase: $19.7M
  - Request is a net increase since it reflects reduced tax expense due to the TCJA
    - Annualized effect of TCJA is a $7.3M revenue requirement reduction (current taxes plus excess ADITs)
  - New Electric Distribution Investment Surcharge requested to recover incremental investments and enhancements for vegetation management transition (from a 5-year to a 4-year clearing cycle), distribution automation, underground cable replacement, and substation reclosers
    - Incremental O&M of $2-3M/year and incremental capital investment of $10-$15M/year
- **Hearing scheduled January 22 – 30, 2019**
- **Final order expected by March 23, 2019**

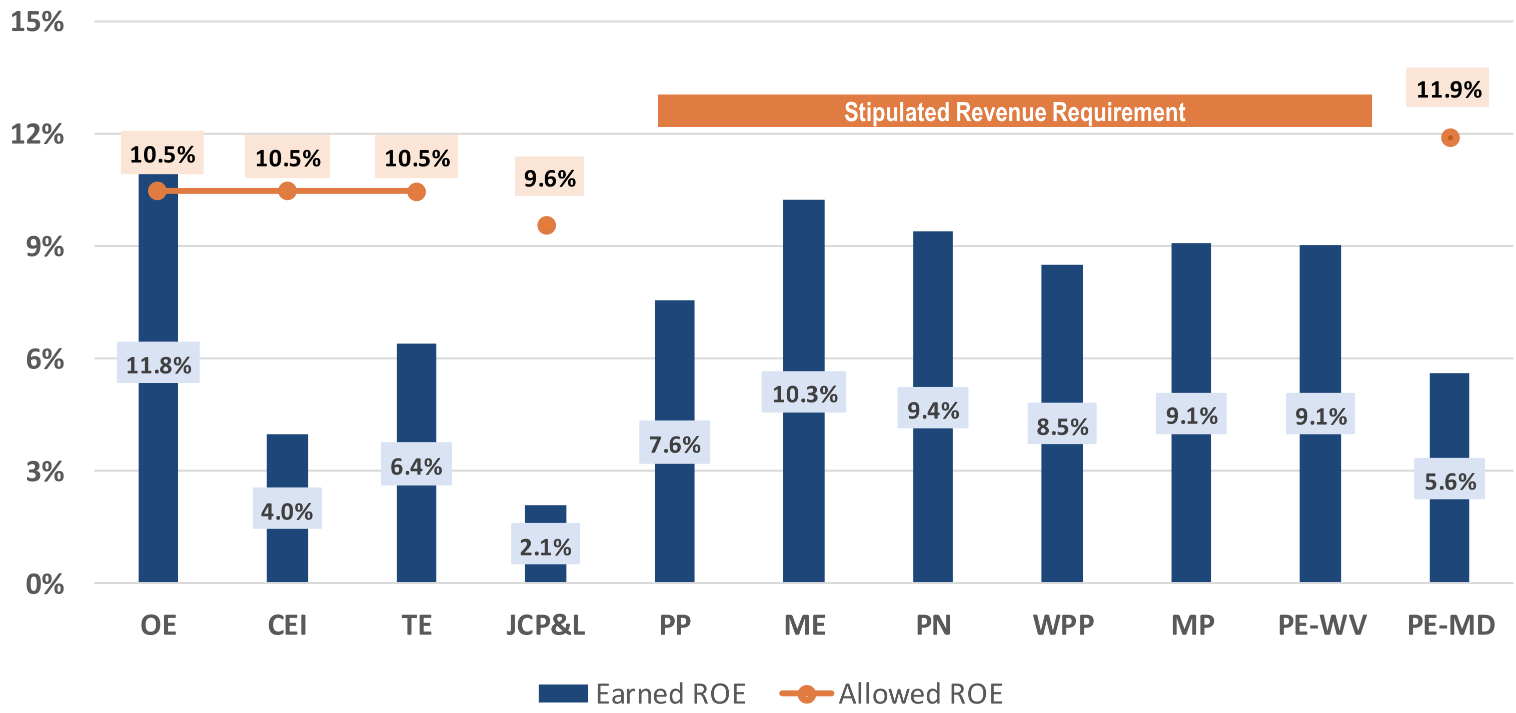
Pennsylvania – **Regulatory Update**

- **Distribution System Improvement Charge Rider (DSIC Rider)**
  - Rider set to zero when new rates implemented on January 27, 2017
    - Expected to restart when gross plant balances exceed the amount recovered in base rates and if reported Return on Equity (ROE) does not exceed the PPUC published benchmark of 9.65% (subject to change)
  - DSIC Rider for Penn Power and West Penn Power restarted effective April 1, 2018
  - DSIC Rider for Penelec restarted effective October 1, 2018
  - Met-Ed costs have exceeded the amount recovered in base rates, however ROE of 10.3% as reported to the PPUC for the period ended June 30, 2018 exceeded the 9.65% benchmark

New Jersey – **Regulatory Update**

- **Infrastructure Investment Program (IIP)**
  - On July 13, 2018, JCP&L filed "JCP&L Reliability Plus" with the NJBPU; approval requested by December 2018
    - Investment would begin January 1, 2019, with initial rate effective November 1, 2019
      - Rate updates to be filed every 6 months, subject to an earnings test
  - Four-year plan aimed at enhancing the reliability and resiliency of JCP&L's distribution system against severe weather and reducing the frequency and duration of power outages
  - Includes ~$400M in targeted investments above and beyond baseline annual investments
  - Key projects include:
    - Overhead circuit reliability and resiliency – Enhanced vegetation management with emphasis on removing trees affected by the emerald ash borer near JCP&L power lines and equipment; installing new TripSaver II devices to reduce the number of momentary outages from becoming longer-duration outages
    - Substation reliability enhancement – Protecting JCP&L substations from storm damage by implementing flood mitigation measures, upgrading distribution substation equipment, enhancing substation fencing and acquiring four mobile substations
    - Distribution automation – Installing new technology that can pinpoint and isolate damage on the system, which quickly decreases the number of customers affected by an outage
    - Underground system improvements – Accelerating replacement of underground cable and submersible transformers with new equipment
  - JCP&L is currently responding to discovery

Distribution ROEs



Most Recent Public Filings:

OH: Significantly Excessive Earnings Test filed with 12/31/17 ROE; FE calculated SEET Threshold of 19.2%

NJ: Base rate case update filed with 6/30/16 ROE

PA: Quarterly Financial Reports for the twelve months ended 6/30/18

WV: Quarterly reports filed with 12/31/17 ROE

MD: Quarterly reports filed with 12/31/17 ROE

Ohio

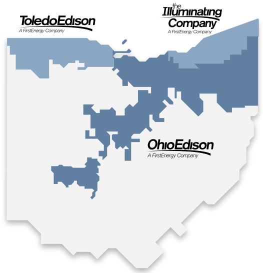
Riders that Recover Incremental Capital Spend Between Rate Cases Include

- Delivery Capital Recovery (DCR)
  - Recovers return on and of incremental investment since last rate case and associated taxes
  - Annual revenue caps
  - Approved through May 31, 2024
- Advanced Metering Infrastructure / Modern Grid (AMI)
  - Recovers costs associated with approved grid modernization investments, including return on and of investment, and associated expenses and taxes
  - Will recover costs associated with Distribution Platform Modernization Plan filing
  - Approved through May 31, 2024
- Government Directives Recovery (GDR)
  - Placeholder for recovery of costs associated with new government mandates
  - Approved through May 31, 2024

SEET Filing Summary

Company	Net Income	Average Equity	ROE
OE	$126M	$1,073M	11.8%
CEI	$58M	$1,436M	4.0%
TE	$34M	$529M	6.4%

Source: SEET filed with Year-End 2017 ROE



Significantly Excessive Earnings Test (SEET)

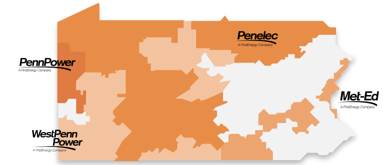
- PUCO is required to evaluate the earnings of each electric utility's approved ESP to determine whether the plan produces significantly excessive earnings
- Calculated pursuant to Ohio statute
- Modified analysis of FERC Form 1 data; adjustments include:
  - Associated company revenues and expenses
  - Special, non-recurring, extraordinary items
  - Distribution Modernization Rider (DMR) revenue per PUCO Order
- Filing requirement: Annual (May)

Distribution Base Rate Freeze

2009 — 2016 — 2019 — 2024

- **2009: Approved rates effective ($137M annual revenue increase)**
- **ESP's I-III**
- **October 2016: ESP IV Approved**
- **February 2019: 2-year Rider DMR extension filing deadline**
- **May 31, 2024: Distribution base rate freeze ends; Companies directed to file new case**

Pennsylvania



Last Approved Rate Case Statistics[1]			
Company	YE 2017 Rate Base	Filed Debt / Equity	Allowed ROE
PN	$1,614M	47.4% / 52.6%	Settled
ME	$1,386M	48.8% / 51.2%	
PP	$413M	49.9% / 50.1%	
WPP	$1,364M	49.7% / 50.3%	

[1] Reflects filed rate base and debt/equity; final settlements/Orders do not specify rate base or capital structure

Quarterly Earnings Reports Summary			
Company	Rate Base	Debt / Equity	ROE
PN	$1,671M	46.1% / 53.9%	9.39%
ME	$1,516M	46.9% / 53.1%	10.26%
PP	$434M	43.1% / 56.9%	7.57%
WPP	$1,401M	47.9% / 52.1%	8.52%

Source: Quarterly Earnings Report for twelve months ended June 30, 2018

Riders that Recover Incremental Capital Spend Between Rate Cases Include

- Distribution System Improvement Charge (DSIC) Rider
  - Recovers costs of incremental investment for eligible property in accordance with PPUC approved Long Term Infrastructure Improvement Plan (LTIIP) between rate cases
  - Limited to 5% of Company distribution revenues
  - Set to zero if Company ROE exceeds PPUC allowed ROE (changes periodically)
- Smart Meter Technologies Charge Riders
  - Act 129 is a state mandated program to install smart meters throughout Pennsylvania
  - All costs required to operate the smart meters not recovered through base rates are recovered in this rider
  - Deployment continues through 2020

Quarterly Earnings Reports

- FERC Form 1 with adjustments/considerations, including:
  - Eliminate impact of Generation and Transmission
  - Eliminate all non-operating expenses
  - Make certain normalizations for regulatory purposes (i.e., pension expense, OPEB expense, interest on customer deposits)
  - Recalculate state and federal taxes based on normalized operating income with adjustments
  - Adjust federal deferred income taxes to include only those associated with property
- Filing Requirement: Quarterly (except during a pending rate case)

2015 → **2017** → **2019**

May 3, 2015:
Approved rates effective
($293M annual revenue increase)

January 27, 2017:
Approved rates effective
($291M annual revenue increase)

January 27, 2019:
Earliest date for base rate case filing

New Jersey

Last Approved Rate Case Statistics			
Company	Rate Base	Allowed Debt / Equity	Allowed ROE
JCP&L	$2,217M	55% / 45%	9.6%

Riders that Recover Incremental Capital Spend Between Rate Cases Include

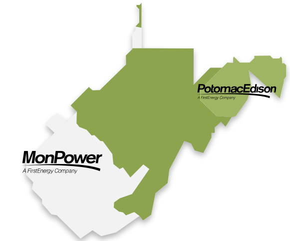
- Non-Utility Generation (Rider NGC)
  - Among other things, recovers operating expenses, depreciation expense, interest expense and a return on investment for Yards Creek pumped-storage facility
- Infrastructure Investment Program (IIP) – 2018 filing pending
  - Rate filings no more frequently than every 6 months for no less than 10% of overall expenditures and recovered through a separate clause (rider)
  - Eligible projects must be incremental to base capex and related to safety, reliability, and/or resiliency and other projects deemed appropriate by the BPU

Regulatory Earnings Reports

- Current requirement: None
- IIP Required Earnings Test - Required with each rate filing. ROE based on the actual net income of the utility for the most recent 12-month period divided by the average common equity balance for the corresponding period. ROE will be compared to the allowed ROE from a utility's last base rate case.

2015	2017	2018	Future
April 1, 2015: Approved rates effective ($34M annual revenue decrease)	**January 1, 2017: Approved rates effective ($80M annual revenue increase)**	**Reliability Plus (IIP) filed on July 13, 2018**	**Rate case must be filed no later than 5 years after approval of IIP**

West Virginia



Last Approved Rate Case Statistics[1]			
Company	Rate Base	Allowed Debt / Equity	Allowed ROE
MP	$2,476M	53.5% / 46.5%	Settled
PE-WV			

[1] Reflects assumed rate base and debt/equity; final settlements/Orders do not specifically include rate base or capital structure

Quarterly Earnings Report Summary			
Company	Rate Base	Debt / Equity	ROE
MP	$2,326M	51.9% / 48.1%	9.1%
PE-WV	$359M	48.2% / 51.8%	9.1%

Source: Quarterly Report for twelve months ended December 31, 2017

Riders that Recover Incremental Spend Between Rate Cases Include

- Vegetation Management
  - Surcharge recovery of costs for systematic and regular treatment and control of vegetation along T&D lines
  - Recovers all O&M and capital placed in-service as of the surcharge effective date (Feb 25, 2015)
  - O&M recovered in the year incurred; capital recovery consists of a pre-tax rate of return of 8.19% plus depreciation
  - Next filing for surcharge reconciliation and vegetation management program review scheduled for Sep 1, 2019, for surcharge rates effective Jan 1, 2020

Quarterly Earnings Reports

- Vertically integrated state; earnings reports reflect distribution, generation and transmission
- Modified regulatory analysis of FERC Form 1 data with adjustments, including:
  - Pension and OPEB normalization
  - Removes impact of securitized pollution control facilities
  - Eliminate non-jurisdictional costs
- Filing Requirement: Quarterly (except during a pending rate case)

2015 → **Future**

February 25, 2015: Approved rates effective ($63M annual revenue increase $15M base rate increase + $48M Veg Mgmt)

No current plans for a future rate case

Maryland

PotomacEdison
A FirstEnergy Company

Last Approved Rate Case Statistics			
Company	Rate Base G+T+D	Allowed Debt / Equity	Allowed ROE
PE-MD	$581M	48% / 52%	11.9%

Quarterly Earnings Report Summary			
Company	Rate Base D Only	Debt / Equity	ROE
PE-MD	$451M	48% / 52%	5.6%

Source: Quarterly Report for twelve months ended December 31, 2017

Riders that Recover Incremental Spend Between Rate Cases Include

- EmPower Surcharge
  - Surcharge recovery of Company-sponsored energy efficiency and conservation programs
  - Costs consist of O&M but recovered subject to a 5-year amortization
  - Lost distribution revenues are not permitted for recovery through the EmPower Surcharge
  - Surcharge reconciled annually with rates changing each January 1st

Quarterly Earnings Report

- Report reflects distribution operations only
- Modified regulatory analysis of FERC Form 1 data with adjustments, including:
  - Eliminate impact of generation and transmission
  - Pension and OPEB normalization
  - Eliminate non-jurisdictional costs
- Filing Requirement: Quarterly (except during a pending rate case)

1993 → **2018**

February 25, 1993
Approved rates effective
($15M annual revenue increase)

Rate case filed August 24, 2018

Financial – **Liquidity**

Available Liquidity
($M)

	FET	FEU	FE Corp.	FE Consolidated
Revolving Credit Facility	**$ 1,000**	**$ 2,500**		**$ 3,500**
Short-Term Borrowings	–	–	–	–
Letters of Credit (LOC)	–	–	(10)	**(10)**
Total Utilization	–	**$ (10)**		**$ (10)**
Available Credit Capacity	**$ 1,000**	**$ 2,490**		**$ 3,490**
Cash & Cash Equivalents	84	31	479	**594**
Available Liquidity	**$ 1,084**	**$ 3,000**		**$ 4,084**

As of October 19, 2018

FE Tomorrow

Right-sizing Shared Service Organization

- Cost reductions ~$300M related to the support of the competitive business
- Implemented VERP to offset nearly 500 positions and eliminated over 200 open positions
- Reduces 1/3 of Shared Services costs beginning 2019
- Costs will be reimbursed beginning in 2019 through Amended Shared Service Agreement – FE committed to make services available through June 2020

Incremental Shared Service Savings

- Identified ~$85M of savings in 2019
  - ~$50M reduction of O&M and Interest
  - ~$35M reduction of Capital
- Reduced the shared service organization headcount by 40% and cut expenses by 43%
- Operating expenses associated with our shared services organization benchmark solidly within the top quartile of our industry

Achieved leaner management structure with 44% fewer leadership positions

FE Tomorrow cost reduction initiatives support 6-8% Operating (non-GAAP) EPS CAGR projection

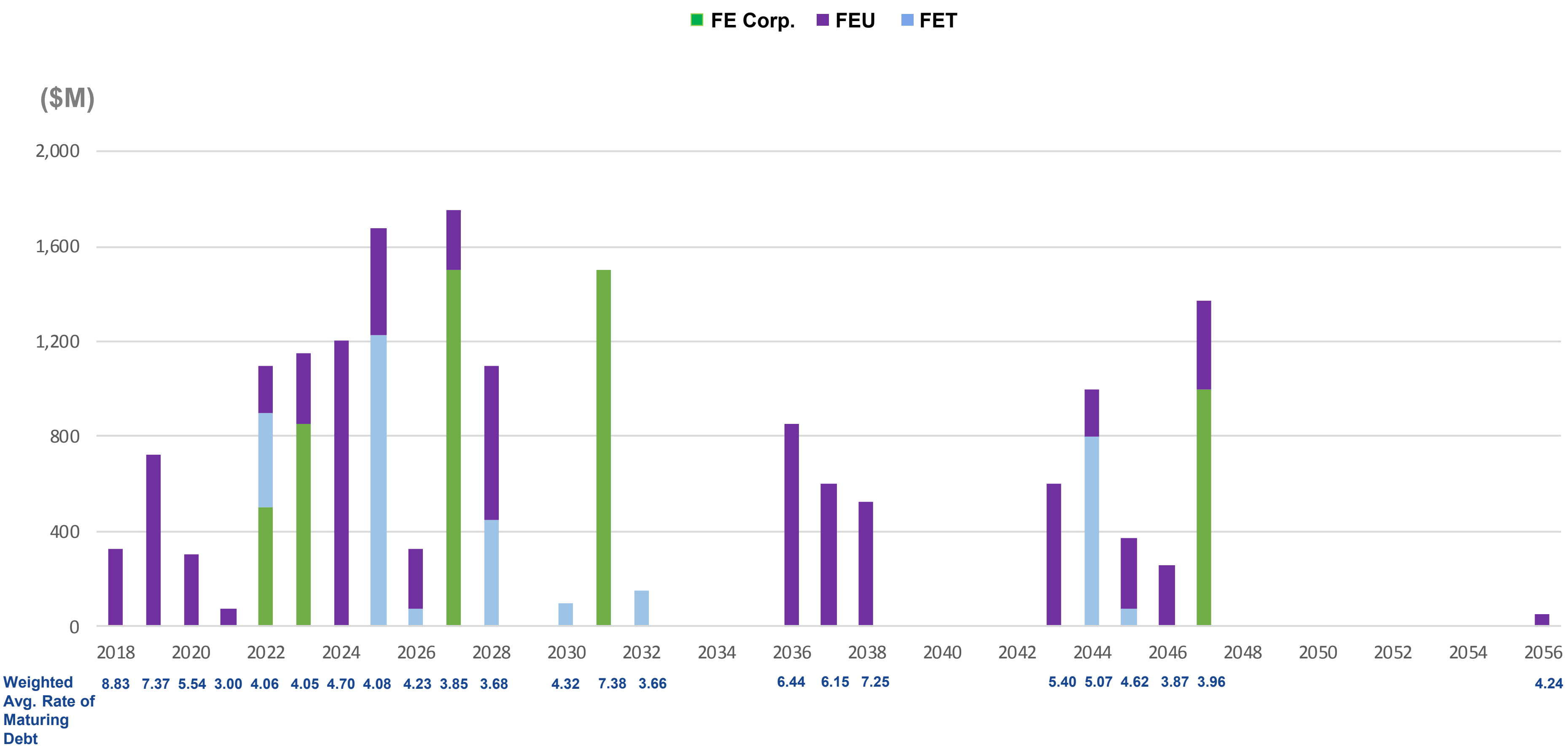
Financial – **Potential Collateral Requirements**

($M)

Contractual Obligations for Additional Credit As of September 30, 2018	AES	Regulated	FE Corp	Total
At Current Credit Rating	$1	–	–	**$1**
Upon Further Downgrade	–	$54	–	**$54**
Surety Bonds[(1)]	$1	$60	$246	**$307**
Maximum Potential	**$2**	**$114**	**$246**	**$362**

[(1)] Surety Bonds are not tied to a credit rating. Surety Bonds' impact assumes maximum contractual obligations (typical obligations require 30 days to cure). FE Corp. provides $200 million credit support for FG surety bonds, which includes the surety bonds for the benefit of the Pennsylvania Department of Environmental Protection with respect to Little Blue Run ($169 million) and to the Hatfield's Ferry Disposal Site ($31 million).

Financial – **Consolidated Long-Term Debt Maturities**



Does not include $1.25B 364-days and $500M two-year term loans, proceeds of which were used to repay FE's outstanding short-term debt on October 19, 2018

Excludes securitization bonds

As of September 30, 2018

Financial – Outstanding Debt by Legal Entity

($M)

Hold Co. At 9/30/2018	FE Hold Co.
Short-term Debt	$ 1,700
Long-term Debt	5,350
Debt Subtotal	**7,050**
Discounts	(16)
Unamortized Issuance Costs	(29)
Total Balance Sheet Debt	**$ 7,005**

Utilities At 9/30/2018	Ohio Edison	Cleveland Electric	Toledo Edison	Penn Power	Metropolitan Edison	Pennsylvania Electric	Jersey Central	Mon Power	Potomac Edison	West Penn Power
Short-term Debt	$ -	$ -	$ -	$ 8	$ 66	$ 60	$ 222	$ 22	$ -	$ 93
Long-term Debt	650	1,250	350	151	850	1,125	1,550	1,324	500	725
Securitization Bonds	128	127	37	-	-	-	45	261	87	-
Debt Subtotal	**778**	**1,377**	**387**	**159**	**916**	**1,185**	**1,817**	**1,607**	**587**	**818**
Discounts	(8)	(3)	-	-	(1)	(1)	(5)	(1)	-	-
Unamortized Issuance Costs	(2)	(6)	(2)	(1)	(2)	(6)	(5)	(13)	(4)	(4)
Purchase Accounting	-	-	-	-	-	-	-	9	3	-
Capital Leases	12	15	6	2	9	14	8	2	2	4
Total Balance Sheet Debt	**$ 780**	**$ 1,383**	**$ 391**	**$ 161**	**$ 922**	**$ 1,192**	**$ 1,815**	**$ 1,603**	**$ 587**	**$ 817**

Transmission At 9/30/2018	FET Hold Co.	ATSI	TrAIL	MAIT	AET PATH
Short-term Debt	$ -	$ -	$ -	$ -	$ 2
Long-term Debt	1,000	1,200	625	450	-
Debt Subtotal	**1,000**	**1,200**	**625**	**450**	**2**
Discounts	(2)	(4)	-	-	-
Unamortized Issuance Costs	(6)	(7)	(3)	(4)	-
Total Balance Sheet Debt	**$ 992**	**$ 1,190**	**$ 622**	**$ 446**	**$ 2**

Does not include $1.25B 364-days and $500M two-year term loans, proceeds of which were used to repay FE's outstanding short-term debt on October 19, 2018

Note: Short-term debt includes affiliated company borrowings

Totals may not foot due to rounding

Financial – **Credit Ratings**

As of 10/25/2018	Corporate Credit Rating (S&P) / Issuer Rating (Moody's) / Issuer Default (Fitch)			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-	stable	stable	stable
Allegheny Generating Co.	B+	Baa2	B+	-	-	-	-	-	BB	cr. watch	stable	stable
American Transmission Systems Inc.	BBB	Baa1	BBB	-	-	-	BBB	Baa1	BBB+	stable	stable	stable
Cleveland Electric Illuminating	BBB	Baa3	BBB	A-	Baa1	A-	BBB	Baa3	BBB+	stable	positive	stable
FirstEnergy Transmission	BBB	Baa2	BBB-	-	-	-	BBB-	Baa2	BBB-	stable	stable	stable
Jersey Central Power & Light	BBB	Baa2	BBB-	-	-	-	BBB	Baa2	BBB	stable	positive	stable
Metropolitan Edison	BBB	A3	BBB	-	-	-	BBB	A3	BBB+	stable	stable	stable
Mid-Atlantic Interstate Transmission	BBB	Baa1	BBB	-	-	-	BBB	Baa1	BBB+	stable	stable	stable
Monongahela Power	BBB	Baa2	BBB-	A-	A3	BBB+	BBB	Baa2	-	stable	stable	stable
Ohio Edison Co.	BBB	Baa1	BBB	A-	A2	A-	BBB	Baa1	BBB+	stable	positive	stable
Pennsylvania Electric Co.	BBB	Baa1	BBB	-	-	-	BBB	Baa1	BBB+	stable	stable	stable
Pennsylvania Power Co.	BBB	Baa1	BBB	-	A2	A-	-	-	-	stable	stable	stable
Potomac Edison Co.	BBB	Baa2	BBB-	-	-	BBB+	-	-	-	stable	stable	stable
Toledo Edison Co.	BBB	Baa3	BBB	A-	Baa1	A-	-	-	-	stable	positive	stable
Trans-Allegheny Interstate Line Co.	BBB	A3	BBB	-	-	-	BBB	A3	BBB+	stable	stable	stable
West Penn Power Co.	BBB	A3	BBB	-	-	A-	-	-	-	stable	stable	stable

On 8/27/2018, Standard & Poor's:

Issued a one-notch across-the-board upgrade to FE Corp and its subsidiaries
The issuer credit ratings were changed to BBB from BBB-
FE Corp and FET's unsecured ratings were changed to BBB- from BB+; unsecured debt ratings at the regulated companies were changed to BBB from BBB-
The secured ratings at CEI, MP, OE, and TE were changed to A- from BBB+

Financial – **Credit Providers**

24 financial institutions provide ~$5.4B aggregate credit commitment

($M)	
Revolving Credit Facilities	$3,500
Term Loans	$1,750
SUB-TOTAL	$5,250
Vehicle Leases	175
TOTAL	$5,425

Bank of America	JP Morgan Chase
Bank of New York Mellon	KeyBank
Bank of Nova Scotia	Mizuho
Barclays Bank	Morgan Stanley
CIBC	PNC
Citibank	Royal Bank of Canada
Citizens Bank	Santander
CoBank	Sumitomo Mitsui
Fifth Third Bank	TD Bank
First National Bank	Union Bank/Bank of Tokyo Mitsubishi
Huntington National Bank	US Bank
Ind & Comm Bank of China	Wells Fargo

As of October 19, 2018