Quarterly HighLIGHTS
4Q 2015 Earnings Call

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Forward-Looking Statement

Forward-Looking Statements: This Presentation includes forward-looking statements based on information currently available to management. Such statements are subject to certain risks and uncertainties. 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 speed and nature of increased competition in the electric utility industry, in general, and the retail sales market in particular; the ability to experience growth in the Regulated Distribution and Regulated Transmission segments and to successfully implement our sales strategy for the Competitive Energy Services segment; the accomplishment of our regulatory and operational goals in connection with our transmission investment plan, including but not limited to, the proposed transmission asset transfer to Mid-Atlantic Interstate Transmission, LLC, and the effectiveness of our strategy to reflect a more regulated business profile; changes in assumptions regarding economic conditions within our territories, assessment of the reliability of our transmission system, or the availability of capital or other resources supporting identified transmission investment opportunities; the impact of the regulatory process on the pending matters at the federal level and in the various states in which we do business including, but not limited to, matters related to rates and the Electric Security Plan IV in Ohio; the impact of the federal regulatory process on the Federal Energy Regulatory Commission (FERC)-regulated entities and transactions, in particular FERC regulation of wholesale energy and capacity markets, including PJM Interconnection, L.L.C. (PJM) markets and FERC-jurisdictional wholesale transactions; FERC regulation of cost-of-service rates, including FERC Opinion No. 531’s revised Return on Equity methodology for FERC-jurisdictional wholesale generation and transmission utility service; and 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; economic or weather conditions affecting future sales and margins such as a polar vortex or other significant weather events, and all associated regulatory events or actions; changing energy, capacity and commodity market prices including, but not limited to, coal, natural gas and oil prices, and their availability and impact on margins and asset valuations; the continued ability of our regulated utilities to recover their costs; costs being higher than anticipated and the success of our policies to control costs and to mitigate low energy, capacity and market prices; other legislative and regulatory changes, and revised environmental requirements, including, but not limited to, the effects of the United States Environmental Protection Agency's Clean Power Plan, coal combustion residuals regulations, Cross-State Air Pollution Rule and Mercury and Air Toxics Standards 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; 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 (including that such initiatives or rulemakings could result in our decision to deactivate or idle certain generating units); the uncertainties associated with the deactivation of certain older regulated and competitive fossil units, including the impact on vendor commitments and as it relates to the reliability of the transmission grid, the timing thereof; the impact of other future changes to the operational status or availability of our generating units and any capacity performance charges associated with unit unavailability; adverse regulatory or legal decisions and outcomes with respect to our nuclear operations (including, but not limited to the revocation or non-renewal of necessary licenses, approvals or operating permits by the Nuclear Regulatory Commission or as a result of the incident at Japan's Fukushima Daiichi Nuclear Plant); issues arising from the indications of cracking in the shield building at Davis-Besse; the risks and uncertainties associated with litigation, arbitration, mediation and like proceedings, including, but not limited to, any such proceedings related to vendor commitments; the impact of labor disruptions by our unionized workforce; replacement power costs being higher than anticipated or not fully hedged; the ability to comply with applicable state and federal reliability standards and energy efficiency and peak demand reduction mandates; 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; the ability to accomplish or realize anticipated benefits from strategic and financial goals, including, but not limited to, the ability to continue to reduce costs and to successfully execute our financial plans designed to improve our credit metrics and strengthen our balance sheet through, among other actions, our cash flow improvement plan and other proposed capital raising initiatives; our ability to improve electric commodity margins and the impact of, among other factors, the increased cost of fuel and fuel transportation on such margins; changing market conditions that could affect the measurement of certain liabilities and the value of assets held in our Nuclear Decommissioning Trusts, 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 material accounting policies; 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, and increase requirements to post additional collateral to support outstanding commodity positions, letters of credit and other financial guarantees; changes in national and regional economic conditions affecting us, our subsidiaries and/or our major industrial and commercial customers, and other counterparties with which we do business, including fuel suppliers; the impact of any changes in tax laws or regulations or adverse tax audit results or rulings; issues concerning the stability of domestic and foreign financial institutions and counterparties with which we do business; 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; and the risks and other factors discussed from time to time in our United States Securities and Exchange Commission filings, and other similar factors. Dividends declared from time to time on FirstEnergy Corp.'s common stock during any period may in the aggregate vary from prior periods due to circumstances considered by FirstEnergy Corp.'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. 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 current intention to update, 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, Adjusted EBITDA, and CES Commodity Margin. In addition, Basic EPS and Basic EPS-Operating, each calculated on a segment basis, are also non-GAAP financial measures. 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 are not calculated in accordance with GAAP because they exclude the impact of "special items". Adjusted EBITDA also excludes the impact of special items and represents Operating earnings before interest expense, investment income, taxes, depreciation and amortization. Basic EPS for each segment is calculated by dividing segment net income (loss) on a GAAP basis by the basic weighted average shares outstanding for the period. Basic EPS-Operating for each segment is calculated by dividing segment Operating earnings, which exclude special items as discussed above, by the basic weighted average shares outstanding for the period. Management uses non-GAAP financial measures such as Operating earnings, Adjusted EBITDA, and CES Commodity Margin 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 Basic EPS and Basic EPS-Operating by segment to further evaluate FirstEnergy's performance by segment and references these non-GAAP financial measures in its decision-making. Management believes that the non-GAAP financial measures of "Operating earnings," "Adjusted EBITDA," "CES Commodity Margin," "Basic EPS" and "Basic EPS-Operating" provide consistent and comparable measures of performance of its businesses to help shareholders understand performance trends. 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 the presentation of the non-GAAP financial measures to the most directly comparable GAAP financial measures.

2015 Highlights

Financial Highlights

- Reported 4Q15 operating (non-GAAP) earnings of $0.58 per share; at the midpoint of our quarterly guidance range
- Reported 2015 operating (non-GAAP) earnings of $2.71 per share; above our initial guidance range of $2.40 - $2.70 and in line with our revised guidance of $2.67 - $2.75 provided on the 3Q15 earnings call
- Issuing operating (non-GAAP) earnings guidance for 1Q16 of $0.75 - $0.85 per share

2015 in Review

- Regulated Distribution:
  - Positioned our regulated utilities for growth with the conclusion of rate cases in WV, NJ, and PA
  - In October, filed Long-Term Infrastructure Improvement Plans in PA for each of our four operating companies, which were approved February 11, 2016. Filed for approval of Distribution System Improvement Charge on February 16, 2016
  - Reached a settlement agreement in our Ohio ESP IV case with PUCO staff and 16 other parties
- Regulated Transmission:
  - Energizing the Future remains on track to meet the targeted spend of $4.2B in the 2014-2017 timeframe
    - 2014-2015 spend of $2.4B, including $986M in 2015
    - 2016 is expected to include approximately $1.0B in investments on various projects
    - Continue to expect shale-related investments of ~$150M over next several years
  - In October, received FERC approval of our settlement for a forward-looking formula rate structure at ATSI
  - In June, filed to create a new subsidiary, Mid-Atlantic Interstate Transmission (MAIT), that would hold the transmission assets of Met-Ed, Penelec and JCP&L and facilitate new investments

Refer to appendix for reconciliation between GAAP and Operating (non-GAAP) earnings

2015 Highlights (Continued)

2015 in Review

- **Competitive Energy Services:**
  - Achieved Adjusted EBITDA of $949M; which reflects solid operational results and the impact of our Cash Flow Improvement Project
  - Reaffirming our 2016 Adjusted EBITDA guidance range of $950M to $1,050M and our expectation that the business will be cash flow positive each year through at least 2018
- **Cash Flow Improvement Project:**
  - In spring, launched the Cash Flow Improvement Project with a goal to capture meaningful and sustainable savings opportunities and process improvements across the company
  - Remain on track to capture savings of $155M in 2016 and $240M in 2017
- **Financial:**
  - Successfully executed key initiatives that provide our company with greater strength and flexibility as we pursue our regulated growth plans
  - In December, Fitch revised its outlook on FE Corp. from stable to positive
  - Also in December, Moody's affirmed its Baa3 rating with stable outlook for FE Corp, FES and AE Supply

Refer to appendix for reconciliation between CES Adjusted EBITDA and GAAP Net Income

4Q 2015 Financial Summary

- Reported 4Q15 operating (non-GAAP) earnings of $0.58 per share and a GAAP loss of ($0.53) per share
  - Difference in operating and GAAP results are primarily related to:
    - Impairment of investment in Global Holding; non-cash charge of ($0.56) per share
      - Signal Peak mine remains operational and FirstEnergy Corp. continues to provide a full guarantee on a $300M term loan
    - Annual pension/OPEB mark-to-market adjustment; non-cash charge of ($0.35) per share
- 4Q15 operating (non-GAAP) earnings decreased by ($0.22) vs. 4Q14, primarily reflecting:
  - Lower distribution deliveries, primarily weather related, a planned increase in operating expenses, and the absence of tax benefits recognized in 2014
  - Partially offset by higher transmission revenues, higher CES commodity margin, and the net positive impact of the three utility rate cases resolved in 2015

Refer to appendix for reconciliation between GAAP and Operating (non-GAAP) earnings

4Q 2015 Earnings Summary

Quarter-over-Quarter Drivers

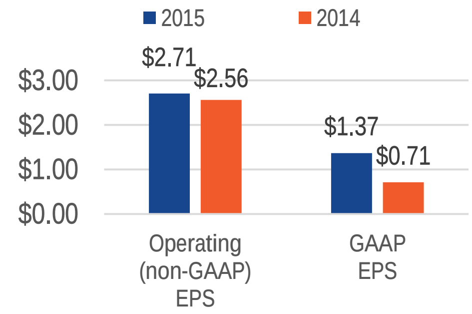
- Regulated Distribution ($0.13):
  - Primarily due to lower distribution deliveries and a planned increase in reliability expenses
    - Distribution Deliveries: Weather impact of ($0.06), normal load impact of ($0.02)
      - Lower residential and commercial usage due to heating-degree-days that were 29.6% below same period of 2014 and the impact of energy efficiency measures
      - Lower industrial usage from steel, mining, chemical, electrical equipment and manufacturing sectors, partially offset by increased usage from shale gas and automotive sectors

Distribution Deliveries		
4Q15 vs. 4Q14	Actual	Weather-Adj.
Residential	-10.6%	-1.4%
Commercial	-3.4%	-0.5%
Industrial	-3.9%	-3.9%
Total	-6.1%	-2.0%

    - Operating Expenses: Primarily impacted by a planned increase in reliability spending at JCP&L
- Regulated Transmission +$0.02:
  - Higher revenues associated with a higher rate base and ATSI's forward-looking rate structure, partially offset by a lower ROE at ATSI as part of a FERC-approved settlement in October 2015
- Competitive Energy Services +$0.01:
  - Higher commodity margin offset by higher operating expenses
    - Commodity margin: Impact of lower contract sales was more than offset by higher capacity revenues, lower purchased power, fuel and transmission expenses and increased wholesale sales
    - Operating expenses: Higher primarily due to a planned nuclear refueling outage at Beaver Valley 2
- Corporate/Other ($0.12):
  - Due to the absence of tax benefits recognized in 2014 as well as higher interest and operating expenses

2015 Annual Earnings Summary

Year-over-Year Drivers



- Reported 2015 operating (non-GAAP) earnings of $2.71 per share vs. $2.56 per share in 2014
- **Regulated Distribution ($0.11):** Higher operating expenses, including reliability maintenance expenses, were partially offset by the net benefit of resolved rate cases and generally favorable weather
- **Regulated Transmission +$0.17:** As a result of a higher rate base and forward-looking rate structure at ATSI

Distribution Deliveries		
2015 vs. 2014	Actual	Weather-Adj.
Residential	-0.5%	-1.6%
Commercial	+0.4%	-0.6%
Industrial	-2.0%	-2.0%
Total	-0.8%	-1.4%

- **Competitive Energy Services +$0.40:** Primarily due to improved commodity margin from higher capacity prices
  - Year-end 2015 retail customer count of 1.6M, a decrease of 445,000 during the year
  - 2015 sales of 75M MWH; including 68M of contract sales and 7M of wholesale sales
  - Currently have committed sales of 61M MWH for 2016 and 38M MWH for 2017. The proposed PPA under the Ohio ESP IV would add ~23M MWH on an annual basis, and essentially close our sales position through the first half of 2017
- **Corporate/Other ($0.31):** Due to the absence of tax benefits recognized in 2014 as well as higher interest and operating expenses

2015 was a pivotal year for our company. We delivered operating earnings higher than original guidance while reducing risk and building a solid platform for regulated growth.

Refer to appendix for reconciliation between GAAP and Operating (non-GAAP) earnings and CES Adjusted EBITDA and GAAP Net Income

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Appendix

Earnings Per Share (EPS) – 4Q 2015 and 4Q 2014
Reconciliation of GAAP to Operating (Non-GAAP) Earnings (In millions, except per share amounts)

Three Months Ended December 31, 2015	Regulated Distribution	Regulated Transmission	Competitive Energy Services	Corporate / Other	FirstEnergy Corp. Consolidated
4Q 2015 Net Income (Loss) - GAAP	$ 20	$ 67	$ (40)	$ (273)	$ (226)
4Q 2015 Basic EPS (avg. shares outstanding 423M)	$ 0.05	$ 0.16	$ (0.10)	$ (0.64)	$ (0.53)
Excluding Special Items:					
Mark-to-market adjustments -					
Pension/OPEB actuarial assumptions	0.26	—	0.09	—	0.35
Other	—	—	(0.01)	—	(0.01)
Merger accounting - commodity contracts	—	—	0.11	—	0.11
Regulatory charges	0.01	—	—	—	0.01
Retail repositioning charges	—	—	0.02	—	0.02
Impact of non-core asset sales/impairments	—	—	0.03	0.56	0.59
Trust securities impairment	—	—	0.04	—	0.04
Total Special Items	$ 0.27	$ —	$ 0.28	$ 0.56	$ 1.11
Basic EPS - Operating (Non-GAAP)	$ 0.32	$ 0.16	$ 0.18	$ (0.08)	$ 0.58

Three Months Ended December 31, 2014	Regulated Distribution	Regulated Transmission	Competitive Energy Services	Corporate / Other	FirstEnergy Corp. Consolidated
4Q 2014 Net Income (Loss) - GAAP	$ (134)	$ 54	$ (246)	$ 20	$ (306)
4Q 2014 Basic EPS (avg. shares outstanding 421M)	$ (0.31)	$ 0.13	$ (0.59)	$ 0.04	$ (0.73)
Excluding Special Items:					
Mark-to-market adjustments -					
Pension/OPEB actuarial assumptions	0.74	0.01	0.48	—	1.23
Other	—	—	0.01	—	0.01
Merger accounting - commodity contracts	—	—	0.03	—	0.03
Regulatory charges	0.02	—	—	—	0.02
Retail repositioning charges	—	—	0.02	—	0.02
Impact of non-core asset sales/impairments	—	—	0.01	—	0.01
Trust securities impairment	—	—	0.04	—	0.04
Plant deactivation costs	—	—	0.17	—	0.17
Total Special Items	$ 0.76	$ 0.01	$ 0.76	$ —	$ 1.53
Basic EPS - Operating (Non-GAAP)	$ 0.45	$ 0.14	$ 0.17	$ 0.04	$ 0.80

Earnings Per Share (EPS) – 2015 and 2014

Reconciliation of GAAP to Operating (Non-GAAP) Earnings (In millions, except per share amounts)

Year Ended December 31, 2015	Regulated Distribution	Regulated Transmission	Competitive Energy Services	Corporate / Other	FirstEnergy Corp. Consolidated
2015 Net Income (Loss) - GAAP	$ 618	$ 298	$ 89	$ (427)	$ 578
2015 Basic EPS (avg. shares outstanding 422M)	$ 1.46	$ 0.71	$ 0.21	$ (1.01)	$ 1.37
Excluding Special Items:					
Mark-to-market adjustments -					
Pension/OPEB actuarial assumptions	0.26	—	0.09	—	0.35
Other	—	—	(0.11)	—	(0.11)
Merger accounting - commodity contracts	—	—	0.16	—	0.16
Regulatory charges	0.07	—	—	—	0.07
Retail repositioning charges	—	—	0.05	—	0.05
Impact of non-core asset sales/impairments	0.01	—	0.05	0.57	0.63
Trust securities impairment	0.02	—	0.13	—	0.15
Plant deactivation costs	—	—	0.04	—	0.04
Total Special Items	$ 0.36	$ —	$ 0.41	$ 0.57	$ 1.34
Basic EPS - Operating (Non-GAAP)	$ 1.82	$ 0.71	$ 0.62	$ (0.44)	$ 2.71

Year Ended December 31, 2014	Regulated Distribution	Regulated Transmission	Competitive Energy Services	Corporate / Other	FirstEnergy Corp. Consolidated
2014 Net Income (Loss) - GAAP	$ 465	$ 223	$ (331)	$ (58)	$ 299
2014 Basic EPS (avg. shares outstanding 420M)	$ 1.11	$ 0.53	$ (0.79)	$ (0.14)	$ 0.71
Excluding Special Items:					
Mark-to-market adjustments -					
Pension/OPEB actuarial assumptions	0.74	0.01	0.48	—	1.23
Other	—	—	0.11	—	0.11
Merger accounting - commodity contracts	—	—	0.07	—	0.07
Regulatory charges	0.07	—	0.01	—	0.08
Retail repositioning charges	—	—	0.11	—	0.11
Impact of non-core asset sales/impairments	—	—	(0.17)	0.02	(0.15)
Trust securities impairment	0.01	—	0.05	—	0.06
Plant deactivation costs	—	—	0.34	—	0.34
Litigation resolution	—	—	—	(0.01)	(0.01)
Loss on debt redemptions	—	—	0.01	—	0.01
Total Special Items	$ 0.82	$ 0.01	$ 1.01	$ 0.01	$ 1.85
Basic EPS - Operating (Non-GAAP)	$ 1.93	$ 0.54	$ 0.22	$ (0.13)	$ 2.56

Earnings Per Share (EPS) Guidance – 1Q 2016

Reconciliation of GAAP to Operating (Non-GAAP) Earnings (In millions, except per share amounts)

	Q1 of 2016
(In millions, except per share amounts)	**FirstEnergy Corp. Consolidated**
1Q 2016F Net Income - GAAP	$305 - $345
1Q 2016F Basic EPS (avg. shares outstanding 424M)	$0.72 - $0.82
Excluding Special Items:	
Regulatory charges	0.02
Merger accounting - commodity contracts	0.01
Total Special Items	0.03
1Q 2016F Basic EPS - Operating (Non-GAAP) (avg. shares outstanding 424M)	$0.75 - $0.85

Competitive Energy Services – 2015 and 2016 Reconciliation of Net Income to Adjusted EBITDA*

($ Millions)	2015A	2016F
Net Income – GAAP	$89	$180 – $280
Special Items (after tax)*	171	20
Operating Earnings	$260	$200 - $300
Income Taxes	151	120 – 175
Interest Expense, Net	153	165 – 150
Depreciation	394	430 – 415
Amortization**	65	70 – 65
Investment Income	(74)	(35) – (55)
Adjusted EBITDA*	$949	$950 – $1,050

* Adjusted EBITDA, a non-GAAP financial measure, represents GAAP net income adjusted for the special items listed below and the addition of Income Taxes; Interest Expense, net; Depreciation, Amortization and Investment Income.

** Amortization expense included in Other Operating Expenses on the Consolidated Statements of Income. Primarily relates to amortization of “FES customer contracts” intangible assets, as disclosed in Note 7 - Intangible Assets, and “Deferred costs on sale leaseback transaction, net”, as reported on the Consolidated Statements of Cash Flows. Does not include nuclear fuel amortization of approximately $222M and $230M in 2015 and 2016, respectively.

Competitive Energy Services – 2015 and 2016 Special Items

Pre-Tax Items ($ Millions)	2015A	2016F
Trust Securities Impairment	$90	$ –
Merger Accounting – Commodity Contracts	110	35
Non-Core Asset Sales/Impairments	31	–
Plant Closing Costs	22	–
Loss on Debt Redemptions	–	–
Regulatory Charges	1	–
Mark-to-Market Adjustments		
Pension/OPEB actuarial assumption	60	–
Other	(73)	–
Retail Repositioning Charges	31	–
Subtotal	$272	$35
Income Taxes	(101)	(15)
After Tax Effect – Special Items	$171	$20