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; 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 and resulting outcomes on the matters at the federal 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; the impact of the federal regulatory process on 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, including without limitation impairments therein; the risks and uncertainties at the Competitive Energy Services (CES) segment, including FirstEnergy Solutions Corp. and its subsidiaries and FirstEnergy Nuclear Operating Company, related to continued depressed wholesale energy and capacity markets, and the viability and/or success of strategic business alternatives, such as potential CES generating unit asset sales, the potential conversion of the remaining generation fleet from competitive operations to a regulated or regulated-like construct or the potential need to deactivate additional generating units; 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 older regulated and competitive units, including the impact on vendor commitments, such as long-term fuel and transportation agreements, and as it relates to the reliability of the transmission grid, the timing thereof; the impact of 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, such as long-term fuel and transportation agreements; the impact of labor disputes 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 significant 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; further 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, increase requirements to post additional collateral to support, or accelerate payments under outstanding commodity positions, letters of credit and other financial guarantees, and the impact of these events on the financial condition and liquidity of FirstEnergy and/or its subsidiaries, specifically the subsidiaries within the CES segment; the risks and uncertainties surrounding FirstEnergy’s need to obtain waivers from its bank group under FirstEnergy’s credit facilities caused by a debt to total capitalization ratio in excess of 65% resulting from impairment charges or other events at CES; 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 (SEC) 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 factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements and risks that are included in our filings with the SEC, including but not limited to the most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q. 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. 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, CES Adjusted EBITDA, Funds from Operations, and Free Cash Flow. 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”. 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, CES Adjusted EBITDA, Funds from Operations, 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 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,” “Basic EPS” by segment and “Basic EPS-Operating” by segment 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 this presentation of the non-GAAP financial measures to the most directly comparable GAAP financial measures. Refer to slides 21-25 of the Guidance Materials.
Agenda

- FirstEnergy Overview
  - Regulated Distribution & Transmission
  - Competitive Generation
- Strategic Review of Competitive Generation
- Investing for Growth in Regulated Operations
- Building a Stronger FirstEnergy
- Q&A
Regulated Distribution

- One of the largest contiguous service territories in the U.S.
- Includes 3,790 MW of regulated generation; primarily serving West Virginia
- Balanced customer sales mix of approximately 1/3 residential, 1/3 commercial, 1/3 industrial
- Low customer bills in each state
- Strong reliability performance against targets

Our regulated operations provide stable, predictable earnings and cash flows, and fully support the dividend.
Regulated Transmission

- One of the largest transmission systems in PJM
- Includes FERC-regulated transmission assets recovered through formula rates owned by ATSI, TrAIL, MAIT, and JCP&L
- Includes FERC-regulated transmission assets recovered through stated rates owned by MP, PE, and WPP
- $20B+ in future opportunities

Our regulated operations provide **stable, predictable** earnings and cash flows, and fully support the dividend
Competitive Generation

- Segment primarily comprised of three legal entities: FES, AES, and FENOC
- 100% of power generated from low or non-emitting sources
- ~75M MWH generated annually, about half sold through various retail channels and half through forward wholesale and spot sales
- Business is run conservatively, focused on minimizing overall risk
- Treated as a standalone business, with no equity contribution planned from FE Corp., since these operations are expected to be free cash flow positive through 2018

The competitive business has been challenged, and market conditions have led to tough decisions
Strategic Review of Competitive Generation

While CES is expected to maintain positive free cash flow each year through 2018, FES in particular faces risks …

- Sustained weak energy and capacity prices
- Potential adverse outcome from rail disputes
- Refinancing of upcoming debt maturities and extension of credit facility
  - Debt maturities total ~$645M through 2018
- Potential collateral postings

… prompting FirstEnergy to assess alternatives to move away from competitive generation

Targeting 12-18 month timeline to implement decisions from strategic review
Investing for Growth in Regulated Operations

The scale and diversity of our regulated operations position FirstEnergy for sustained growth into the future

Targeting 4% - 6% Compound Annual Growth Rate
Incremental 3% with Ohio DMR

* Estimated 2016 operating earnings for Regulated Distribution and Regulated Transmission segments of $2.59-$2.63 per share include $0.14 from the impact of weather. Refer to slide 21 in the Guidance Materials for reconciliation between 2016F GAAP and Operating (non-GAAP) earnings.
Ohio Grid Modernization: Incremental Opportunity

In ESP IV, the Ohio companies agreed to empower customers through grid modernization initiatives, e.g., AMI, Distribution Automation Circuit Reconfiguration, and VOLT/VAR Control.

<table>
<thead>
<tr>
<th>Estimates Included in Business Plan</th>
<th>Length</th>
<th>Total Estimated Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMI Deployment</td>
<td>5 to 8 years</td>
<td>Capital: $2.2B - $3.5B</td>
</tr>
<tr>
<td>DA/VVC</td>
<td>8 to 15 years</td>
<td>O&amp;M: $1.5B - $1.9B</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total: $3.7B - $5.4B*</td>
</tr>
</tbody>
</table>

- Business plan filed with PUCO includes three scenarios that provide the opportunity for significant investments over time:
  - Full AMI deployment
  - Different levels of DA/VVC deployment
  - Net benefits to customers

- Business plan is subject to PUCO review and approval

* Not included in current finance plan
Continued Transmission Investment

- Energizing the Future (2017-2021)
  - $4.2B - $5.8B of investment
  - $1B in 2017, and then $800M - $1.2B annually 2018-2021
  - $500M equity 2017-2019 annually to fund growth

- Filed with FERC for forward-looking rate structure at JCP&L and MAIT (ME/PN assets)

- Majority of investments over the next five years will be focused on entities with forward-looking rates

<table>
<thead>
<tr>
<th>Transmission Operating Companies</th>
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</thead>
<tbody>
<tr>
<td>Company</td>
</tr>
<tr>
<td>ATSI</td>
</tr>
<tr>
<td>TrAIL</td>
</tr>
<tr>
<td>MAIT*</td>
</tr>
<tr>
<td>JCP&amp;L*</td>
</tr>
<tr>
<td>Utility (WPP, MP, PE)</td>
</tr>
</tbody>
</table>

* Filed for Formula Rates with FERC on October 28, 2016
Building a Stronger FirstEnergy

<table>
<thead>
<tr>
<th></th>
<th>Basic EPS*</th>
<th>Special Items**</th>
<th>Basic EPS – Operating (Non-GAAP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulated Distribution</td>
<td>$1.25 - $1.47</td>
<td>$2.20 - $2.30</td>
<td>$0.38 - $0.56</td>
</tr>
<tr>
<td>Regulated Transmission</td>
<td>$0.78</td>
<td>$0.81 - $0.85</td>
<td>-</td>
</tr>
<tr>
<td>Competitive Energy Services</td>
<td>($2.81) - ($2.63)</td>
<td>($0.05) – $0.07</td>
<td>$3.22 - $3.34</td>
</tr>
<tr>
<td>Corporate / Other</td>
<td>($0.52)</td>
<td>($0.49) - ($0.45)</td>
<td>-</td>
</tr>
<tr>
<td>FE Consolidated</td>
<td>($1.30) - ($0.90)</td>
<td>$2.47 - $2.77</td>
<td>$3.60 - $3.90</td>
</tr>
</tbody>
</table>

Note: 2016F reflects reclassification of $0.07 per share from Regulated Distribution to Regulated Transmission related to transmission assets at MAIT and JCP&L that will be recovered through formula rates.

** Equity**
- ~$100M ongoing through employee benefit and other plans
- $500M in 2016 previously announced (into the pension)
- $500M 2017-2019 annually to support ETF Transmission growth

** Committed to investment grade credit ratings at all regulated entities and FE Corp.**

Fully committed to achieving our plans for the future and unlocking the full value of FirstEnergy for our investors.

* Before excluding special items ** See slides 21-25 of Guidance Materials for additional details regarding special items