

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) July 27, 2005

Commission
File Number

Registrant; State of Incorporation;
Address; and Telephone Number

I.R.S. Employer
Identification No.

333-21011

FIRSTENERGY CORP.
(An Ohio Corporation)
76 South Main Street
Akron, OH 44308
Telephone (800)736 - 3402

34-1843785

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))



Item 2.02 Results of Operations and Financial Condition

On July 27, 2005, FirstEnergy Corp. issued two public announcements, which are attached as Exhibits 99.1 and 99.2 hereto and incorporated by reference. FirstEnergy's Press Release and Consolidated Report to the Financial Community contain non-GAAP* financial measures. Pursuant to the requirements of Regulation G, FirstEnergy has provided quantitative reconciliations within the Press Release and Consolidated Report to the Financial Community of the non-GAAP* financial measures to the most directly comparable GAAP financial measures.

The Press Release and Consolidated Report to the Financial Community include normalized earnings per share, which is not calculated in accordance with GAAP because it excludes the impact of "unusual items". Unusual items reflect the impact on earnings of events that are not routine, may be related to discontinued businesses or may be the cumulative effect of an accounting change. Management believes presenting normalized earnings calculated in this manner provides useful information to investors in evaluating the ongoing results of FirstEnergy's businesses and assists investors in comparing the company's operating performance to the operating performance of others in the energy sector. The Consolidated Report to the Financial Community also includes references to free cash flow and cash generation which are not defined under GAAP. Management believes presenting these non-GAAP* measures provides useful information to investors in assessing FirstEnergy's normalized operating performance from a cash perspective. FirstEnergy's management frequently references these non-GAAP* financial measures in its decision-making, using them to facilitate historical and ongoing performance comparisons as well as comparisons to the performance of peer companies.

Item 7.01 Regulation FD Disclosure

On July 27, 2005, FirstEnergy Corp. raised its earnings and cash flow guidance for 2005 and announced earnings and cash flow guidance for 2006. The company's non-GAAP* earnings guidance for 2005 is \$2.85 to \$3.00 per share of common stock. The company expects that non-GAAP* free cash flow for 2005 will be approximately \$535 million. The company's earnings guidance for 2006 is \$3.40 to \$3.60 per share of common stock. The company is currently unaware of any specific unusual charges or credits that will become reconciling items between earnings per share on a GAAP and non-GAAP* basis in 2006. The company estimates that non-GAAP* free cash flow for 2006 will range from \$280 million to \$380 million. FirstEnergy issued a Press Release and Letter to the Investment Community that provide additional related details. Pursuant to the requirements of Regulation G, FirstEnergy has provided quantitative reconciliations within the Press Release and Letter to the Investment Community of the non-GAAP* financial measures to the most directly comparable GAAP financial measures. The Press Release and Letter to the Investment Community are furnished, not filed, as Exhibits 99.3 and 99.4, respectively, and are incorporated by reference.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release issued by FirstEnergy Corp., dated July 27, 2005
99.2	Consolidated Report to the Financial Community, dated July 27, 2005
99.3	Press Release issued by FirstEnergy Corp., dated July 27, 2005
99.4	Letter to the Investment Community, dated July 27, 2005

*This Form 8-K contains 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, or is subject to adjustment that have the effect of excluding or including 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, or GAAP.

Forward-Looking Statements: This Form 8-K includes forward-looking statements based on information currently available to management. Such statements are subject to certain risks and uncertainties. These statements typically contain, but are not limited to, the terms "anticipate", "potential", "expect", "believe", "estimate" and similar words. Actual results may differ materially due to the speed and nature of increased competition and deregulation in the electric utility industry, economic or weather conditions affecting future sales and margins, changes in markets for energy services, changing energy and commodity market prices, replacement power costs being higher than anticipated or inadequately hedged, the continued ability of our regulated utilities to collect transition and other charges, maintenance costs being higher than anticipated, legislative and regulatory changes (including revised environmental requirements), the uncertainty of the timing and amounts of the capital expenditures (including that such amounts could be higher than anticipated) or levels of emission reductions, related to the settlement agreement resolving the New Source Review litigation, adverse regulatory or legal decisions and outcomes (including revocation of necessary licenses or operating permits, fines or other enforcement actions and remedies) of government investigations and oversight, including by the Securities and Exchange Commission, the United States Attorney's Office and the Nuclear Regulatory Commission as disclosed in the registrants' Securities and Exchange Commission filings, generally, and with respect to the Davis-Besse Nuclear Power Station outage and heightened scrutiny at the Perry Nuclear Power Plant in particular, the availability and cost of capital, the continuing availability and operation of generating units, the inability to accomplish or realize anticipated benefits of strategic goals, the ability to improve electric commodity margins and to experience growth in the distribution business, the ability to access the public securities and other capital markets, the outcome, cost and other effects of present and potential legal and administrative proceedings and claims related to the August 14, 2003 regional power outage, the final outcome in the proceeding related to FirstEnergy's Application for a Rate Stabilization Plan in Ohio, the risks and other factors discussed from time to time in the registrant's Securities and Exchange Commission filings, and other similar factors. The registrant expressly disclaims any current intention to update any forward-looking statements contained in this document as a result of new information, future events, or otherwise.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

July 27, 2005

FIRSTENERGY CORP.
Registrant

/s/ Harvey L. Wagner

Harvey L. Wagner
Vice President, Controller and
Chief Accounting Officer

FirstEnergy Corp.
76 South Main Street
Akron, Ohio 44308
www.firstenergycorp.com

For Release : July 27, 2005

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**FIRSTENERGY'S SECOND QUARTER ADJUSTED EARNINGS
EXCEED EXPECTATIONS**

FirstEnergy Corp. (NYSE: FE) today reported that second quarter 2005 net income on a non-GAAP ^(*) basis was \$233.3 million, or basic and diluted earnings of \$0.71 per share of common stock, excluding two unusual items: a one-time gain of \$0.05 per share from the settlement of rate cases in New Jersey associated with the company's Jersey Central Power & Light subsidiary, offset by a \$0.22 per share write-off of Ohio deferred tax benefits that are not expected to be realized due to recent changes in Ohio's tax system. On a GAAP basis, net income was \$178.0 million, or basic and diluted earnings of \$0.54 per share of common stock. The adjusted earnings are at the top end of the range included in the company's original earnings guidance for the second quarter.

Those results compare with non-GAAP net income of \$221.6 million in the second quarter of 2004, or basic and diluted earnings of \$0.67 per share of common stock. Including unusual items, earnings for the second quarter of 2004 were \$204.0 million, or basic and diluted earnings of \$0.62 per share of common stock on a GAAP basis.

Total revenues for the second quarter of 2005 were \$2.9 billion, down from \$3.0 billion reported in the second quarter of 2004. This is attributable to lower wholesale sales revenues, which reflect the revised net reporting methodology for PJM sales and purchase transactions described in the company's first quarter 2005 earnings release. Since this revised reporting methodology also produced a corresponding reduction in purchased power costs, there was no impact on net income.

(more)

"I am pleased that we were able to exceed the second quarter earnings consensus estimate of analysts, excluding the impact of unusual items," said President and Chief Executive Officer Anthony J. Alexander. "These results reflect the overall progress we've made, particularly in the areas of retail electricity sales, generating plant performance and debt reduction. Our second quarter earnings, part of six consecutive quarters of delivering consistent financial performance, also were driven by operational improvements and cost-savings efforts that we continue to achieve across our organization."

Second Quarter 2005 Non-GAAP Reconciliation

	After-tax Amount (Millions)	Basic Earnings Per Share
	<u> </u>	<u> </u>
Earnings Before Unusual Items (Non-GAAP)	\$ 233.3	\$ 0.71
New Regulatory Assets		
- JCP&L Rate Settlement	16.4	0.05
Ohio Tax Write-off	(71.7)	(0.22)
Net Income (GAAP)	\$ 178.0	\$ 0.54

Second Quarter 2004 Non-GAAP Reconciliation

	After-tax Amount (Millions)	Basic Earnings Per Share
	<u> </u>	<u> </u>
Earnings Before Unusual Items (Non-GAAP)	\$ 221.6	\$ 0.67
Lawsuits Settlement	(10.6)	(0.03)
Non-core Asset Sales	(7.0)	(0.02)
Net Income (GAAP)	\$ 204.0	\$ 0.62

(more)

A return to more seasonal weather toward the end of the second quarter of 2005 helped produce a 2.4-percent increase in kilowatt-hour deliveries compared with the year-prior quarter. Also, strong performance by FirstEnergy's generation fleet helped the company avoid higher-cost supply alternatives. Its generating plants posted a record gross output for the quarter and for the first six months of 2005 of 19.1 billion and 37.9 billion kilowatt-hours, respectively.

For the first six months of 2005, net income on a GAAP basis was \$337.7 million, or basic earnings of \$1.03 per share (\$1.02 diluted) of common stock. Excluding unusual items, earnings on a non-GAAP basis were \$388.4 million, or basic and diluted earnings of \$1.18 per share.

That compares with net income on a GAAP basis of \$378.0 million for the first six months of 2004, or basic earnings of \$1.16 per share (\$1.15 diluted) of common stock. Excluding unusual charges, non-GAAP earnings were \$433.9 million, or basic earnings of \$1.33 per share (\$1.32 diluted) of common stock.

Revenues for the first six months of 2005 were \$5.7 billion, compared with \$6.0 billion for the same period last year. Expenses in the first six months of 2005 reflect two scheduled nuclear refueling outages, while there were no refueling outages during the corresponding period in 2004.

First Six Months 2005 Non-GAAP Reconciliation

	After-tax Amount (Millions)	Basic Earnings Per Share
Earnings Before Unusual Items (Non-GAAP)	\$ 388.4	\$ 1.18
New Regulatory Assets		
- JCP&L Rate Settlement	16.4	0.05
Ohio Tax Write-off	(71.7)	(0.22)
Sales of Non-core Assets	22.4	0.07
Sammis Plant New Source Review Settlement	(14.4)	(0.04)
Davis-Besse NRC Fine	(3.4)	(0.01)
Net Income (GAAP)	\$ 337.7	\$ 1.03

(more)

First Six Months 2004 Non-GAAP Reconciliation

	After-Tax Amount (Millions)	Basic Earnings Per Share
Earnings Before Unusual Items (Non-GAAP)	\$ 433.9	\$ 1.33
Davis-Besse Impact	(38.3)	(0.12)
Lawsuits Settlement	(10.6)	(0.03)
Sales of Non-core Assets	(7.0)	(0.02)
Net Income (GAAP)	\$ 378.0	\$ 1.16

FirstEnergy retired approximately \$269 million of debt and preferred stock during the first six months of 2005 through its debt paydown and refinancing program. The company's goal is to reduce debt by at least \$600 million during the year. FirstEnergy also refinanced \$310 million of long-term debt in the first half of 2005. In total, these redemption and refinancing activities are expected to produce financing cost savings of \$25 million in 2005 and \$33 million in 2006.

FirstEnergy's *Consolidated Report to the Financial Community* - which provides highlights on company developments and financial results for the second quarter of 2005 - is posted on the company's Internet site - www.firstenergycorp.com/ir. To access the report, click on *Consolidated Report to the Financial Community*. Details on the company's second quarter earnings also will be provided during the company's earnings conference call, scheduled today at 1:00 p.m. (EDT).

FirstEnergy is a diversified energy company headquartered in Akron, Ohio. Its subsidiaries and affiliates are involved in the generation, transmission and distribution of electricity, as well as energy management and other energy-related services.

(more)

(*) This news release contains 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, or is subject to adjustments that have the effect of excluding or including 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).

Forward-Looking Statements: This news release includes forward-looking statements based on information currently available to management. Such statements are subject to certain risks and uncertainties. These statements typically contain, but are not limited to, the terms "anticipate," "potential," "expect," "believe," "estimate" and similar words. Actual results may differ materially due to the speed and nature of increased competition and deregulation in the electric utility industry, economic or weather conditions affecting future sales and margins, changes in markets for energy services, changing energy and commodity market prices, replacement power costs being higher than anticipated or inadequately hedged, the continued ability of our regulated utilities to collect transition and other charges, maintenance costs being higher than anticipated, legislative and regulatory changes (including revised environmental requirements), the uncertainty of the timing and amounts of the capital expenditures (including that such amounts could be higher than anticipated) or levels of emission reductions related to the settlement agreement resolving the New Source Review litigation, adverse regulatory or legal decisions and outcomes (including revocation of necessary licenses or operating permits, fines or other enforcement actions and remedies) of governmental investigations and oversight, including by the Securities and Exchange Commission, the United States Attorney's Office and the Nuclear Regulatory Commission as disclosed in our Securities and Exchange Commission filings, generally, and with respect to the Davis-Besse Nuclear Power Station outage and heightened scrutiny at the Perry Nuclear Power Plant in particular, the availability and cost of capital, the continuing availability and operation of generating units, our inability to accomplish or realize anticipated benefits from strategic goals, our ability to improve electric commodity margins and to experience growth in the distribution business, our ability to access the public securities and other capital markets, the outcome, cost and other effects of present and potential legal and administrative proceedings and claims related to the August 14, 2003 regional power outage, the final outcome in the proceeding related to FirstEnergy's Application for a Rate Stabilization Plan in Ohio, the risks and other factors discussed from time to time in our Securities and Exchange Commission filings, and other similar factors. FirstEnergy expressly disclaims any current intention to update any forward-looking statements contained herein as a result of new information, future events, or otherwise.

(072705)

Consolidated Report to the Financial Community
EXHIBIT 99.2

Second Quarter 2005
(Released July 27, 2005)

Highlights

■ Normalized non-GAAP* earnings, excluding unusual items, were \$0.71 per share for the second quarter of 2005, compared with \$0.67 per share for the second quarter of 2004. GAAP earnings were \$0.54 per share, compared with \$0.62 per share in the second quarter of 2004.

<u>After-Tax EPS Variance Analysis</u>	<u>2nd Qtr.</u>
2Q 2004 Basic EPS - GAAP Basis	\$ 0.62
Unusual Items - 2004	<u>0.05</u>
2Q 2004 Normalized Earnings - Non-GAAP Basis	\$ 0.67
Electric Gross Margin:	
- Nuclear Outage Replacement Power	(0.09)
- Other Electric Gross Margin	0.07
Nuclear Operating Expenses	(0.06)
Fossil Operating Expenses	0.01
Pension and Other Employee Benefits	0.05
Depreciation and Amortization	(0.02)
Investment Income from COLI	0.02
Financing Costs	0.04
Other	<u>0.02</u>
2Q 2005 Normalized Earnings - Non-GAAP Basis	\$ 0.71
Unusual Items - 2005	<u>(0.17)</u>
2Q 2005 Basic EPS - GAAP Basis	<u>\$ 0.54</u>

2Q 2005 Results vs. 2Q 2004

ⁿ Electric distribution deliveries increased 2%. Residential and commercial deliveries increased 9% and 3%, respectively, while industrial deliveries decreased by 4%. Heating-degree-days were 26% higher than during the same period last year and 5% above normal. Cooling-degree-days were 9% lower than during the same period last year, although 12% above normal. Total electric generation sales rose 1% as a 2% increase in retail generation sales was partially offset by a 1% decrease in wholesale sales.

ⁿ Electric gross margin decreased \$10 million, or \$0.02 per share, after adjusting for changes in regulatory deferrals. Replacement power costs for refueling outages at Beaver Valley Unit 2 and the Perry Plant reduced electric gross margin by \$0.09 per share. This was partially offset by higher generation sales and prices, as well as increased distribution deliveries that contributed an increase of \$0.07 per share in electric gross margin.

ⁿ Nuclear operating expenses increased \$33 million due to refueling outages at Beaver Valley Unit 2 and the Perry Plant this year versus no refueling outages last year.

ⁿ Fossil operating expenses decreased \$7 million as a result of fewer planned outages.

ⁿ Pension and other employee benefit costs decreased approximately \$26 million due to the voluntary \$500 million contribution to the pension plan in September 2004, favorable market returns in 2004, and changes in health care benefits.

- ⁿ Total depreciation and amortization expenses, adjusted for changes in regulatory deferrals, increased by \$12 million. The increase was primarily due to higher Ohio transition cost amortization and increased depreciation expense, partially offset by the deferral of incremental transmission and ancillary service-related MISO charges.
 - ⁿ Higher investment income from corporate-owned life insurance increased net income by \$6 million.
-

- ⁿ Net interest charges decreased \$19 million. Financing activities during the quarter included \$136 million in debt and preferred securities redemptions and \$310 million of refinancing and repricing transactions.
- ⁿ During the quarter, we recognized a one-time charge of \$ 72 million, or \$0.22 per share, associated with the write-off of deferred tax benefits that will not be realized due to legislative changes in Ohio's tax system enacted in June. We also recognized a one-time benefit of \$ 28 million, or \$0.05 per share, from the creation of a new regulatory asset associated with the approval of the JCP&L Phase II rate settlement.

2005 Revised Earnings and Cash Generation Guidance *

- ⁿ As a result of recent regulatory orders in Ohio and New Jersey, reduced fossil depreciation expenses, lower operating expenses, and favorable performance from our generation fleet, we have revised our 2005 normalized non-GAAP earnings guidance from \$2.70 - \$2.85 per share to \$2.85 - \$3.00 per share. Year-to-date normalized non-GAAP earnings now stand at \$1.18 per share. We anticipate that the remaining earnings for the year, exclusive of any unusual items, will be allocated 55% to the third quarter and 45 % to the fourth quarter.
- ⁿ Total cash generation (no n-GAAP) guidance for 2005 has been revised to \$620 million (from \$560 million), with free cash flow (non-GAAP) guidance revised to \$535 million (from \$425 million). Our estimated 2005 free cash flow reflects capital expenditures of \$1.0 billion.

2006 Earnings and Cash Generation Guidance *

- ⁿ Earnings guidance for 2006 has been established at \$3.40 - \$3.60 per share, exclusive of any unusual items. The increase over our revised 2005 earnings guidance reflects the net impact of a variety of regulatory and operating items, including the net reduction in Ohio transition cost amortization, increased generation margin, and growth in the wires business.
- ⁿ Total cash generation (non-GAAP) guidance for 2006 has been established at a range of \$300 million to \$400 million, with a free cash flow (non-GAAP) guidance range of \$280 million to \$380 million. Our estimated 2006 free cash flow reflects a capital expenditure range of \$1.0 billion to \$1.1 billion.

* The GAAP to Non-GAAP reconciliation statements are attached and available on the Investor Information section of FirstEnergy Corp.'s website at www.firstenergycorp.com/ir . Additional details on the earnings and cash generation guidance are available in a July 27, 2005 Letter to the Investment Community, which is also posted on the website.

For additional information, please contact:

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FirstEnergy Corp.
Consolidated Statements of Income
(In thousands except for per share amounts)

Consolidated Statements of Income

	Three Months Ended June 30,			Six Months Ended June 30,		
	2005	2004	Change	2005	2004	Change
Revenues						
(1) Electric sales	\$ 2,478,413	\$ 2,645,165	\$ (166,752)	\$ 4,915,602	\$ 5,300,777	\$ (385,175)
(2) FE Facilities	56,391	50,301	6,090	102,099	94,720	7,379
(3) MYR	129,254	77,024	52,230	221,635	165,899	55,736
(4) Other	<u>265,220</u>	<u>219,672</u>	<u>45,548</u>	<u>490,661</u>	<u>413,669</u>	<u>76,992</u>
(5) Total Revenues	<u>2,929,278</u>	<u>2,992,162</u>	<u>(62,884)</u>	<u>5,729,997</u>	<u>5,975,065</u>	<u>(245,068)</u>
Expenses						
(6) Fuel	280,228	191,562	88,666	513,117	389,921	123,196
(7) Purchased power	652,368	903,573	(251,205)	1,314,811	1,839,540	(524,729)
(8) Other operating expenses	729,199	704,390	24,809	1,482,093	1,368,833	113,260
(9) FE Facilities	56,212	49,028	7,184	103,904	95,506	8,398
(10) MYR	127,181	78,980	48,201	219,590	167,403	52,187
(11) Provision for depreciation	149,025	146,155	2,870	291,657	291,965	(308)
(12) Amortization of regulatory assets	306,572	270,986	35,586	617,413	581,188	36,225
(13) Deferral of new regulatory assets	(120,162)	(68,315)	(51,847)	(179,669)	(112,720)	(66,949)
(14) General taxes	<u>167,865</u>	<u>157,732</u>	<u>10,133</u>	<u>353,044</u>	<u>336,722</u>	<u>16,322</u>
(15) Total Expenses	<u>2,348,488</u>	<u>2,434,091</u>	<u>(85,603)</u>	<u>4,715,960</u>	<u>4,958,358</u>	<u>(242,398)</u>
Income Before Interest and						
(16) Income Taxes	<u>580,790</u>	<u>558,071</u>	<u>22,719</u>	<u>1,014,037</u>	<u>1,016,707</u>	<u>(2,670)</u>
Net interest charges:						
(17) Interest expense	161,714	179,542	(17,828)	326,358	352,048	(25,690)
(18) Capitalized interest	(4,697)	(5,280)	583	(4,952)	(11,750)	6,798
(19) Subsidiaries' preferred stock dividends	<u>3,733</u>	<u>5,389</u>	<u>(1,656)</u>	<u>10,286</u>	<u>10,670</u>	<u>(384)</u>
(20) Net interest charges	<u>160,750</u>	<u>179,651</u>	<u>(18,901)</u>	<u>331,692</u>	<u>350,968</u>	<u>(19,276)</u>
(21) Income taxes	<u>241,275</u>	<u>176,560</u>	<u>64,715</u>	<u>362,550</u>	<u>291,530</u>	<u>71,020</u>
(22) Income before discontinued operations	178,765	201,860	(23,095)	319,795	374,209	(54,414)
(23) Discontinued operations	<u>(773)</u>	<u>2,185</u>	<u>(2,958)</u>	<u>17,923</u>	<u>3,835</u>	<u>14,088</u>
(24) Net Income	<u>\$ 177,992</u>	<u>\$ 204,045</u>	<u>\$ (26,053)</u>	<u>\$ 337,718</u>	<u>\$ 378,044</u>	<u>\$ (40,326)</u>
Basic Earnings Per Common Share:						
(25) Before discontinued operations	\$ 0.54	\$ 0.61	\$ (0.07)	\$ 0.98	\$ 1.15	\$ (0.17)
(26) Discontinued operations	<u>-</u>	<u>0.01</u>	<u>(0.01)</u>	<u>0.05</u>	<u>0.01</u>	<u>0.04</u>
(27) Basic Earnings Per Common Share	<u>\$ 0.54</u>	<u>\$ 0.62</u>	<u>\$ (0.08)</u>	<u>\$ 1.03</u>	<u>\$ 1.16</u>	<u>\$ (0.13)</u>
Weighted Average Number of						
(28) Basic Shares Outstanding	<u>328,063</u>	<u>327,284</u>	<u>779</u>	<u>327,986</u>	<u>327,171</u>	<u>815</u>
Diluted Earnings Per Common Share:						
(29) Before discontinued operations	\$ 0.54	\$ 0.61	\$ (0.07)	\$ 0.97	\$ 1.14	\$ (0.17)
(30) Discontinued operations	<u>-</u>	<u>0.01</u>	<u>(0.01)</u>	<u>0.05</u>	<u>0.01</u>	<u>0.04</u>
(31) Diluted Earnings Per Common Share	<u>\$ 0.54</u>	<u>\$ 0.62</u>	<u>\$ (0.08)</u>	<u>\$ 1.02</u>	<u>\$ 1.15</u>	<u>\$ (0.13)</u>
Weighted Average Number of						

(32) Diluted Shares Outstanding	<u>329,879</u>	<u>329,103</u>	<u>776</u>	<u>329,679</u>	<u>329,061</u>	<u>618</u>
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FirstEnergy Corp.
Consolidated Income Segments
(In thousands)

Three Months Ended June 30, 2005

	Regulated Services	Power Supply Management Services	Facilities Services	Other (a)	Reconciling Adjustments (b)	Consolidated
Revenues						
(1) Electric sales	\$ 1,164,685	\$ 1,313,728	\$ -	\$ -	\$ -	\$ 2,478,413
(2) FE Facilities	-	-	56,391	-	-	56,391
(3) MYR	-	-	-	129,254	-	129,254
(4) Other	186,174	64,879	-	7,527	6,640	265,220
(5) Internal Revenues	79,972	-	-	-	(79,972)	-
(6) Total Revenues	1,430,831	1,378,607	56,391	136,781	(73,332)	2,929,278
Expenses						
(7) Fuel	-	280,228	-	-	-	280,228
(8) Purchased power	-	652,368	-	-	-	652,368
(9) Other operating expenses	408,174	398,889	-	(4,048)	(73,816)	729,199
(10) FE Facilities	-	-	56,212	-	-	56,212
(11) MYR	-	-	-	127,181	-	127,181
(12) Provision for depreciation	134,995	7,128	-	523	6,379	149,025
(13) Amortization of regulatory assets	306,572	-	-	-	-	306,572
(14) Deferral of new regulatory assets	(120,162)	-	-	-	-	(120,162)
(15) General taxes	149,676	13,568	-	761	3,860	167,865
(16) Total Expenses	879,255	1,352,181	56,212	124,417	(63,577)	2,348,488
Income Before Interest and Income Taxes						
(17) Taxes	551,576	26,426	179	12,364	(9,755)	580,790
Net interest charges:						
(18) Interest expense	99,301	8,840	234	2,131	51,208	161,714
(19) Capitalized interest	(4,133)	(525)	-	(2)	(37)	(4,697)
(20) Subsidiaries' preferred stock dividends	3,733	-	-	-	-	3,733
(21) Net interest charges	98,901	8,315	234	2,129	51,171	160,750
(22) Income taxes	185,597	7,425	2,944	3,957	41,352	241,275
(23) Income before discontinued operations	267,078	10,686	(2,999)	6,278	(102,278)	178,765
(24) Discontinued operations	-	-	222	(995)	-	(773)

(25) Net Income	<u>\$ 267,078</u>	<u>\$ 10,686</u>	<u>\$ (2,777)</u>	<u>\$ 5,283</u>	<u>\$ (102,278)</u>	<u>\$ 177,992</u>
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(a) Other consists of MYR (a construction service company); natural gas operations and telecommunications services.

(b) Reconciling adjustments to segment operating results from internal management reporting to consolidated external financial reporting primarily consists of interest expense related to holding company debt, corporate support services revenues and expenses, fuel marketing revenues which are reflected as reductions to expenses

for internal management reporting purposes and elimination of intersegment transactions.

FirstEnergy Corp.
Consolidated Income Segments
(In thousands)

Three Months Ended June 30, 2004

	Regulated Services	Power Supply Management Services	Facilities Services	Other (a)	Reconciling Adjustments (b)	Consolidated
Revenues						
(1) Electric sales	\$ 1,125,486	\$ 1,519,679	\$ -	\$ -	\$ -	\$ 2,645,165
(2) FE Facilities	-	-	50,301	-	-	50,301
(3) MYR	-	-	-	77,024	-	77,024
(4) Other	152,713	30,593	-	41,583	(5,217)	219,672
(5) Internal Revenues	79,597	-	-	-	(79,597)	-
(6) Total Revenues	1,357,796	1,550,272	50,301	118,607	(84,814)	2,992,162
Expenses						
(7) Fuel	-	191,562	-	-	-	191,562
(8) Purchased power	-	903,573	-	-	-	903,573
(9) Other operating expenses	375,078	355,665	-	24,610	(50,963)	704,390
(10) FE Facilities	-	-	49,028	-	-	49,028
(11) MYR	-	-	-	78,980	-	78,980
(12) Provision for depreciation	126,652	8,770	527	41	10,165	146,155
(13) Amortization of regulatory assets	270,986	-	-	-	-	270,986
(14) Deferral of new regulatory assets	(68,315)	-	-	-	-	(68,315)
(15) General taxes	135,428	17,551	-	669	4,084	157,732
(16) Total Expenses	839,829	1,477,121	49,555	104,300	(36,714)	2,434,091
(17) Income Before Interest and Income Taxes	517,967	73,151	746	14,307	(48,100)	558,071
Net interest charges:						
(18) Interest expense	112,193	11,098	143	737	55,371	179,542
(19) Capitalized interest	(4,072)	(1,167)	-	80	(121)	(5,280)
(20) Subsidiaries' preferred stock dividends	5,389	-	-	-	-	5,389
(21) Net interest charges	113,510	9,931	143	817	55,250	179,651
(22) Income taxes	170,946	25,920	318	(22,103)	1,479	176,560
(23) Income before discontinued operations	233,511	37,300	285	35,593	(104,829)	201,860
(24) Discontinued operations	-	-	1,172	1,013	-	2,185
(25) Net Income	\$ 233,511	\$ 37,300	\$ 1,457	\$ 36,606	\$ (104,829)	\$ 204,045

(a) Other consists of MYR (a construction service company); natural gas operations and telecommunications services.

(b) Reconciling adjustments to segment operating results from internal management reporting to consolidated external financial reporting primarily consists of interest

expense related to holding company debt, corporate support services revenues and expenses, fuel marketing revenues which are reflected as reductions to expenses

for internal management reporting purposes and elimination of intersegment transactions.

FirstEnergy Corp.
Consolidated Income Segments
(In thousands)

Three Months Ended June 30, 2005 vs. Three Months Ended June 30, 2004

	Regulated Services	Power Supply Management Services	Facilities Services	Other (a)	Reconciling Adjustments (b)	Consolidated
Revenues						
(1) Electric sales	\$ 39,199	\$ (205,951)	\$ -	\$ -	\$ -	\$ (166,752)
(2) FE Facilities	-	-	6,090	-	-	6,090
(3) MYR	-	-	-	52,230	-	52,230
(4) Other	33,461	34,286	-	(34,056)	11,857	45,548
(5) Internal Revenues	375	-	-	-	(375)	-
(6) Total Revenues	73,035	(171,665)	6,090	18,174	11,482	(62,884)
Expenses						
(7) Fuel	-	88,666	-	-	-	88,666
(8) Purchased power	-	(251,205)	-	-	-	(251,205)
(9) Other operating expenses	33,096	43,224	-	(28,658)	(22,853)	24,809
(10) FE Facilities	-	-	7,184	-	-	7,184
(11) MYR	-	-	-	48,201	-	48,201
(12) Provision for depreciation	8,343	(1,642)	(527)	482	(3,786)	2,870
(13) Amortization of regulatory assets	35,586	-	-	-	-	35,586
(14) Deferral of new regulatory assets	(51,847)	-	-	-	-	(51,847)
(15) General taxes	14,248	(3,983)	-	92	(224)	10,133
(16) Total Expenses	39,426	(124,940)	6,657	20,117	(26,863)	(85,603)
Income Before Interest and Income Taxes						
(17) Taxes	33,609	(46,725)	(567)	(1,943)	38,345	22,719
Net interest charges:						
(18) Interest expense	(12,892)	(2,258)	91	1,394	(4,163)	(17,828)
(19) Capitalized interest	(61)	642	-	(82)	84	583
(20) Subsidiaries' preferred stock dividends	(1,656)	-	-	-	-	(1,656)
(21) Net interest charges	(14,609)	(1,616)	91	1,312	(4,079)	(18,901)
(22) Income taxes	14,651	(18,495)	2,626	26,060	39,873	64,715
(23) Income before discontinued operations	33,567	(26,614)	(3,284)	(29,315)	2,551	(23,095)

(24) Discontinued operations	<u>-</u>	<u>-</u>	<u>(950)</u>	<u>(2,008)</u>	<u>-</u>	<u>(2,958)</u>
(25) Net Income	<u>\$ 33,567</u>	<u>\$ (26,614)</u>	<u>\$ (4,234)</u>	<u>\$ (31,323)</u>	<u>\$ 2,551</u>	<u>\$ (26,053)</u>

(a) Other consists of MYR (a construction service company); natural gas operations and telecommunications services.

(b) Reconciling adjustments to segment operating results from internal management reporting to consolidated external financial reporting primarily consists of interest

expense related to holding company debt, corporate support services revenues and expenses, fuel marketing revenues which are reflected as reductions to expenses

for internal management reporting purposes and elimination of intersegment transactions.

FirstEnergy Corp.
Financial Statements
(In thousands)

Condensed Consolidated Balance Sheet

	As of <u>June 30, 2005</u>	As of <u>December 31, 2004</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 49,748	\$ 52,941
Receivables	1,444,552	1,356,437
Other	809,735	602,969
Total Current Assets	2,304,035	2,012,347
Property, Plant, and Equipment	13,652,235	13,478,356
Investments	3,314,068	3,273,966
Deferred charges	11,940,905	12,303,275
Total Assets	\$ 31,211,243	\$ 31,067,944
Liabilities and Capitalization		
Current Liabilities:		
Currently payable long-term debt	\$ 943,740	\$ 940,944
Short-term borrowings	554,824	170,489
Accounts payable	696,310	610,589
Other	1,559,098	1,586,413
Total Current Liabilities	3,753,972	3,308,435
Capitalization:		
Common stockholders' equity	8,640,396	8,589,294
Preferred stock	213,719	335,123
Long-term debt and other long-term obligations	9,568,954	10,013,349
Total Capitalization	18,423,069	18,937,766
Noncurrent Liabilities	9,034,202	8,821,743
Total Liabilities and Capitalization	\$ 31,211,243	\$ 31,067,944

Adjusted Capitalization (Including Off-Balance Sheet Items)

	As of June 30,			
	2005	% Total	2004	% Total
Total common equity	\$ 8,640,396	41%	\$ 8,432,963	39%
Preferred stock	213,719	1%	335,123	2%
Long-term debt *	10,512,694	49%	11,393,700	52%
Short-term debt	554,824	3%	74,436	0%
Off-balance sheet debt equivalents:				
Sale-leaseback net debt equivalents	1,294,166	6%	1,352,729	6%
Accounts receivable factoring **	-	0%	178,000	1%
Total	\$ 21,215,799	100%	\$ 21,766,951	100%

GENERAL INFORMATION

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
L-t debt and preferred stock redemptions	\$ 494,610	\$ 721,023	\$ 828,398	\$ 989,943
New L-t debt issues	\$ 245,350	\$ 303,162	\$ 245,350	\$ 884,720
Short-term debt increase (decrease) **	\$ 245,803	\$ (59,563)	\$ 385,614	\$ (447,104)
Capital expenditures	\$ 232,791	\$ 196,094	\$ 461,675	\$ 334,500

* Includes amounts due to be paid within one year, JCP&L securitization of \$273 million and \$289 million in 2005 and 2004, respectively.

** Off-balance sheet accounts receivable factoring agreement renewed as an on-balance sheet short-term debt financing agreement in June 2005.

FirstEnergy Corp.
Financial Statements
(In thousands)

Condensed Consolidated Statements of Cash Flows

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:				
Net income	\$ 177,992	\$ 204,045	\$ 337,718	\$ 378,044
Adjustments to reconcile net income to net cash from operating activities:				
Depreciation and amortization of regulatory assets, nuclear fuel, and leases	354,365	371,958	766,979	805,439
Deferred purchased power and other costs	(82,990)	(60,974)	(192,223)	(144,881)
Deferred income taxes and investment tax credits	76,041	(100,056)	61,885	(94,133)
Loss (income) from discontinued operations	773	(2,185)	(17,923)	(3,835)
Change in working capital and other	(163,855)	(81,228)	(25,320)	38,777
Cash flows from operating activities	\$ 362,326	\$ 331,560	\$ 931,116	\$ 979,411
Cash flows from financing activities	(109,174)	(573,360)	(468,394)	(813,384)
Cash flows from investing activities	(284,595)	61,069	(465,915)	(180,464)
Net decrease in cash and cash equivalents	(31,443)	(180,731)	(3,193)	(14,437)
Cash and cash equivalents at beginning of period	81,191	280,269	52,941	113,975
Cash and cash equivalents at end of period	<u>\$ 49,748</u>	<u>\$ 99,538</u>	<u>\$ 49,748</u>	<u>\$ 99,538</u>

REGULATORY DEFERRALS

	<u>Three Months Ended June 30,</u>			<u>Six Months Ended June 30,</u>		
	<u>2005</u>	<u>2004</u>	<u>Change</u>	<u>2005</u>	<u>2004</u>	<u>Change</u>
Ohio Transition Plan and MISO costs						
Beginning balance	\$ 769,526	\$ 498,020		\$ 710,019	\$ 453,614	
Deferral of shopping incentives	57,583	52,238	\$ 5,345	102,996	93,799	\$ 9,197
Interest on shopping incentives	11,098	14,265	(3,167)	21,531	14,265	7,266
Deferral of new regulatory assets	23,716	1,811	21,905	27,377	4,656	22,721
Current period deferrals	\$ 92,397	\$ 68,314	\$ 24,083	\$ 151,904	\$ 112,720	\$ 39,184
Ending Balance	<u>\$ 861,923</u>	<u>\$ 566,334</u>		<u>\$ 861,923</u>	<u>\$ 566,334</u>	
Deferred Energy Costs - New Jersey						
Beginning balance	\$ 472,400	\$ 425,400		\$ 445,600	\$ 440,900	
Deferral (recovery) of energy costs	45,400	(22,700)	\$ 68,100	72,200	(38,200)	\$ 110,400
Ending Balance	<u>\$ 517,800</u>	<u>\$ 402,700</u>		<u>\$ 517,800</u>	<u>\$ 402,700</u>	

UNUSUAL ITEMS

	<u>Three Months Ended June 30,</u>			<u>Six Months Ended June 30,</u>		
	<u>2005</u>	<u>2004</u>	<u>Change</u>	<u>2005</u>	<u>2004</u>	<u>Change</u>
Gain (Loss) on Non-Core Asset Sales						
FES Natural Gas Business (a)	\$ -	\$ -	\$ -	\$ 8,229	\$ -	\$ 8,229

FirstCommunications (b)	-	-	-	6,800	-	6,800
FSG Subsidiary - Elliott-Lewis (a) (f)	-	-	-	51	-	51
Venture Capital Funds (b)	-	-	-	2,015	-	2,015
Great Lakes Energy Partner (b) (g)	-	15,777	(15,777)	-	15,777	(15,777)
MYR Subsidiary (a)	-	-	-	(524)	-	(524)
FSG Subsidiary - Cranston (a) (h)	(42)	-	(42)	(42)	-	(42)
Total Gain on Non-Core Asset Sales	(42)	15,777	(15,819)	16,529	15,777	752
Litigation Settlement (c)	-	(17,980)	17,980	-	(17,980)	17,980
EPA Settlement - Environmental Projects (c)	-	-	-	(10,000)	-	(10,000)
EPA Penalty (c) (i)	-	-	-	(8,500)	-	(8,500)
NRC Fine (c) (i)	-	-	-	(3,450)	-	(3,450)
JCP&L Rate Settlement (d)	27,765	-	27,765	27,765	-	27,765
Total-Pretax Items	27,723	(2,203)	29,926	22,344	(2,203)	24,547
Ohio Tax Write-off (e)	(71,702)	-	(71,702)	(71,702)	-	(71,702)
EPS Effect	\$ (0.17)	\$ (0.05)	\$ (0.12)	\$ (0.15)	\$ (0.05)	\$ (0.10)

(a) Included in "Discontinued Operations"

(b) Included in "Other Revenues"

(c) Included in "Other Operating Expenses"

(d) Included in "Deferral of New Regulatory Assets"

(e) Included in "Income Taxes"

(f) Before income tax benefit of \$12.2 million

(g) Before income taxes of \$22.6 million

(h) Before income tax benefit of \$0.4 million

(i) No income tax benefit

FirstEnergy Corp. Statistical Summary

ELECTRIC SALES STATISTICS		Three Months Ended June 30,			Six Months Ended June 30,		
(kWh in millions)		2005	2004	Change	2005	2004	Change
Electric Generation Sales							
Retail- Regulated		20,073	19,245	4.3%	41,719	39,987	4.3%
Retail - Competitive		<u>3,444</u>	<u>3,751</u>	<u>-8.2%</u>	<u>6,858</u>	<u>7,767</u>	<u>-11.7%</u>
Total Retail		23,517	22,996	2.3%	48,577	47,754	1.7%
Wholesale *		<u>7,164</u>	<u>7,230</u>	<u>-0.9%</u>	<u>13,595</u>	<u>13,838</u>	<u>-1.8%</u>
Total Electric Generation Sales		<u>30,681</u>	<u>30,226</u>	<u>1.5%</u>	<u>62,172</u>	<u>61,592</u>	<u>0.9%</u>
Electric Distribution Deliveries							
Ohio	-						
Residential		3,811	3,342	14.0%	8,334	7,943	4.9%
Commercial	-	3,616	3,489	3.6%	7,377	7,090	4.0%
Industrial	-	5,842	6,000	-2.6%	11,656	11,664	-0.1%
Other	-	<u>95</u>	<u>92</u>	<u>3.3%</u>	<u>193</u>	<u>186</u>	<u>3.8%</u>
Total		<u>13,364</u>	<u>12,923</u>	<u>3.4%</u>	<u>27,560</u>	<u>26,883</u>	<u>2.5%</u>
Ohio		13,364	12,923	3.4%	27,560	26,883	2.5%
Pennsylvania	- Residential	2,426	2,271	6.8%	5,600	5,412	3.5%
Commercial	-	2,593	2,532	2.4%	5,287	5,082	4.0%
Industrial	-	2,585	2,754	-6.1%	5,205	5,144	1.2%
Other	-	<u>20</u>	<u>19</u>	<u>5.3%</u>	<u>42</u>	<u>39</u>	<u>7.7%</u>
Total		<u>7,624</u>	<u>7,576</u>	<u>0.6%</u>	<u>16,134</u>	<u>15,677</u>	<u>2.9%</u>
Pennsylvania		7,624	7,576	0.6%	16,134	15,677	2.9%
New Jersey	- Residential	2,216	2,109	5.1%	4,570	4,474	2.1%
Commercial	-	2,297	2,242	2.5%	4,526	4,387	3.2%
Industrial	-	751	784	-4.2%	1,495	1,528	-2.2%
Other	-	<u>22</u>	<u>14</u>	<u>57.1%</u>	<u>43</u>	<u>33</u>	<u>30.3%</u>
Total		<u>5,286</u>	<u>5,149</u>	<u>2.7%</u>	<u>10,634</u>	<u>10,422</u>	<u>2.0%</u>
New Jersey		5,286	5,149	2.7%	10,634	10,422	2.0%
Total Residential		8,453	7,722	9.5%	18,504	17,829	3.8%
Total Commercial		8,506	8,263	2.9%	17,190	16,559	3.8%
Total Industrial		9,178	9,538	-3.8%	18,356	18,336	0.1%
Total Other		<u>137</u>	<u>125</u>	<u>9.6%</u>	<u>278</u>	<u>258</u>	<u>7.8%</u>
Total Distribution Deliveries		<u>26,274</u>	<u>25,648</u>	<u>2.4%</u>	<u>54,328</u>	<u>52,982</u>	<u>2.5%</u>
Electric Sales Shopped							
Ohio	-						
Residential		1,725	1,539	12.1%	3,608	3,419	5.5%
Commercial	-	1,789	1,726	3.7%	3,564	3,424	4.1%
Industrial	-	<u>1,235</u>	<u>1,134</u>	<u>8.9%</u>	<u>2,402</u>	<u>2,211</u>	<u>8.6%</u>
Total		<u>4,749</u>	<u>4,399</u>	<u>8.0%</u>	<u>9,574</u>	<u>9,054</u>	<u>5.7%</u>
Ohio		4,749	4,399	8.0%	9,574	9,054	5.7%
Pennsylvania	- Residential	5	6	-16.7%	11	12	-8.3%
Commercial	-	22	41	-46.3%	46	78	-41.0%
Industrial	-	<u>383</u>	<u>548</u>	<u>-30.1%</u>	<u>830</u>	<u>1,080</u>	<u>-23.1%</u>
Total		<u>410</u>	<u>595</u>	<u>-31.1%</u>	<u>887</u>	<u>1,170</u>	<u>-24.2%</u>
Pennsylvania		410	595	-31.1%	887	1,170	-24.2%

New Jersey	- Residential	1	233	-99.6%	2	520	-99.6%
Commercial	-	490	599	-18.2%	1,032	1,200	-14.0%
Industrial	-	551	577	-4.5%	1,114	1,051	6.0%
	Total	1,042	1,409	-26.0%	2,148	2,771	-22.5%
New Jersey		1,042	1,409	-26.0%	2,148	2,771	-22.5%
Total Electric Sales Shopped		6,201	6,403	-3.2%	12,609	12,995	-3.0%

* 2004 excludes the reporting of PJM sales and purchases on a gross basis.

**OPERATING
STATISTICS**

<u>For 12 Months Ended</u>	<u>As of June 30,</u>	
	<u>2005</u>	<u>2004</u>
System Load Factor	61.9%	65.3%
Capacity Factors:		
Fossil	60.8%	58.6%
Nuclear	84.8%	78.3%
Generation Output:		
Fossil	63%	64%
Nuclear	37%	36%

WEATHER

	<u>2005</u>	<u>Normal</u>	<u>2004</u>
Composite Heating-Degree-Days			
2nd Quarter	684	654	544
Year-to-Date	3,663	3,477	3,532
Composite Cooling-Degree-Days			
2nd Quarter	275	245	301
Year-to-Date	275	246	301

FirstEnergy Corp.
2005 EPS and Cash Flow

2005 Earnings Per Share (EPS)
(Reconciliation of GAAP to Non-GAAP)

	<u>Three Months</u> <u>Ended June 30</u>	<u>Six Months</u> <u>Ended June 30</u>	<u>Annual</u> <u>Guidance</u>
Basic EPS (GAAP basis)	\$ 0.54	\$ 1.03	\$ 2.70 - \$2.85
Excluding Unusual Items:			
Gain on non-core asset sales	-	(0.07)	(0.07)
EPA Settlement	-	0.04	0.04
NRC Fine	-	0.01	0.01
JCP&L Rate Settlement	(0.05)	(0.05)	(0.05)
Ohio tax write-off	0.22	0.22	0.22
Basic EPS (non-GAAP basis)	<u>\$ 0.71</u>	<u>\$ 1.18</u>	<u>\$ 2.85 - \$3.00</u>

**Reconciliation of June 2005 Year-to-Date Cash From Operating Activities (GAAP) to
Free Cash Flow (Non-GAAP) and Cash Generation (Non-GAAP)**
(in millions)

Net Cash from Operating Activities:

Net Income	\$ 338
Adjustments:	
Depreciation	292
Amortization and deferral of regulatory assets	438
Deferred purchased power costs	(192)
Deferred income taxes and ITC, net	62
Conversion of off-balance sheet receivables financing to on-balance sheet	(155)
Other, including changes in working capital *	148
Net Cash from Operating Activities (GAAP)	\$ 931
Other Items:	
Capital expenditures	(429)
Nuclear fuel fabrication	(63)
Decommissioning	(51)
Common stock dividends	(270)
Conversion of off-balance sheet receivables financing to on-balance sheet	155
Other, net	(80)
Free Cash Flow (Non-GAAP)	\$ 193
Non-core asset sales	58
Cash generation (Non-GAAP)	\$ 251

* Includes \$242 million from Ohio School Council's prepayment for

electric service.

FirstEnergy Corp.
2005 Cash Flow Guidance

**Reconciliation of 2005 Estimated Cash from Operating Activities (GAAP) to
Estimated Free Cash Flow (Non-GAAP) and Estimated Cash Generation (Non-GAAP)**
(in millions)

Net Cash from Operating Activities:

GAAP Earnings Guidance	\$	887 - \$937
Adjustments:		
Depreciation		572
Amortization and deferral of regulatory assets		908
Deferred purchased power costs		(450)
Deferred income taxes and ITC, net		45
Conversion of off-balance sheet receivables financing to on-balance sheet		(155)
Other, including changes in working capital *		225
Net Cash from Operating Activities (GAAP)	\$	2,057

Other Items:

Capital expenditures		(1,005)
Nuclear fuel fabrication		(80)
Decommissioning		(100)
Common stock dividends		(542)
Conversion of off-balance sheet receivables financing to on-balance sheet		155
Other, net		50
Free Cash Flow (Non-GAAP)	\$	535

Non-core asset sales		85
Cash Generation (Non-GAAP)	\$	620

* Includes net \$220 million from Ohio School Council's prepayment for electric service.

The GAAP to Non-GAAP reconciliation statements are available on the Investor Information section of FirstEnergy Corp.'s website at www.firstenergycorp.com/ir. Additional details on the earnings and cash generation guidance are available in a July 27, 2005

Letter to the Investment Community, which is also posted on the website.

**FirstEnergy Corp.
2006 Cash Flow Guidance**

**Reconciliation of 2006 Estimated Cash from Operating Activities (GAAP) to
Estimated Free Cash Flow (Non-GAAP) and Estimated Cash Generation (Non-GAAP)**

(in millions)

Net Cash from Operating Activities:

GAAP Earnings Guidance	\$	1,120 - \$1,185
Adjustments:		
Depreciation		595
Amortization and deferral of regulatory assets		780
Deferred purchased power costs		(380)
Deferred income taxes and ITC, net		(110)
Other, including changes in working capital		32
Net Cash from Operating Activities (GAAP)	\$	2,070

Other Items:

Capital expenditures		(1,000) - (1,100)
Nuclear fuel fabrication		(160)
Common stock dividends		(570)
Other, net		40
Free Cash Flow (Non-GAAP)	\$	280 - 380
Non-core asset sales		20
Cash Generation (Non-GAAP)	\$	300 - 400

The GAAP to Non-GAAP reconciliation statements are available on the Investor Information section of FirstEnergy Corp.'s website at www.firstenergycorp.com/ir. Additional details on the earnings and cash generation guidance are available in a July 27, 2005 Letter to the Investment

Community, which is also posted on the website.

RECENT DEVELOPMENTS

Regulatory Update

On May 18, 2005, the Public Utilities Commission of Ohio (PUCO) granted the accounting authority for FirstEnergy's Ohio utility operating companies to defer, for future recovery, incremental transmission and ancillary service-related charges incurred as a participant in the Midwest Independent Transmission System Operator, Inc. The PUCO's order applies to charges incurred from December 30, 2004, through January 1, 2006, and authorizes the companies to accrue carrying charges on the deferral balances. The amount to be deferred will reflect actual incremental expenses, including line losses and carrying charges. In a separate case, pending before the PUCO, the companies propose to begin recovery of these incremental costs on January 1, 2006, through a tariff rider, which also would amortize the deferred balance over five years. On July 22, we filed a settlement stipulation reached with various parties including the Ohio Consumers' Counsel and the PUCO staff that provides for the requested recovery. If the settlement stipulation is approved by the PUCO, the actual amounts to be recovered in 2006 will be submitted to the PUCO on or before November 1, 2005.

On May 25, 2005, the New Jersey Board of Public Utilities approved a stipulated settlement agreement resolving the Jersey Central Power & Light (JCP&L) Phase II rate case filing, and a second stipulated settlement agreement resolving the motion for reconsideration of the 2003 decision in the JCP&L Phase I rate proceeding. The stipulated agreements are expected to increase JCP&L's annual revenues by \$51.1 million and result in a net annual earnings per share impact of approximately \$0.12 per share. For 2005, the total impact is expected to be approximately \$0.11 per share, which includes a \$0.06 per share increase from revenues commencing on June 1 of this year and a one-time benefit of \$0.05 per share from the creation of a new regulatory asset associated with accelerated tree trimming costs expensed in 2003 and 2004.

On May 27, 2005, FirstEnergy's Ohio utility operating companies filed a request with the PUCO to establish a generation charge adjustment factor (GCAF) rider, as permitted under the Rate Stabilization Plan. The filing reflects projected increases in fuel and related costs in 2006 compared with 2002 costs. The companies request the tariff rider be implemented on January 1, 2006. Based on projected fuel costs and 2006 Ohio retail sales to which the GCAF rider will apply, the estimated revenue from the implementation of this rider is approximately \$93 million in 2006.

Rating Agency Actions

On May 16, 2005, Standard & Poor's Ratings Services revised its outlook on FirstEnergy and its subsidiaries to "positive" from "stable" and affirmed its 'BBB-' corporate credit ratings on the companies. Standard & Poor's stated that the outlook revision and rating affirmation reflect the successful restart of the Perry and Beaver Valley nuclear stations after their respective refueling outages.

On July 18, 2005, Moody's Investors Service changed its ratings outlook on FirstEnergy and its subsidiaries to "positive" from "stable", citing the companies' improved finances and utility operations. FirstEnergy's senior unsecured rating by Moody's is 'Baa3'.

Intra-System Generation Asset Transfers

In May 2005, Ohio Edison Company (OE), The Cleveland Electric Illuminating Company (CEI), The Toledo Edison Company (TE), and Pennsylvania Power Company entered into certain agreements implementing a series of intra-system generation asset transfers, required under the restructuring plans approved in Ohio and Pennsylvania. When concluded, these transfers will result in the respective undivided ownership interests of the above utilities in FirstEnergy's nuclear, fossil and hydroelectric plants being owned by FirstEnergy subsidiaries, FirstEnergy Nuclear Generation Corp., a new Ohio corporation, and FirstEnergy Generation Corp., respectively, separate and apart from the above utility subsidiaries. The generating plant interests that are being transferred do not include interests of CEI, TE and OE in certain of the plants that are currently subject to sale and leaseback arrangements with unaffiliated third parties.

Record Generation Output

FirstEnergy set a new generation output record of 19.1 million MWhs in the second quarter and 37.9 million MWhs for the first six months of the year. The output record was attributable to the outstanding performance of our generation fleet, particularly the 2,360 MW Bruce Mansfield Plant, which operated at a 97.4% availability factor for the six-month period.

On May 3, 2005, FirstEnergy's Sammis Unit 2 became the longest-running single-turbine steam generating unit in the nation's history when it surpassed a continuous-operation record of 819 days.

New Credit Facility

On June 14, 2005, FirstEnergy and certain of its subsidiaries, including all of its operating utility subsidiaries, entered into a new five-year syndicated credit facility totaling \$2 billion. The new facility replaced FirstEnergy's \$1 billion and \$375 million three-year credit agreements, as well as OE's \$125 million three-year credit agreement and \$250 million two-year credit agreement, which expired in May 2005. Borrowings under the facility must be repaid within 364 days. Available amounts for each borrower are subject to a specified sublimit as well as applicable regulatory and other limitations.

Nuclear Plant Update

On April 28, 2005, Beaver Valley Unit 2 returned to service following a scheduled refueling outage. Major work included replacement of fuel assemblies and a thorough inspection of the reactor vessel head and under-vessel, which were found to be in good condition.

On May 6, 2005, the Perry Plant returned to service following a scheduled refueling outage. The scope of the outage was increased by about 30% to enhance plant reliability, including work on the main generator, refurbishment of high-voltage breakers and modification of the emergency diesel generators' exhaust system.

On May 20, 2005, the Nuclear Regulatory Commission (NRC) announced the return of Davis-Besse to the standard oversight process, effective July 1, 2005, augmented to include inspections supporting the NRC's start-up order of March 8, 2004.

On July 8, 2005, the NRC issued their 95003 inspection report on the Perry plant. The inspection report concluded that Perry is being operated safely, however, the NRC will continue to provide increased oversight as FirstEnergy Nuclear Operating Company continues to implement Perry's Performance Improvement Initiative.

Forward-Looking Statements: This Consolidated Report to the Financial Community includes forward-looking statements based on information currently available to management. Such statements are subject to certain risks and uncertainties. These statements typically contain, but are not limited to, the terms "anticipate," "potential," "expect," "believe," "estimate" and similar words. Actual results may differ materially due to the speed and nature of increased competition and deregulation in the electric utility industry, economic or weather conditions affecting future sales and margins, changes in markets for energy services, changing energy and commodity market prices, replacement power costs being higher than anticipated or inadequately hedged, the continued ability of our regulated utilities to collect transition and other charges, maintenance costs being higher than anticipated, legislative and regulatory changes (including revised environmental requirements), the uncertainty of the timing and amounts of the capital expenditures (including that such amounts could be higher than anticipated) or levels of emission reductions related to the settlement agreement resolving the New Source Review litigation, adverse regulatory or legal decisions and outcomes (including revocation of necessary licenses or operating permits, fines or other enforcement actions and remedies) of governmental investigations and oversight, including by the Securities and Exchange Commission, the United States Attorney's Office and the Nuclear Regulatory Commission as disclosed in our Securities and Exchange Commission filings, generally, and with respect to the Davis-Besse Nuclear Power Station outage and heightened scrutiny at the Perry Nuclear Power Plant in particular, the availability and cost of capital, the continuing availability and operation of generating units, our inability to accomplish or realize anticipated benefits from strategic goals, our ability to improve electric commodity margins and to experience growth in the distribution business, our ability to access the public securities and other capital markets, the outcome, cost and other effects of present and potential legal and administrative proceedings and claims related to the August 14, 2003 regional power outage, the final outcome in the proceeding related to FirstEnergy's Application for a Rate Stabilization Plan in Ohio, the risks and other factors discussed from time to time in our Securities and Exchange Commission filings, and other similar factors. FirstEnergy expressly disclaims any current intention to update any forward-looking statements contained herein as a result of new information, future events, or otherwise.

FirstEnergy Corp.
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For Release : July 27, 2005

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**FIRSTENERGY RAISES EARNINGS AND CASH FLOW GUIDANCE FOR 2005;
ISSUES GUIDANCE FOR 2006**

Based on its solid second quarter 2005 earnings and continued improvement in operational and financial performance, FirstEnergy Corp. (NYSE: FE) announced today that it is raising its annual earnings guidance (non-GAAP) ⁽¹⁾ for 2005 by \$0.15 cents per share to \$2.85 to \$3.00 per share. Earnings guidance of \$2.70 to \$2.85 per share, excluding unusual items, was initially set on November 30, 2004. In addition, the company is increasing its cash flow guidance for 2005 and issuing annual earnings and cash flow guidance for 2006.

"By continuing to focus on our key objectives - maximizing the contribution of our generating plants, reinvesting in our business, enhancing financial strength and flexibility, and delivering consistent financial results - we are in a position to raise 2005 earnings and cash flow guidance and to issue 2006 guidance at this time," said Anthony J. Alexander, president and chief executive officer of FirstEnergy.

The upward revision of 2005 earnings guidance is primarily attributable to favorable regulatory decisions in Ohio and New Jersey; reduced operating expenses; a reduction in depreciation expenses due to the extension of the estimated service lives of the company's fossil generation units; lower pension and other employee benefits costs; and the favorable operating performance of its generation fleet.

As a result of the company's strong operating performance in the first half of the year and cash generated from an electricity prepayment program called Energy for Education II, the company now estimates 2005 free cash flow (non-GAAP) of \$535 million and 2005 cash

(more)

generation (non-GAAP) of \$620 million, up from previous estimates of \$425 million and \$560 million, respectively.

FirstEnergy Corp.
Reconciliation of 2005 Estimated Earnings Per Share (GAAP)
To Revised Earnings Per Share Guidance (Non-GAAP)

Estimated 2005 Basic Earnings Per Share (GAAP)	\$ 2.70-\$2.85
Excluding Unusual Items:	
New Regulatory Assets -	(0.05)
JCP&L Rate Settlement	
Sale of Non-core Assets	(0.07)
Ohio Tax Write-off	0.22
Sammis Plant New Source Review	0.04
Settlement	
Davis-Besse NRC Fine	0.01
Estimated 2005 Basic Earnings Per Share (Non-GAAP)	\$ 2.85-\$3.00

FirstEnergy Corp.
Reconciliation of 2005 Estimated Cash From Operating Activities (GAAP) to
Estimated Free Cash Flow (Non-GAAP) and Estimated Cash Generation (Non-GAAP)
(\$ Millions)

Net Cash from Operating Activities:	
GAAP Earnings Guidance	\$887-\$937
Adjustments:	
Depreciation	572
Amortization and deferral of regulatory assets	908
Deferred purchased power costs	(450)
Deferred income taxes and ITC, net	45
Conversion of off-balance sheet receivables financing	
to on-balance sheet	(155)
Other, including changes in working capital*	225
Net cash from operating activities (GAAP)	2,057
Other Items:	
Capital expenditures	(1,005)
Nuclear fuel fabrication	(80)
Contributions to nuclear decommissioning trusts	(100)
Common stock dividends	(542)
Conversion of off-balance sheet receivables financing	
to on-balance sheet	155
Other, net	50
Free Cash Flow (Non-GAAP)	535
Non-core asset sales	85
Cash Generation (Non-GAAP)	\$ 620

*Includes net \$220 million from Ohio Schools Council prepayment for electric service

(more)

Also today, the company announced earnings guidance for 2006 of \$3.40 to \$3.60 per share of common stock, excluding unusual items. The company is currently unaware of any specific unusual charges or credits that will become reconciling items between earnings per share on a GAAP and non-GAAP basis in 2006.

The 2006 guidance reflects anticipated growth in the company's energy delivery business, increased generation margins, and a net reduction in Ohio transition cost amortization. It also reflects increased costs associated with a planned outage at its Beaver Valley Nuclear Power Station to install a new steam generator and replace the reactor vessel head on Unit 1.

The company expects to generate net cash from operating activities (GAAP) in excess of \$2 billion in 2006, with free cash flow (non-GAAP) of approximately \$280 million to \$380 million after capital expenditures and common stock dividends, and cash generation (non-GAAP) of approximately \$300 million to \$400 million, as shown below:

FirstEnergy Corp.
Reconciliation of 2006 Estimated Cash From Operating Activities (GAAP) to
Estimated Free Cash Flow (Non-GAAP) and Estimated Cash Generation (Non-GAAP)
(\$ Millions)

Net Cash from Operating Activities:

GAAP Earnings Guidance	\$	1,120-\$1,185
Adjustments:		
Depreciation		595
Amortization and deferral of regulatory assets		780
Deferred purchased power costs		(380)
Deferred income taxes and ITC, net		(110)
Other, including changes in working capital		32
Net cash from operating activities (GAAP)		2,070

Other Items:

Capital expenditures		(1,000)-(1,100)
Nuclear fuel fabrication		(160)
Common stock dividends		(570)
Other, net		40
Free Cash Flow (Non-GAAP)	\$	280-\$380
Non-core asset sales		20
Cash Generation (Non-GAAP)	\$	300-\$400

The estimate for 2006 includes capital spending of approximately \$1.0 billion to \$1.1 billion, which is an increase of up to \$100 million above our expected capital spending in 2005.

(more)

Details on the company's 2005 and 2006 earnings guidance will be provided during the company's earnings conference call, scheduled today at 1:00 p.m., (EDT). Briefings on the company's strategies, operations and financial outlook also will be provided. Supplemental information is included in the July 27, 2005, letter addressed to the investment community, which is posted on the Investor Information section of FirstEnergy's Web site, www.firstenergycorp.com/ir.

FirstEnergy is a diversified energy company headquartered in Akron, Ohio. Its subsidiaries and affiliates are involved in the generation, transmission and distribution of electricity, as well as energy management and other energy-related services.

Ⓞ This news release contains 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, or is subject to adjustment that have the effect of excluding or including 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).

Forward-Looking Statements: This news release includes forward-looking statements based on information currently available to management. Such statements are subject to certain risks and uncertainties. These statements typically contain, but are not limited to, the terms "anticipate," "potential," "expect," "believe," "estimate" and similar words. Actual results may differ materially due to the speed and nature of increased competition and deregulation in the electric utility industry, economic or weather conditions affecting future sales and margins, changes in markets for energy services, changing energy and commodity market prices, replacement power costs being higher than anticipated or inadequately hedged, the continued ability of our regulated utilities to collect transition and other charges, maintenance costs being higher than anticipated, legislative and regulatory changes (including revised environmental requirements), the uncertainty of the timing and amounts of the capital expenditures (including that such amounts could be higher than anticipated) or levels of emission reductions related to the settlement agreement resolving the New Source Review litigation, adverse regulatory or legal decisions and outcomes (including revocation of necessary licenses or operating permits, fines or other enforcement actions and remedies) of governmental investigations and oversight, including by the Securities and Exchange Commission, the United States Attorney's Office and the Nuclear Regulatory Commission as disclosed in our Securities and Exchange Commission filings, generally, and with respect to the Davis-Besse Nuclear Power Station outage and heightened scrutiny at the Perry Nuclear Power Plant in particular, the availability and cost of capital, the continuing availability and operation of generating units, our inability to accomplish or realize anticipated benefits from strategic goals, our ability to improve electric commodity margins and to experience growth in the distribution business, our ability to access the public securities and other capital markets, the outcome, cost and other effects of present and potential legal and administrative proceedings and claims related to the August 14, 2003 regional power outage, the final outcome in the proceeding related to FirstEnergy's Application for a Rate Stabilization Plan in Ohio, the risks and other factors discussed from time to time in our Securities and Exchange Commission filings, and other similar factors. FirstEnergy expressly disclaims any current intention to update any forward-looking statements contained herein as a result of new information, future events, or otherwise.

(072705)

FIRSTENERGY**Terrance G. Howson**
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Investor RelationsFirstEnergy Corp.
76 S. Main Street
Akron, Ohio 44308
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July 27, 2005

TO THE INVESTMENT COMMUNITY:¹

As detailed in today's attached news release, FirstEnergy Corp. raised its earnings and cash flow guidance for 2005 and announced its 2006 earnings and cash flow guidance. This letter provides additional details concerning these announcements.

2005 Earnings Guidance

FirstEnergy issued 2005 earnings guidance of \$2.70 to \$2.85 per share, excluding unusual items, on November 30, 2004 (see the Letter to the Investment Community dated November 30, 2004 for additional details, available at www.firstenergycorp.com/ir). Since that time, the company has experienced favorable operating performance of its generation portfolio, lower pension and other employee benefit costs, reduced operating expenses, and a reduction in depreciation expense due to the extension of the estimated service lives of its fossil generation units.

Also, in May 2005 we received regulatory orders in Ohio and New Jersey that provide positive financial impacts in 2005 that were not reflected in our original earnings guidance:

- On May 18, the Public Utilities Commission of Ohio granted the accounting authority for FirstEnergy Corp.'s Ohio electric utility operating companies to defer their incremental transmission and ancillary service-related charges incurred as a participant in the Midwest Independent Transmission System Operator, Inc. (see the Letter to the Investment Community dated May 18, 2005 for additional details).
- On May 25, the New Jersey Board of Public Utilities ("BPU") approved two Stipulations of Settlement between Jersey Central Power & Light Company (JCP&L) and other parties (see the Letter to the Investment Community dated May 25, 2005 for additional details).

¹ Please see the forward-looking statement at the end of this letter

Partially offsetting these favorable developments have been unanticipated replacement power and O&M costs resulting from a 26-day forced outage at the Perry nuclear plant and the extension of the subsequent scheduled Perry refueling outage.

Combined, these developments allow us to revise our 2005 earnings guidance to \$2.85 to \$3.00 per share, excluding unusual items, as detailed in the following table.

2005 Initial non-GAAP EPS Guidance	\$2.70 - \$2.85
T & D Delivery Growth	0.03
Operating Expenses	0.05
Pension & Other Employee Benefits	0.05
Fossil Plants Depreciation (Life Extension)	0.05
JCP&L Rate Case Settlements	0.06
Ohio Transmission Deferral (MISO)	0.04
Perry Forced Outage	(0.04)
Perry Extended Refueling Outage	(0.09)
2005 Revised non-GAAP EPS Guidance	\$ 2.85 - \$3.00

Attached to this letter is a GAAP to non-GAAP reconciliation of our revised 2005 earnings guidance.

With normalized non-GAAP earnings in the first two quarters of 2005 of \$1.18 per share, we estimate that the remaining earnings for the year, excluding unusual items, will be allocated approximately 55% in the third quarter and 45% in the fourth quarter.

2005 Cash Flow Guidance

In our first quarter 2005 earnings release, we estimated free cash flow (non-GAAP) of \$425 million and, after reflecting miscellaneous asset sales and other items, total cash generation (non-GAAP) of \$560 million.

During the second quarter - through an electricity prepayment program called Energy for Education II - our Ohio operating companies received electric service prepayments that will have a net 2005 prepayment benefit of approximately \$220 million. This program involved the Ohio Schools Council's ("OSC") pre-paying the electric bills of schools in return for discounts on their electricity service during the next three years. The OSC is a consortium of school districts in northern Ohio and the program benefited 249 districts.

Coupled with other operating and working capital changes, we now estimate our 2005 free cash flow (non-GAAP) to be \$535 million and our 2005 cash generation (non-GAAP) at \$620 million. Attached to this letter is a GAAP to non-GAAP reconciliation of our revised cash flow guidance.

The company continues to project net debt reduction of \$600 million during the year, which should result in a debt to total capital ratio of about 55% at year-end. Cash availability above our guidance level would result from the release of collateral when the company gains an investment-grade rating for senior unsecured debt from Standard & Poor's (S&P). Additional cash resources could also become available through the anticipated JCP&L securitization, although the timing of this is uncertain.

2006 Earnings Guidance

We are establishing our 2006 earnings guidance, excluding unusual items, of \$3.40 to \$3.60 per share. This increase reflects the net impact of a variety of regulatory and operating items in comparison to our revised 2005 earnings guidance. We are currently unaware of any specific unusual items or credits that will become reconciling items between earnings per share on a GAAP and non-GAAP basis in 2006. The following table reconciles the increase from the mid-point of our revised 2005 earnings guidance (\$2.93) to the mid-point of our 2006 earnings guidance (\$3.50).

2005 Revised non-GAAP EPS Guidance	\$2.85 - \$3.00
Ohio Rate Stabilization Plan ⁽¹⁾	0.50
T & D delivery growth	0.10
Annualized JCP&L rate case settlements ⁽²⁾	0.06
Financing costs	0.03
Net generation margin ⁽³⁾	0.10
Employee benefit costs	(0.07)
Depreciation expense	(0.03)
Other expenses ⁽⁴⁾	(0.12)
2006 EPS Guidance	\$ 3.40 - \$3.60

⁽¹⁾ Net amortization benefit of \$0.76 per share offset by estimated loss of shopping credit deferral of \$0.26 per share

⁽²⁾ 2006 full year benefit from the rate settlement in New Jersey

⁽³⁾ Expiration of power sales contract with PEPCO..... ..(\$0.09)

Revised power purchase contract with OVEC..... ..(\$0.01)

Ohio revenue increase for fuel costs..... ..\$0.17

Increase in POLR generation rates in PA..... ..\$0.14

Other (e.g., higher fuel & purchased power costs, etc) ..(\$0.11)

⁽⁴⁾ Includes O&M and general taxes.

2006 Cash Flow Guidance

We are establishing our estimated 2006 free cash flow (non-GAAP) guidance at a range of \$280 million to \$380 million and our 2006 cash generation (non-GAAP) guidance at a range of \$300 million to \$400 million. These guidance amounts reflect \$2.1 billion of net cash from operating activities (GAAP), which is up slightly from the guidance level in 2005. Attached to this letter is a GAAP to non-GAAP reconciliation of our 2006 cash flow guidance.

The following table reconciles our estimated 2005 free cash flow to our estimated 2006 free cash flow.

2005 Revised Estimated Free Cash Flow (non-GAAP) <i>(In millions)</i>	\$535
Capital expenditures	\$ 0 - (\$100)
Nuclear fuel fabrication	(\$80)
Decommissioning	\$ 100
Ohio School Council's prepayment, net	(\$260)
T & D delivery growth	\$ 30
Net generation margin	\$ 30
Annualized JCP&L rate case settlements	\$ 20
Other *	\$ 5
2006 Estimated Free Cash Flow (non-GAAP)	\$ 280 - \$380

* Includes employee benefits, O&M, financing costs, and general taxes, net.

Our 2006 cash flow guidance includes estimated capital expenditures within a range of \$1 billion to \$1.1 billion. We will finalize our 2006 capital-spending program this fall as we complete our budgeting process, which will prioritize capital projects and review our air quality control compliance strategy. We will provide investors with additional details about our 2006 capital spending plans later this year.

As mentioned previously, cash availability could be increased above our guidance range from the release of approximately \$120 million of collateral when the Company regains its investment grade credit rating for unsecured debt from S&P and through the anticipated JCP&L securitization of up to \$277 million.

Longer-Term EPS Growth Rate

Our longer-term annual EPS growth rate target of 3% to 4% remains unchanged. We believe this target is achievable through:

- Growth in our regulated business
- Continued improvement in the operation of our generation facilities
- Efficient management of our field work force and the effective use of technology

- Full, fair and timely regulatory recovery of our costs
- Redeployment of our free cash flow from a debt return (achieved during our debt reduction program) to an equity return achievable through stock repurchases and/or reinvestment in our business, as may be determined in the future.

Summary

Throughout this year we have emphasized several key areas of management focus:

- **Maximize the contribution from our generation assets.** We established a new generation output record in 2004 and we are on-track to break that record this year.
- **Continue to reinvest in our business and improve customer service and reliability .** This year we are investing an incremental \$125 million of capital to further strengthen our T & D system and deliver the high levels of reliability that our customers expect.
- **Continue to enhance our financial strength and flexibility.** We expect to end our multi-billion dollar debt retirement program this year and are on target to achieve our target debt-to-capital ratio of approximately 55% by year-end.
- **Attain an investment grade credit rating from S&P.** Our credit rating outlook was revised to "positive" from "stable" by S&P on May 16, 2005.
- **Deliver consistent financial results that meet or exceed your expectations.** We have exceeded consensus analyst earnings estimates for six consecutive quarters and are pleased to increase our 2005 earnings guidance today.

We have made substantial financial and operating progress over the recent past and believe that we will achieve levels of performance that will provide additional value for our investors.

If you have any questions concerning information in this update, please call Kurt Turosky, Director of Investor Relations, at (330) 384-5500, or me at (973) 401-8519.

Very truly yours,

Terrance G. Howson
Vice President - Investor Relations

Forward-Looking Statement

This investor letter includes forward-looking statements based on information currently available to management. Such statements are subject to certain risks and uncertainties. These statements typically contain, but are not limited to, the terms "anticipate," "potential," "expect," "believe," "estimate" and similar words. Actual results may differ materially due to the speed and nature of increased competition and deregulation in the electric utility industry, economic or weather conditions affecting future sales and margins, changes in markets for energy services, changing energy and commodity market prices, replacement power costs being higher than anticipated or inadequately hedged, the continued ability of our regulated utilities to collect transition and other charges, maintenance costs being higher than anticipated, legislative and regulatory changes (including revised environmental requirements), the uncertainty of the timing and amounts of the capital expenditures (including that such amounts could be higher than anticipated) or levels of emission reductions related to the settlement agreement resolving the New Source Review litigation, adverse regulatory or legal decisions and outcomes (including revocation of necessary licenses or operating permits, fines or other enforcement actions and remedies) of governmental investigations and oversight, including by the Securities and Exchange Commission, the United States Attorney's Office and the Nuclear Regulatory Commission as disclosed in our Securities and Exchange Commission filings, generally, and with respect to the Davis-Besse Nuclear Power Station outage and heightened scrutiny at the Perry Nuclear Power Plant in particular, the availability and cost of capital, the continuing availability and operation of generating units, our inability to accomplish or realize anticipated benefits from strategic goals, our ability to improve electric commodity margins and to experience growth in the distribution business, our ability to access the public securities and other capital markets, the outcome, cost and other effects of present and potential legal and administrative proceedings and claims related to the August 14, 2003 regional power outage, the final outcome in the proceeding related to FirstEnergy's Application for a Rate Stabilization Plan in Ohio, the risks and other factors discussed from time to time in our Securities and Exchange Commission filings, and other similar factors. FirstEnergy expressly disclaims any current intention to update any forward-looking statements contained herein as a result of new information, future events, or otherwise.

2005 Earnings Per Share (EPS)
(Reconciliation of GAAP to non-GAAP)

	Annual Guidance
Basic EPS (GAAP basis)	\$ 2.70 - \$2.85
Excluding Unusual Items:	
Gain on non-core asset sales	(0.07)
EPA Settlement	0.04
NRC Fine	0.01
JCP&L Rate Settlement	(0.05)
Ohio tax write-off	0.22
Basic EPS (non-GAAP basis)	\$ 2.85 - \$3.00

**Reconciliation of 2005 Estimated Cash from Operating Activities (GAAP) to
Estimated Free Cash Flow (non-GAAP) and Estimated Cash Generation (non-GAAP)**
(in millions)

Net Cash from Operating Activities:

GAAP Earnings Guidance	\$ 887 - \$937
Adjustments:	
Depreciation	572
Amortization and deferral of regulatory assets	908
Deferred purchased power costs	(450)
Deferred income taxes and ITC, net	45
Conversion of off-balance sheet receivables financing to on-balance sheet	(155)
Other, including changes in working capital *	225
Net Cash from Operating Activities (GAAP)	\$ 2,057

Other Items:

Capital expenditures	(1,005)
Nuclear fuel fabrication	(80)
Decommissioning	(100)
Common stock dividends	(542)
Conversion of off-balance sheet receivables financing to on-balance sheet	155
Other, net	50
Free Cash Flow (non-GAAP)	\$ 535
Non-core asset sales	85
Cash Generation (non-GAAP)	\$ 620

* Includes net \$220 million from Ohio School Council's prepayment for electric service.

**Reconciliation of 2006 Estimated Cash from Operating Activities (GAAP) to
Estimated Free Cash Flow (non-GAAP) and Estimated Cash Generation (non-GAAP)**
(in millions)

Net Cash from Operating Activities:

GAAP Earnings Guidance	\$	1,120 - \$1,185
Adjustments:		
Depreciation		595
Amortization and deferral of regulatory assets		780
Deferred purchased power costs		(380)
Deferred income taxes and ITC, net		(110)
Other, including changes in working capital		32
Net Cash from Operating Activities (GAAP)	\$	2,070

Other Items:

Capital expenditures		(1,000) - (1,100)
Nuclear fuel fabrication		(160)
Common stock dividends		(570)
Other, net		40
Free Cash Flow (non-GAAP)	\$	280 - \$380
Non-core asset sales		20
Cash Generation (non-GAAP)	\$	300 - \$400

