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## **FIRSTENERGY OHIO UTILITY CUSTOMERS TO SAVE \$320 MILLION UNDER REVISED RECOVERY OF DEFERRED EXPENSES**

AKRON, OH – Customers of FirstEnergy’s (NYSE: FE) Ohio utilities – Ohio Edison, The Cleveland Electric Illuminating Company and Toledo Edison – would benefit from \$320 million in savings if proposals to accelerate recovery of deferred costs are approved by the Public Utilities Commission of Ohio (PUCO). The proposals, one covering residential customer deferrals and the other for commercial and industrial customers, were filed July 27 with the PUCO. The residential proposal is supported by the Ohio Consumer and Environmental Advocates, including the Office of Consumers’ Counsel. If approved, the accelerated recovery would provide significant financial benefits to customers with no increase in the current price they pay for electricity.

“Much like reducing the length of a home mortgage saves on interest costs, these proposals would save customers \$320 million in carrying costs while providing our utilities with full recovery of their investments,” said FirstEnergy President and Chief Executive Officer Anthony J. Alexander. “The accelerated recovery would significantly reduce costs to customers, while keeping current rates stable and avoiding future increases that otherwise would have been implemented.”

Under the company’s Electric Security Plan (ESP), FirstEnergy’s Ohio utilities received approval to collect, over a period of up to 25 years beginning in 2011, previously deferred costs incurred in 2006 through 2008, primarily for distribution investments. The total cost, including carrying charges, would have totaled approximately \$636 million. Under the proposals filed today, total recovery would be

reduced to approximately \$316 million and collected between September 2009 and May 2011. To ensure that customer rates remain stable, recovery would take place only in non-summer months, when rates are lower, with no cost recovery June through August 2010. While the accelerated recovery would mean slightly higher electricity prices than customers otherwise would have paid during the winter months, they still would see modest decreases compared with summer electricity costs.

“With electric generation prices at the lowest levels in several years, we have a unique opportunity to accelerate the recovery of past costs while keeping electricity rates stable,” said Alexander. “And, we are able to enhance the company’s cash flow, helping reduce the need to borrow at today’s higher cost of capital.”

The utilities also committed to contribute an additional \$2.5 million over three years to a fund established under the ESP to provide payment assistance to low income customers. The fund originally committed \$6 million in customer support.

In addition, the utilities filed a revision to their proposed Ohio Residential Renewable Energy Credit Program. Under this program, the companies would purchase renewable energy credits (RECs) from utility customers with net metering arrangements who generate electricity from renewable sources such as solar and wind. The revised plan would extend the term of the purchase agreement to 15 years, which provides a significant incentive for customers to invest in solar, wind and other renewable energy projects. The original filing proposed purchasing RECs through May 2011. RECs purchased by the utility companies would be used to help comply with Ohio’s new renewable energy standards.

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. Its seven electric utility operating companies comprise the nation’s fifth largest investor-owned electric system, based on 4.5 million customers served within a 36,100-square-mile area

of Ohio, Pennsylvania and New Jersey; and its generation subsidiaries control more than 14,000 megawatts of capacity.

**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 include declarations regarding our management's intents, beliefs and current expectations. These statements typically contain, but are not limited to, the terms "anticipate," "potential," "expect," "believe," "estimate" 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. Actual results may differ materially due to the speed and nature of increased competition in the electric utility industry and legislative and regulatory changes affecting how generation rates will be determined following the expiration of existing rate plans in Pennsylvania, the impact of the PUCO's regulatory process on the Ohio Companies associated with the distribution rate case, the impact of the competitive generation procurement process in Ohio, economic or weather conditions affecting future sales and margins, changes in markets for energy services, changing energy and commodity market prices and availability, replacement power costs being higher than anticipated or inadequately hedged, the continued ability of FirstEnergy's regulated utilities to collect transition and other charges or to recover increased transmission costs, maintenance costs being higher than anticipated, other legislative and regulatory changes, revised environmental requirements, including possible greenhouse gas emission regulations, the potential impacts of the U.S. Court of Appeals' July 11, 2008 decision requiring revisions to the CAIR rules and the scope of any laws, rules or regulations that may ultimately take their place, the uncertainty of the timing and amounts of the capital expenditures needed to, among other things, implement the AQC Plan (including that such amounts could be higher than anticipated or that certain generating units may need to be shut down) or levels of emission reductions related to the Consent Decree resolving the NSR litigation or other potential regulatory initiatives, adverse regulatory or legal decisions and outcomes (including, but not limited to, the revocation of necessary licenses or operating permits and oversight) by the NRC (including, but not limited to, the Demand for Information issued to FENOC on May 14, 2007), Met-Ed's and Penelec's transmission service charge filings with the PPUC, the continuing availability of generating units and their ability to operate at or near full capacity, the ability to comply with applicable state and federal reliability standards, the ability to accomplish or realize anticipated benefits from strategic goals (including employee workforce initiatives), the ability to improve electric commodity margins and to experience growth in the distribution business, the changing market conditions that could affect the value of assets held in FirstEnergy's nuclear decommissioning trusts, pension trusts and other trust funds, and cause it to make additional contributions sooner, or in an amount that is larger than currently anticipated, the ability to access the public securities and other capital and credit markets in accordance with FirstEnergy's financing plan and the cost of such capital, changes in general economic conditions affecting the company, the state of the capital and credit markets affecting the company, interest rates and any actions taken by credit rating agencies that could negatively affect FirstEnergy's access to financing or its costs and increase its requirements to post additional collateral to support outstanding commodity positions, letters of credit and other financial guarantees, the continuing decline of the national and regional economy and its impact on FirstEnergy's major industrial and commercial customers, issues concerning the soundness of financial institutions and counterparties with which FirstEnergy does business, and the risks and other factors discussed from time to time in its SEC filings, and other similar factors. The foregoing review of factors should not be construed as exhaustive. New factors emerge from time to time, and it is not possible for management to predict all such factors, nor assess the impact of any such factor on its 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 any forward-looking statements contained herein as a result of new information, future events, or otherwise.

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