

Consolidated Report to the Financial Community

FIRSTENERGY CORP.

First Quarter 2000

Release Date: April 18, 2000

Highlights

- Net income for the first quarter of 2000 was \$140.9 million, or \$0.63 per share, reflecting a 5% increase over the \$0.60 per share earned in the same period last year.
- Consolidated electric generation sales were 12.9% higher than during the first quarter of 1999 with the majority of the increase coming from sales in unregulated markets. Regulated electric generation sales rose 1.3% despite heating-degree days being 6.6% below normal and 1% below the same period last year. Improved generation availability contributed to an increase in wholesale sales of 56.8% over the first quarter of 1999.
- Fuel and Purchased Power expenses were \$25.2 million lower than during the same period last year. The expiration of an above-market coal contract at the end of 1999 and a 25% increase in nuclear generation resulted in lower fuel costs.
- Other electric operation and maintenance expenses were \$37.4 million higher than in the first quarter of 1999. The refueling outage at Beaver Valley Unit 1 and our increased nuclear ownership position resulting from the asset swap in December 1999 resulted in \$27 million of this increase. Scheduled boiler and turbine work at the Sammis plant and maintenance at the Bayshore unit were also contributing factors.
- Accelerated depreciation and amortization for the quarter was \$57.3 million, up \$12.7 million from the same period last year. Cumulative accelerations total \$1.1 billion.
- Non-electric gross margins from unregulated businesses increased \$9.6 million from the same period last year primarily due to increased natural gas sales.
- Net interest charges declined \$11 million while redemptions totaled \$17.1 million during the quarter and will produce an additional \$1.3 million in annualized savings.
- Over 1.5 million shares were repurchased during the quarter bringing cumulative acquisitions to 7.6 million shares for \$197 million, or an average share price of \$25.91.

After Tax EPS Variance Analysis (Unaudited)

First Quarter 1999 EPS	\$0.60
Electric Revenues Less Fuel and Purchased Power	0.11
Nuclear O&M Expenses	(0.08)
Other Electric O&M Expenses	(0.03)
Accelerated Depreciation & Amortization	(0.03)
Non-Electric Sales Gross Margin	0.02
Financing Costs	0.03
Shares Outstanding	<u>0.01</u>
First Quarter 2000 EPS	\$0.63

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FIRSTENERGY CORP.
CONSOLIDATED INCOME
STATEMENTS (thousands):

Three Months Ended
March 31,

	2000	1999	Change
REVENUES:			
Electric sales	\$ 1,206,475	\$ 1,209,122	\$ (2,647)
Other - electric utilities	74,455	74,202	253
Unregulated businesses	327,000	139,228	187,772
Total revenues	<u>1,607,930</u>	<u>1,422,552</u>	<u>185,378</u>
EXPENSES:			
Fuel and purchased power	179,190	204,357	(25,167)
Other:			
Electric utilities	408,445	371,015	37,430
Unregulated businesses	303,312	141,527	161,785
Provision for depreciation and amortization	202,084	191,213	10,871
General taxes	141,055	138,094	2,961
Total expenses	<u>1,234,086</u>	<u>1,046,206</u>	<u>187,880</u>
INCOME BEFORE INTEREST AND INCOME TAXES	<u>373,844</u>	<u>376,346</u>	<u>(2,502)</u>
Net interest charges:			
Interest expense	122,843	129,381	(6,538)
AFUDC-Debt and capitalized interest	(6,104)	(2,685)	(3,419)
Subsidiaries' preferred stock dividends	18,288	19,381	(1,093)
Net interest charges	<u>135,027</u>	<u>146,077</u>	<u>(11,050)</u>
Income taxes	<u>97,899</u>	<u>93,548</u>	<u>4,351</u>
 Net income	 <u>\$140,918</u>	 <u>\$136,721</u>	 <u>\$4,197</u>
 Weighted average number of common shares outstanding	 <u>224,859</u>	 <u>229,140</u>	 <u>(4,281)</u>
 Basic and diluted earnings per share	 <u>\$0.63</u>	 <u>\$0.60</u>	 <u>\$0.03</u>

KILOWATT-HOUR SALES STATISTICS

Three Months Ended
March 31,

	2000	1999	Change
(In Millions)			
ELECTRIC GENERATION SALES:			
Regulated	14,802	14,612	1.3%
Unregulated	3,166	1,303	143.0%
Total Electric Generation Sales	<u>17,968</u>	<u>15,915</u>	<u>12.9%</u>
DISTRIBUTION DELIVERIES:			
Residential	4,464	4,659	-4.2%
Commercial	4,124	4,008	2.9%
Industrial	6,280	5,945	5.6%
Other	93	96	-3.1%
Total Distribution Deliveries	<u>14,961</u>	<u>14,708</u>	<u>1.7%</u>

FIRSTENERGY CORP.**CAPITALIZATION (thousands):**

	At March 31,			
	2000	% Total	1999	% Total
Common Stock and Paid-In Capital	\$3,712,568		\$3,826,599	
Retained Earnings	1,001,704		768,993	
Unallocated ESOP Shares	(121,137)		(135,994)	
Total Common Equity	4,593,135	40%	4,459,598	38%
Preferred Stock	904,641	8%	954,905	8%
Long-Term Debt	6,056,213	52%	6,335,289	54%
Total Capitalization	\$11,553,989		\$11,749,792	

MARKET STATISTICS:

High/Low Price During Quarter	\$23.563/\$18.00	\$33.188/\$27.938
Closing Price	\$20.625	\$28.000
Dividends Declared per Share (Quarter)	\$0.375	\$0.375
Annualized Dividend Yield	7.3%	5.4%
Price/Earnings Ratio (12 mos ending)*	8.2	14.1
Dividend Payout Ratio (12 mos ending)*	59%	75%
Cash Coverage of Dividend	4.5	3.7
Book Value Per Share	\$20.47	\$19.58
Annualized Dividend/Book Value	7.3%	7.7%

OTHER STATISTICS, 12 mos. ending:

Return on Average Common Equity *	12.7%	10.4%
Cash Provided from Operations (000s)	\$1,532,283	\$1,114,443
Shareholder Cash Flow (000s)	\$847,995	\$764,389
SEC Fixed Charge Ratio *	2.02	1.76
Embedded Cost of Debt	7.61%	7.78%
Embedded Cost of Preferred	7.99%	8.01%
System Load Factor	61.6%	63.2%
Capacity Factors:		
Fossil	57.4%	55.8%
Beaver Valley Unit 1	77.9%	58.2%
Beaver Valley Unit 2	87.3%	40.3%
Davis Besse	96.1%	81.1%
Perry	92.3%	97.2%

CONSOLIDATED FIRSTENERGY DATA (EXCLUDES FIRSTENERGY FACILITIES SERVICES GROUP AND MARBEL ENERGY CORP.)

Number of Employees (at month end) **	8,938	8,751
Number of Customers (at month end)	2,218,458	2,172,782
Customers/Employee	248	248

* Excludes net nonrecurring charges in 1998.

** Year 2000 Number of Employees excludes approximately 1,100 Beaver Valley Nuclear Plant employees added in December 1999 as a result of generation plants' asset swap.

RECENT DEVELOPMENTS

Transition Plan

On April 17, FirstEnergy and various intervening parties in our transition plan proceeding entered into a stipulation providing a comprehensive solution to the issues raised in the case. The stipulation, if approved, will implement a restructuring plan intended to create a viable competitive generation market in Ohio while providing the company an opportunity to recover its transition costs. The parties recommend that the transition plans of the Companies be approved as filed except as modified in the Stipulation Agreement.

Utility Exchange (B2B E-Procurement Consortium)

FirstEnergy and 14 other utilities entered into an agreement to form a business-to-business exchange for the purchase of goods and services between the energy industry and its suppliers. The exchange will operate as a single global portal for purchasing anything from transformers and wire to turbines and equipment repairs. The consortium expects to generate significant benefits through a more streamlined purchasing process, shortened purchasing cycle, and increased access between buyers and sellers. The for-profit exchange will be open for use by any company in the energy/utility industry.

America's Fiber Network

FirstEnergy and five other companies announced the creation of America's Fiber Network, LLC. This super-regional, high speed fiber optics company has a network of more than 7,000 route miles (140,000 fiber miles), and connects major markets in the eastern United States to secondary markets with a growing need for broadband access. FirstEnergy's ownership interest is expected to be 6.5%.

Nuclear Plant Performance

FirstEnergy's Davis-Besse Nuclear Power Station and the Perry Nuclear Power Plant were ranked among the top operating plants in the world during 1999. On February 15, Beaver Valley Unit 1 began its 13th refueling outage and returned to service on April 8 (51 days). Davis-Besse entered its 12th refueling outage on April 1 with an estimated duration of 45 days.

FirstEnergy Services Now Licensed to Sell Electricity in Maryland

FirstEnergy Services is now licensed to sell electricity to commercial and industrial customers in Maryland. FirstEnergy Services is now marketing electricity in 5 states (Ohio, Pennsylvania, New Jersey, Delaware, Maryland).