

Consolidated Report to the Financial Community (Unaudited)

Second Quarter 2003 Highlights (Released August 5, 2003)

- Non-GAAP earnings for the second quarter, before a loss on discontinued operations and unusual charges, were \$0.39 per share. Excluding costs associated with the Davis-Besse extended outage, normalized non-GAAP earnings were \$0.52 per share, compared to restated second quarter 2002 normalized non-GAAP earnings of \$0.84 per share. Overall results for the second quarter of 2003 reflect a \$58 million net loss, or (\$0.20) per share, compared to restated net income of \$216 million, or \$0.74 per share, for the same period last year. These measures reflect adjustments expected to result from the announced restatement of the Company's 2002 and first quarter 2003 financial statements and from the restatements of the 2001 and 2002 financial statements of Cleveland Electric Illuminating and Toledo Edison. Therefore, the measures reflected in this report include adjustments expected to result from the restatements. There can be no assurance that material changes to these measures will not result from the restatements.

<u>After Tax EPS Variance Analysis</u>	<u>2nd Qtr.</u>
2nd Quarter 2002 Basic EPS - GAAP Basis (Restated)	\$ 0.74
Davis-Besse Incremental Expenses - 2002	0.10
2nd Quarter 2002 Normalized Earnings - Non-GAAP	\$ 0.84
Electric Gross Margin (Excl. Davis-Besse)	(0.15)
Nuclear Operating Expenses (Excl. Davis-Besse)	(0.10)
Pension and Other Post-Employment Benefits	(0.09)
General Taxes	(0.04)
Depreciation and Amortization	(0.03)
Financing Costs	0.12
International Operations	(0.03)
2nd Quarter 2003 Normalized Earnings - Non-GAAP	\$ 0.52
Davis-Besse Incremental Expenses - 2003	(0.13)
Subtotal - Non-GAAP	\$ 0.39
Discontinued Operations - 2003 (Emdersa)	(0.23)
Unusual Charges - 2003 (See Page 8)	(0.36)
2nd Quarter 2003 Basic EPS - GAAP Basis	\$ (0.20)

2Q 2003 Results Compared With 2Q 2002

- Electric distribution deliveries decreased 3% driven largely by a 6% reduction in residential deliveries due to milder weather and a 3% reduction in industrial deliveries. Total electric generation sales increased 16% with higher wholesale sales more than offsetting a 4% decline in retail generation sales.
- Electric gross margin decreased \$75 million after adjusting for changes in regulatory deferrals, the write-off of \$153 million of JCP&L deferred energy costs, and Davis-Besse replacement power costs. This was largely driven by increased purchased power requirements to replace the lost generation output associated with longer than anticipated refueling outages at the Beaver Valley Unit 1 and Perry nuclear plants during the quarter. Adjusted electric sales revenues increased by \$99 million due to higher wholesale spot sales and Basic Generation Service sales in New Jersey. Adjusted fuel and purchased power costs increased \$174 million due to higher generation sales, coupled with the reduced generation output from our nuclear units.
- Nuclear operating expenses, excluding incremental expenses associated with the Davis-Besse outage, increased \$52 million. The increase resulted from the two refueling outages in the second quarter of this year versus none last year.
- Pension and other post-employment benefit costs increased \$45 million, continuing to reflect reduced asset values at the measurement date, reduced return assumptions on trust assets, and lower discount rates used to value projected obligations.

- General taxes increased \$18 million as a result of higher payroll and kilowatt-hour taxes this year and a \$9 million credit adjustment that lowered taxes in the second quarter last year.
- Total depreciation and amortization expenses, excluding adjustments, increased \$13 million. The increase is primarily attributable to a \$20 million increase in Ohio transition costs amortization and \$10 million of depreciation expense associated with the Lake Plants in 2003. These expenses were partially offset by \$17 million of lower nuclear decommissioning and depreciation expenses related to the implementation of SFAS No. 143.
- Net financing costs decreased as a result of our continued aggressive debt reduction program and refinancing activities. Financing activities during the quarter included \$293 million in mandatory long-term debt redemptions, \$472 million of refinancings and repricings, and \$106 million in net debt issuance. Redemption and refinancing activities during the quarter and on a year-to-date basis will produce financing cost savings of \$32 million and \$47 million, respectively.
- Following abandonment of ownership interests in Emdersa, a distribution holding company in Argentina, FirstEnergy recognized a one-time, non-cash charge of \$67 million, or \$0.23 per share, as a loss on discontinued operations in the second quarter. FirstEnergy's income tax payments in 2003 will be reduced as a result of the abandonment and the Company reserved the full estimated tax benefit of \$129 million pending final IRS determination.
- Net income from international operations, before the loss on discontinued operations and the impairment of a note receivable related to the 2002 sale of 79.9% of Avon Energy Partners Holdings to Aquila, decreased \$10 million from the second quarter of last year when we owned 100% of Avon for a portion of the quarter.
- Unusual charges reduced earnings by \$0.36 per share for the quarter. The unusual charges included: a one-time charge of \$159 million related to the New Jersey Board of Public Utilities' disallowance of the recovery of \$153 million of the deferred energy costs and approximately \$6 million of other costs; a \$13 million impairment of a note receivable; and a \$6 million loss on the sale of a natural gas subsidiary.

2Q 2003 Earnings Impact Associated with Davis-Besse

- Incremental expenses associated with the extended outage at Davis-Besse during the quarter totaled \$63 million, or \$0.13 per share (\$41 million of replacement power costs and \$22 million of O&M expenses).

Earnings Guidance Revision

- FirstEnergy changed its 2003 non-GAAP earnings guidance to \$2.68 to \$2.88 per share from the previous non-GAAP earnings guidance of \$3.35-\$3.55 per share. The non-GAAP earnings guidance excludes incremental costs associated with the extended Davis-Besse outage, as well as unusual charges. Please see page 3 for additional details.

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2003 Revised Non-GAAP Earnings Guidance
Excluding Davis-Besse Outage Costs, Discontinued Operations, Cumulative Effect of
Accounting Changes and Unusual Charges ⁽¹⁾

	<u>(\$ per share)</u>
Original 2003 Non-GAAP Earnings Guidance ⁽¹⁾	\$3.35 - \$3.55
Less: Perry/Beaver Valley 1 Refueling Outage Extensions ⁽²⁾	0.13
Less: Increased PJM Wholesale Prices ⁽³⁾	0.09
Less: Generation Margin ⁽⁴⁾	0.13
Less: Nuclear Operating & Maintenance Costs ⁽⁵⁾	0.03
Less: JCP&L Service Reliability Improvements ⁽⁶⁾	0.04
Less: JCP&L Rate Case Decision ⁽⁷⁾	0.08
Less: Revised Accounting Methodology ⁽⁸⁾	<u>0.17</u>
Revised 2003 Non-GAAP Earnings Guidance ^(1,9)	\$2.68 - \$2.88

Notes:

- (1) Revised earnings guidance excludes incremental O&M and replacement energy costs for the Davis-Besse outage, discontinued operations, cumulative effect of accounting changes and unusual charges (see page 8)
- (2) Higher nuclear operating expenses and replacement power due to extensions of refueling outages at Beaver Valley Unit 1 and Perry
- (3) Higher than forecasted off-peak purchased power prices in PJM during 1st quarter 2003
- (4) Reduced generation margin attributable to higher purchased power prices versus forecast, lower composite prices due to actual sales mix, and reduced generation output
- (5) Higher than forecasted non-fuel nuclear operating and maintenance costs
- (6) Distribution reliability improvements in JCP&L service territory
- (7) Final ruling in the JCP&L rate case compared with settlement agreement
- (8) Revised accounting methodology to reflect a changed treatment for amortizing certain non-cash expenses related to the recovery of transition assets in Ohio and the recognition of above-market values of certain leased generation assets.
- (9) See page 4 for reconciliation to revised 2003 GAAP earnings guidance

This Consolidated Report to the Financial Community includes forward-looking statements based on information currently available to management. Such statements are subject to certain risk 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, maintenance costs being higher than anticipated, legislative and regulatory changes (including revised environmental requirements), availability and cost of capital, inability of the Davis-Besse Nuclear Power Station to restart (including because of any inability to obtain a favorable final determination from the Nuclear Regulatory Commission) in the fall of 2003, additional adjustments which may result from the audited restatement of the 2002 financial statements and the restatement and review of the first quarter of 2003 for the Company and the re-audit of 2001 financial statements for Cleveland Electric Illuminating and Toledo Edison, inability to accomplish or realize anticipated benefits of strategic goals and other similar factors.

2003 Revised GAAP Earnings Guidance

	<u>(\$ per share)</u>
Revised 2003 Non-GAAP Earnings Guidance ⁽¹⁾	\$2.68 - \$2.88
Less: Davis-Besse Incremental Outage Costs ⁽²⁾	0.50
Less: Discontinued Operations ⁽³⁾	0.21
Less: Unusual Charges – 2 nd Quarter ⁽⁴⁾	0.36
Plus: Cumulative Effect of Accounting Change – 1 st Quarter ⁽⁵⁾	<u>0.35</u>
 Revised 2003 GAAP Earnings Guidance	 \$1.96 - \$2.16

Notes:

- (1) See schedule on page 3
- (2) Includes incremental operating expenses (\$80M) and estimated replacement power costs (\$170M) for extended Davis-Besse outage
- (3) Discontinued operations net charge recorded in the first and second quarters attributed to the Emdersa abandonment.
- (4) See schedule on page 8
- (5) Cumulative effect of accounting change in the first quarter related to the adoption of SFAS No. 143

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FIRSTENERGY CORP. CONSOLIDATED INCOME STATEMENTS (thousands):	Three Months Ended			Six Months Ended		
	June 30,			June 30,		
	2003	2002	Change	2003	2002	Change
(1) REVENUES:						
(2) Electric Sales	\$ 2,386,608	\$ 2,254,457	\$ 132,151	\$ 5,019,808	\$ 4,339,457	\$ 680,351
(3) Natural Gas	130,756	162,843	(32,087)	379,252	367,435	11,817
(4) FE Facilities	84,601	136,131	(51,530)	161,981	255,884	(93,903)
(5) MYR	118,294	143,982	(25,688)	230,588	283,776	(53,188)
(6) International	12,835	83,177	(70,342)	44,459	287,803	(243,344)
(7) Other	130,052	117,983	12,069	260,914	217,496	43,418
(8) Total revenues	<u>2,863,146</u>	<u>2,898,573</u>	<u>(35,427)</u>	<u>6,097,002</u>	<u>5,751,851</u>	<u>345,151</u>
(9)						
(10) EXPENSES:						
(11) Fuel	170,725	190,620	(19,895)	334,863	361,241	(26,378)
(12) Purchased Power	950,828	561,868	388,960	1,975,200	1,076,087	899,113
(13) Purchased Gas	128,634	145,954	(17,320)	358,099	352,181	5,918
(14) Other operating expenses	688,895	593,496	95,399	1,384,889	1,229,183	155,706
(15) FE Facilities	84,035	133,421	(49,386)	162,298	251,556	(89,258)
(16) MYR	116,203	142,533	(26,330)	225,838	279,404	(53,566)
(17) International	15,332	46,463	(31,131)	31,196	135,010	(103,814)
(18) Mark-to-Market Adjustment	889	(1,007)	1,896	4,579	(2,146)	6,725
(19) Provision for depreciation and amortization	311,522	300,405	11,117	636,384	611,033	25,351
(20) General taxes	163,042	145,106	17,936	341,324	317,094	24,230
(21) Total expenses	<u>2,630,105</u>	<u>2,258,859</u>	<u>371,246</u>	<u>5,454,670</u>	<u>4,610,643</u>	<u>844,027</u>
(22) INCOME BEFORE INTEREST						
(23) AND INCOME TAXES	<u>233,041</u>	<u>639,714</u>	<u>(406,673)</u>	<u>642,332</u>	<u>1,141,208</u>	<u>(498,876)</u>
(24) Net interest charges:						
(25) Interest expense	199,670	231,782	(32,112)	400,320	492,247	(91,927)
(26) Capitalized interest	(7,622)	(6,605)	(1,017)	(16,774)	(12,419)	(4,355)
(27) Subsidiaries' preferred stock dividends	13,860	25,105	(11,245)	28,402	49,176	(20,774)
(28) Net interest charges	<u>205,908</u>	<u>250,282</u>	<u>(44,374)</u>	<u>411,948</u>	<u>529,004</u>	<u>(117,056)</u>
(29) Income taxes	<u>17,649</u>	<u>173,434</u>	<u>(155,785)</u>	<u>111,522</u>	<u>290,138</u>	<u>(178,616)</u>
(30) Income before discontinued operations						
(31) and accounting change	9,484	215,998	(206,514)	118,862	322,066	(203,204)
(32) Discontinued Operations	(67,372)	-	(67,372)	(60,495)	-	(60,495)
(33) Cumulative effect of accounting change	-	-	-	102,147	-	102,147
(34) NET INCOME (LOSS)	<u>\$ (57,888)</u>	<u>\$ 215,998</u>	<u>\$ (273,886)</u>	<u>\$ 160,514</u>	<u>\$ 322,066</u>	<u>\$ (161,552)</u>
(35)						
(36) Basic earnings (loss) per common share:						
(37) Before discontinued operations and						
(38) accounting change	\$ 0.03	\$ 0.74	\$ (0.71)	\$ 0.41	\$ 1.10	\$ (0.69)
(39) Discontinued operations	(0.23)	-	(0.23)	(0.21)	-	(0.21)
(40) Cumulative effect of accounting change	-	-	-	0.35	-	0.35
(41)	<u>\$ (0.20)</u>	<u>\$ 0.74</u>	<u>\$ (0.94)</u>	<u>\$ 0.55</u>	<u>\$ 1.10</u>	<u>\$ (0.55)</u>
(42) Weighted average number of basic						
(43) shares outstanding	<u>294,166</u>	<u>293,080</u>	<u>1,086</u>	<u>294,026</u>	<u>292,935</u>	<u>1,091</u>
(44)						
(45) Diluted earnings (loss) per common share:						
(46) Before discontinued operations and						
(47) accounting change	\$ 0.03	\$ 0.73	\$ (0.70)	\$ 0.40	\$ 1.09	\$ (0.69)
(48) Discontinued operations	(0.23)	-	(0.23)	(0.21)	-	(0.21)
(49) Cumulative effect of accounting change	-	-	-	0.35	-	0.35
(50)	<u>\$ (0.20)</u>	<u>\$ 0.73</u>	<u>\$ (0.93)</u>	<u>\$ 0.54</u>	<u>\$ 1.09</u>	<u>\$ (0.55)</u>
(51) Weighted average number of diluted						
(52) shares outstanding	<u>295,888</u>	<u>294,589</u>	<u>1,299</u>	<u>295,355</u>	<u>294,472</u>	<u>883</u>

FirstEnergy Consolidated Income Segments
Three Months Ended June 30, 2003

(In thousands):	Regulated Services	Competitive Services	Other (c)	Reconciling Adjustments	Consolidated
(1) REVENUES:					
(2) Electric Sales	\$ 2,006,468	\$ 380,140	\$ -	\$ -	\$ 2,386,608
(3) Natural Gas	-	130,756	-	-	130,756
(4) FE Facilities	-	84,601	-	-	84,601
(5) MYR	-	118,294	-	-	118,294
(6) International	-	-	12,835	-	12,835
(7) Other	76,191	26,057	9,258	18,546 (a)	130,052
(8) Internal revenues	233,634	512,055	146,707	(892,396) (b)	-
(9) Total revenues	<u>2,316,293</u>	<u>1,251,903</u>	<u>168,800</u>	<u>(873,850)</u>	<u>2,863,146</u>
(10)					
(11) EXPENSES:					
(12) Fuel	-	167,857	2,868	-	170,725
(13) Purchased Power	1,070,993	391,890	-	(512,055) (b)	950,828
(14) Purchased Gas	-	128,634	-	-	128,634
(15) Other operating expenses	488,030	413,008	117,722	(329,865) (a)(b)	688,895
(16) FE Facilities	-	84,035	-	-	84,035
(17) MYR	-	116,203	-	-	116,203
(18) International	-	-	15,332	-	15,332
(19) Mark-to-Market Adjustment	-	889	-	-	889
(20) Provision for depreciation and amortization	292,964	8,468	10,090	-	311,522
(21) General taxes	144,867	5,141	3,853	9,181	163,042
(22) Total expenses	<u>1,996,854</u>	<u>1,316,125</u>	<u>149,865</u>	<u>(832,739)</u>	<u>2,630,105</u>
(23) INCOME BEFORE INTEREST AND INCOME TAXES	319,439	(64,222)	18,935	(41,111)	233,041
(24) AND INCOME TAXES					
(25) Net interest charges:					
(26) Interest expense	124,251	12,357	104,173	(41,111) (b)	199,670
(27) Capitalized interest	(6,034)	(1,588)	-	-	(7,622)
(28) Subsidiaries' preferred stock dividends	13,860	-	-	-	13,860
(29) Net interest charges	<u>132,077</u>	<u>10,769</u>	<u>104,173</u>	<u>(41,111)</u>	<u>205,908</u>
(30) Income taxes	80,346	(30,962)	(31,735)	-	17,649
(31) Income before discontinued operations and an accounting change	107,016	(44,029)	(53,503)	-	9,484
(32) Discontinued operations	-	-	(67,372)	-	(67,372)
(34) Cumulative effect of an accounting change	-	-	-	-	-
(35) NET INCOME (LOSS)	<u>\$ 107,016</u>	<u>\$ (44,029)</u>	<u>\$ (120,875)</u>	<u>\$ -</u>	<u>\$ (57,888)</u>

Three Months Ended June 30, 2002

(In thousands):	Regulated Services	Competitive Services	Other (c)	Reconciling Adjustments	Consolidated
(1) REVENUES:					
(2) Electric Sales	\$ 2,118,449	\$ 136,008	\$ -	\$ -	\$ 2,254,457
(3) Natural Gas	-	162,843	-	-	162,843
(4) FE Facilities	-	136,131	-	-	136,131
(5) MYR	-	143,982	-	-	143,982
(6) International	-	-	83,177	-	83,177
(7) Other	92,016	10,770	9,389	5,808 (a)	117,983
(8) Internal revenues	236,327	357,416	124,653	(718,396) (b)	-
(9) Total revenues	<u>2,446,792</u>	<u>947,150</u>	<u>217,219</u>	<u>(712,588)</u>	<u>2,898,573</u>
(10)					
(11) EXPENSES:					
(12) Fuel	1,298	186,306	3,016	-	190,620
(13) Purchased Power	939,374	(8,917)	-	(368,589) (b)	561,868
(14) Purchased Gas	-	145,954	-	-	145,954
(15) Other operating expenses	472,135	313,987	136,467	(329,093) (a)(b)	593,496
(16) FE Facilities	-	133,421	-	-	133,421
(17) MYR	-	142,533	-	-	142,533
(18) International	-	-	46,463	-	46,463
(19) Mark-to-Market Adjustment	-	4,508	(5,515)	-	(1,007)
(20) Provision for depreciation and amortization	282,344	6,206	11,855	-	300,405
(21) General taxes	138,338	4,685	2,083	-	145,106
(22) Total expenses	<u>1,833,489</u>	<u>928,683</u>	<u>194,369</u>	<u>(697,682)</u>	<u>2,258,859</u>
(23) INCOME BEFORE INTEREST AND INCOME TAXES	613,303	18,467	22,850	(14,906)	639,714
(24) AND INCOME TAXES					
(25) Net interest charges:					
(26) Interest expense	133,316	10,528	102,844	(14,906) (b)	231,782
(27) Capitalized interest	(2,793)	(2,841)	(971)	-	(6,605)
(28) Subsidiaries' preferred stock dividends	25,105	-	-	-	25,105
(29) Net interest charges	<u>155,628</u>	<u>7,687</u>	<u>101,873</u>	<u>(14,906)</u>	<u>250,282</u>
(30) Income taxes	202,042	4,408	(33,016)	-	173,434
(31) Income before discontinued operations and an accounting change	255,633	6,372	(46,007)	-	215,998
(32) Discontinued operations	-	-	-	-	-
(34) Cumulative effect of a change in accounting	-	-	-	-	-
(35) NET INCOME	<u>\$ 255,633</u>	<u>\$ 6,372</u>	<u>\$ (46,007)</u>	<u>\$ -</u>	<u>\$ 215,998</u>

FirstEnergy Consolidated Income Segments
Three Months Ended June 30, 2003 VS 2002

(In thousands):	Regulated Services	Competitive Services	Other (c)	Reconciling Adjustments	Consolidated
(1) REVENUES:					
(2) Electric Sales	\$ (111,981)	\$ 244,132	\$ -	\$ -	\$ 132,151
(3) Natural Gas	-	(32,087)	-	-	(32,087)
(4) FE Facilities	-	(51,530)	-	-	(51,530)
(5) MYR	-	(25,688)	-	-	(25,688)
(6) International	-	-	(70,342)	-	(70,342)
(7) Other	(15,825)	15,287	(131)	12,738 (a)	12,069
(8) Internal revenues	<u>(2,693)</u>	<u>154,639</u>	<u>22,054</u>	<u>(174,000) (b)</u>	<u>-</u>
(9) Total revenues	<u>(130,499)</u>	<u>304,753</u>	<u>(48,419)</u>	<u>(161,262)</u>	<u>(35,427)</u>
(10)					
(11) EXPENSES:					
(12) Fuel	(1,298)	(18,449)	(148)	-	(19,895)
(13) Purchased Power	131,619	400,807	-	(143,466) (b)	388,960
(14) Purchased Gas	-	(17,320)	-	-	(17,320)
(15) Other operating expenses	15,895	99,021	(18,745)	(772) (a)(b)	95,399
(16) FE Facilities	-	(49,386)	-	-	(49,386)
(17) MYR	-	(26,330)	-	-	(26,330)
(18) International	-	-	(31,131)	-	(31,131)
(19) Mark-to-Market Adjustment	-	(3,619)	5,515	-	1,896
(20) Provision for depreciation and amortization	10,620	2,262	(1,765)	-	11,117
(21) General taxes	<u>6,529</u>	<u>456</u>	<u>1,770</u>	<u>9,181</u>	<u>17,936</u>
(22) Total expenses	<u>163,365</u>	<u>387,442</u>	<u>(44,504)</u>	<u>(135,057)</u>	<u>371,246</u>
(23) INCOME BEFORE INTEREST AND INCOME TAXES	<u>(293,864)</u>	<u>(82,689)</u>	<u>(3,915)</u>	<u>(26,205)</u>	<u>(406,673)</u>
(24)					
(25) Net interest charges:					
(26) Interest expense	(9,065)	1,829	1,329	(26,205) (b)	(32,112)
(27) Capitalized interest	(3,241)	1,253	971	-	(1,017)
(28) Subsidiaries' preferred stock dividends	<u>(11,245)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,245)</u>
(29) Net interest charges	<u>(23,551)</u>	<u>3,082</u>	<u>2,300</u>	<u>(26,205)</u>	<u>(44,374)</u>
(30) Income taxes	<u>(121,696)</u>	<u>(35,370)</u>	<u>1,281</u>	<u>-</u>	<u>(155,785)</u>
(31) Income before discontinued operations and an accounting change	<u>(148,617)</u>	<u>(50,401)</u>	<u>(7,496)</u>	<u>-</u>	<u>(206,514)</u>
(32) Discontinued operations	-	-	(67,372)	-	(67,372)
(33) Cumulative effect of a change in accounting	-	-	-	-	-
(34) NET INCOME	<u>\$ (148,617)</u>	<u>\$ (50,401)</u>	<u>\$ (74,868)</u>	<u>\$ -</u>	<u>\$ (273,886)</u>

Reconciling adjustments to segment operating results from internal management reporting to consolidated external financial reporting.

(a) Principally fuel marketing revenues which are reflected as reductions to expenses for internal management reporting purposes.

(b) Elimination of intersegment transactions.

(c) "Other" segment primarily consists of corporate support services and international businesses.

FirstEnergy Statistical Summary

FirstEnergy Combined Electric Sales Statistics						
	Three Months Ended June 30,			Six Months Ended June 30,		
	2003	2002	Change	2003	2002	Change
	(In Millions)			(In Millions)		
ELECTRIC GENERATION SALES (KWHs):						
Retail -						
Regulated	19,386	21,727	-10.8%	41,504	43,399	-4.4%
Unregulated	3,335	2,049	62.8%	6,564	3,452	90.2%
Total Retail	22,721	23,776	-4.4%	48,068	46,851	2.6%
Wholesale	9,737	4,231	130.1%	20,163	8,552	135.8%
Total Electric Generation Sales	32,458	28,007	15.9%	68,231	55,403	23.2%
ELECTRIC DISTRIBUTION DELIVERIES (KWHs):						
Residential	7,258	7,685	-5.6%	17,385	16,458	5.6%
Commercial	7,853	7,876	-0.3%	16,145	15,303	5.5%
Industrial	9,423	9,677	-2.6%	18,146	18,285	-0.8%
Other	138	133	3.8%	279	271	3.0%
Total Distribution Deliveries	24,672	25,371	-2.8%	51,955	50,317	3.3%
ELECTRIC SALES SHOPPED (KWHs):						
Residential	1,400	1,124	24.6%	3,047	2,303	32.3%
Commercial	1,720	786	118.8%	3,346	1,505	122.3%
Industrial	2,166	1,734	24.9%	4,058	3,110	30.5%
Total Electric Sales Shopped	5,286	3,644	45.1%	10,451	6,918	51.1%

At June 30,				
	2003	% Total	2002	% Total
Capitalization (in thousands):				
Total common equity	7,135,950	31%	7,537,717	31%
Preferred stock *	640,224	3%	1,099,132	4%
Long-term debt *	12,565,943	55%	13,149,059	55%
Short-term debt *	1,045,067	4%	655,409	3%
Off-balance sheet debt equivalent:				
- Sale-leaseback arrangements	1,446,815	6%	1,467,254	6%
-Accounts receivable factoring	145,000	1%	160,000	1%
Total Capitalization	\$ 22,978,999	100%	\$ 24,068,571	100%

* Includes amounts due to be paid within one year, JCP&L securitization of \$305 million and \$320 million in 2003 and 2002, respectively, and debt related to pending divestitures in 2002.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2003	2002	Change	2003	2002	Change
	(in thousands)			(in thousands)		
Financial Statistics (in thousands):						
L-T Debt and Preferred Stock Redemptions	\$ 292,714	\$ 199,738	\$ 92,976	\$ 414,528	\$ 568,942	\$ (154,414)
Short-term Debt Increase (Decrease)	\$ 189,490	\$ (85,005)	\$ 274,495	\$ (48,000)	\$ 30,551	\$ (78,551)
Capital Investments	\$ 177,159	\$ 224,399	\$ (47,240)	\$ 368,000	\$ 416,691	\$ (48,691)
Unusual Charges: 2003 vs 2002						
	Three Months Ended June 30,			Six Months Ended June 30,		
	2003	2002	Change	2003	2002	Change
JCP&L Rate Case Disallowance	\$ (158,521)	\$ -	\$ (158,521)	\$ (158,521)	\$ -	\$ (158,521)
Note Receivable Impairment	(12,563)	-	(12,563)	(12,563)	-	(12,563)
Loss on sale of natural gas operations unit	(6,200)	-	(6,200)	(6,200)	-	(6,200)
Long-term Derivative Contract Adjustment	-	-	-	-	(18,091)	18,091
Equity Investment - Bankruptcy	-	-	-	-	(30,371)	30,371
Telecommunications Investment Writedown	-	-	-	-	(12,610)	12,610
Generation Project Cancellation	-	-	-	-	(17,102)	17,102
Total - Pre-tax Expenses	\$ (177,284)	\$ -	\$ (177,284)	\$ (177,284)	\$ (78,174)	\$ (99,110)
EPS Effect	(\$0.36)	\$0.00	(\$0.36)	(\$0.36)	(\$0.16)	(\$0.20)

FirstEnergy Statistical Summary

	Three Months Ended			Six Months Ended		
	June 30,			June 30,		
	2003	2002	Change	2003	2002	Change
NATURAL GAS SALES (Decatherms):	(in thousands)			(in thousands)		
Retail	14,146	21,470	-34.1%	43,723	59,736	-26.8%
Wholesale	9,677	19,240	-49.7%	19,713	31,540	-37.5%
Total Natural Gas Sales	23,823	40,710	-41.5%	63,436	91,276	-30.5%

	Three Months Ended June 30,			Six Months Ended June 30,		
	2003	2002	Change	2003	2002	Change
	(in thousands)			(in thousands)		
Regulatory Asset Amortization						
Depreciation and Amortization	\$ 198,897	\$ 187,864	\$ 11,033	\$ 423,331	\$ 378,453	\$ 44,878
Income Tax Amortization	14,744	12,936	1,808	30,234	26,006	4,228
Total	\$ 213,641	\$ 200,800	\$ 12,841	\$ 453,565	\$ 404,459	\$ 49,106
Regulatory Deferrals						
Ohio Transition Plan						
Beginning Balance	\$ 309,368	\$ 118,901		\$ 259,353	\$ 75,406	
Deferral of Shopping Incentives	42,223	31,779	\$ 10,444	87,649	62,815	\$ 24,834
Deferral of New Regulatory Assets	3,098	10,187	(7,089)	7,687	22,646	(14,959)
Current period deferrals	45,321	41,966	\$ 3,355	95,336	85,461	\$ 9,875
Ending Balance-Ohio Deferrals	\$ 354,689	\$ 160,867		\$ 354,689	\$ 160,867	
Deferred Energy Costs						
Pennsylvania						
Beginning Balance	\$ -	\$ 199,400		\$ -	\$ 218,531	
Deferral (recovery) of energy costs	-	7,687	\$ (7,687)	-	(11,444)	\$ 11,444
Current period change	-	7,687	\$ (7,687)	-	(11,444)	\$ 11,444
Ending Balance	\$ -	\$ 207,087		\$ -	\$ 207,087	
New Jersey						
Beginning Balance	\$ 530,328	\$ 319,855		\$ 548,641	\$ 301,204	
Deferral (recovery) of energy costs	60,894	94,003	\$ (33,109)	42,581	112,654	\$ (70,073)
Rate case disallowance	(152,500)	-	(152,500)	(152,500)	-	(152,500)
Current period change	(91,606)	94,003	\$ (185,609)	(109,919)	112,654	\$ (222,573)
Ending Balance	\$ 438,722	\$ 413,858		\$ 438,722	\$ 413,858	
Mark-to-Market Adjustment						
Expenses - Pre-Tax Income Effect:						
Increase (Decrease)	\$ 889	\$ (1,007)	\$ 1,896	\$ 4,579	\$ (2,146)	\$ 6,725
EPS Effect	\$0.00	\$0.00	\$0.00	(\$0.01)	\$0.00	(\$0.01)

	At June 30,	
	2003	2002
Operating Statistics (12 mos. Ending)		
System Load Factor	60.7%	59.5%
Capacity Factors:		
Fossil	59.6%	55.7%
Nuclear	65.1%	82.9%
Generation Output:		
Fossil	69%	61%
Nuclear	31%	39%
Weather		
Composite Heating Days Year-to-Date (Normal - 671)	706	712
Composite Cooling Days Year-to-Date (Normal - 240)	158	268

Restatement of Financial Statements

FirstEnergy will restate its 2002 financial statements to reflect a changed treatment for amortizing certain non-cash expenses related to the recovery of transition assets in Ohio and the recognition of above-market values of certain leased generation assets. The accounting treatment of these items has been fully disclosed since implementation and audited by Arthur Andersen LLP from 1997-2001 and by PricewaterhouseCoopers LLP in 2002. Since FirstEnergy's 2002 financial statements will be restated, investors are cautioned not to rely on the previously audited 2002 statements. Since Arthur Andersen was the company's independent auditor in 2001, the financial statements of its CEI and Toledo Edison subsidiaries for that year will be re-audited by PricewaterhouseCoopers, which is expected to take several weeks to complete.

These changes are expected to reduce FirstEnergy's earnings per share by \$0.23 in 2002 and \$0.17 in 2003. Annual earnings through 2005 will be lowered by these changes while earnings from 2006 through 2017 will be increased. Over the period 2002 - 2017 the cumulative impact of these changes will be to increase net income by \$381 million.

Davis-Besse Nuclear Power Station

The Company has decided that it will proceed with modifications to the High Pressure Injection (HPI) pumps that should result in the plant's availability for restart in the fall of 2003. The Nuclear Regulatory Commission will make the final determination on when the plant can return to service. The 2003 incremental O&M expenses – initially estimated at \$50 million – are now expected to be approximately \$80 million. The estimated cost of replacement power remains unchanged at \$15 million per month for the non-summer months and \$20 to \$25 million per month for July and August. On-peak replacement energy is fully hedged through the end of the fall of 2003.

Nuclear Plant Refueling Outages

During the second quarter, the Beaver Valley Unit 1 refueling outage was extended by approximately two weeks to repair minor surface flaws on four of the 65 control rod drive mechanism nozzles, and the Perry Plant refueling outage was extended by approximately four weeks to make reliability and performance improvements to various plant systems. The duration of the refueling outages was 52 and 56 days, respectively.

Jersey Central Power & Light (JCP&L) Rate Case Decision

On July 25th, the New Jersey Board of Public Utilities (BPU) rendered its decision in the JCP&L rate case. The new rates were effective August 1st. In its ruling, the BPU:

- Reduced JCP&L's annual revenues by approximately \$60 million,
- Provided an interim allowed return on equity (ROE) of 9.5% for the next 6 to 12 months, and
- Announced a Phase II proceeding during which the ROE may be increased to 9.75% or decreased to 9.25% depending on the BPU's assessment of the reliability of the company's service, and
- Disallowed \$153 million of the \$618 million of estimated deferred energy costs. The Company wrote-off the disallowance during the second quarter.

The Company is considering its options including potentially a request for reconsideration with the BPU and an appeal to the Appellate Division of the Superior Court of New Jersey.

Divestiture of Non-Core Assets

On May 22, we reached an agreement to sell our remaining 20.1% ownership interest in Avon Energy Partners Holdings. FirstEnergy will receive approximately \$14 million from the sale, subject to bondholder approval. Separately, FirstEnergy received approximately \$63 million from the sale of the note receivable from Aquila related to the 2002 sale of 79.9% of Avon Energy Partners Holdings.

This Consolidated Report to the Financial Community forward-looking statements based on information currently available to management. Such statements are subject to certain risk 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, maintenance costs being higher than anticipated, legislative and regulatory changes (including revised environmental requirements), availability and cost of capital, inability of the Davis-Besse Nuclear Power Station to restart (including because of any inability to obtain a favorable final determination from the Nuclear Regulatory Commission) in the fall of 2003, additional adjustments which may result from the audited restatement of the 2002 financial statements and the restatement and review of the first quarter of 2003 for the Company and the re-audit of 2001 financial statements for Cleveland Electric Illuminating and Toledo Edison, inability to accomplish or realize anticipated benefits of strategic goals and other similar factors.