

Consolidated Report to the Financial Community (Unaudited)

Second Quarter 2004 Highlights (Released July 28, 2004)

- Normalized non-GAAP earnings, excluding unusual charges, were \$0.67 per share, compared with second quarter 2003 normalized non-GAAP earnings of \$0.52 per share. GAAP earnings for the second quarter of 2004 were \$0.62 per share compared with a net loss of \$0.20 per share on a GAAP basis in the same quarter of 2003, which included a charge for discontinued operations, unusual charges, and incremental expenses associated with the Davis-Besse outage.

2Q 2004 Results Compared With 2Q 2003

- Electric distribution deliveries were up 4% resulting from increases of 6% in residential deliveries, 5% in commercial deliveries, and 1% in industrial deliveries. Heating-degree-days (April and May) were 22% below the same period last year and 19% below normal, while cooling-degree-days (June) were 21% higher than the same period last year, but 9% below normal. Total electric generation sales rose 12% primarily due to a 37% increase in wholesale sales. Retail generation sales increased 1% due to higher unregulated sales.
- Electric gross margin increased \$50 million after adjusting for changes in regulatory deferrals, the impact of JCP&L's rate decision in August 2003, and last year's Davis-Besse replacement power costs. The increase in electric gross margin primarily resulted from a 21% increase in generation output along with a greater proportion of lower-cost nuclear output in the generation mix, and increased kilowatt-hour deliveries.
- Nuclear operating expenses decreased \$56 million due to the absence of a refueling outage this quarter, compared with outages at Beaver Valley Unit 1 and Perry last year. Fossil operating expenses increased \$8 million, as some of the maintenance outages originally planned for the first quarter were delayed until the second quarter.
- Pension, OPEB, and other employee benefit costs decreased approximately \$26 million as a result of favorable market returns in 2003, changes to health care benefits for retirees, and recent Medicare legislation regarding prescription drugs.

<u>After Tax EPS Variance Analysis</u>	<u>2nd Qtr.</u>
2nd Quarter 2003 Basic EPS - GAAP Basis	\$ (0.20)
Discontinued Operations (Emdersa) - 2003	0.23
Unusual Charges - 2003	0.36
2nd Quarter 2003 Basic EPS - Non-GAAP Basis	\$ 0.39
Davis-Besse Incremental Expenses - 2003	0.13
2nd Quarter 2003 Normalized Earnings - Non-GAAP	\$ 0.52
Electric Gross Margin	0.09
JCP&L Rate Reduction (August 2003)	(0.09)
Nuclear Operating Expenses	0.10
Fossil Operating Expenses	(0.02)
Energy Delivery	(0.01)
Pension and Other Employee Benefits	0.05
Depreciation and Amortization	0.05
Financing Costs	0.06
Common Stock Dilution	(0.07)
Other	(0.01)
2nd Quarter 2004 Normalized Earnings - Non-GAAP	\$ 0.67
Unusual Charges - 2004	(0.05)
2nd Quarter 2004 Basic EPS - GAAP Basis	\$ 0.62

- Total depreciation and amortization expenses, adjusted for the regulatory deferrals and the JCP&L rate case impact, decreased \$25 million due to increased shopping incentive deferrals, capitalization of carrying charges on the deferrals, and lower depreciation, partially offset by higher Ohio transition cost amortization.
- Net interest charges decreased \$26 million. Financing activities during the quarter included \$16 million in mandatory long-term debt redemptions, and \$1.054 billion of refinancing and repricing transactions. These are expected to result in annualized savings of approximately \$42 million. Additional shares outstanding from the issuance of 32.2 million shares of common stock in the third quarter of 2003 diluted earnings by \$0.07 per share.

2004 Earnings and Free Cash Flow Guidance*

- Earnings guidance for 2004, excluding unusual charges, remains at \$2.70 to \$2.85 per share, but now includes the incremental expenses associated with the Davis-Besse outage, and the impact resulting from approval of the Ohio Rate Stabilization Plan. On this basis, year-to-date normalized non-GAAP earnings are \$1.21 per share (1Q04 = \$0.53, 2Q04 = \$0.67). We anticipate that third and fourth quarter earnings will contribute approximately 60% and 40%, respectively, of the remaining earnings for the year.
- Free cash flow (cash flow less capital expenditures and common stock dividend) guidance for 2004 remains at \$825 million.

* The GAAP to Non-GAAP reconciliation statements are attached and available on FirstEnergy Corp.'s website at www.firstenergycorp.com/ir.

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FIRSTENERGY CORP. CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2004	2003	Change	2004	2003	Change
(1) REVENUES:		(In thousands)			(In thousands)	
(2) Electric Sales	\$ 2,645,166	\$ 2,373,641	\$ 271,525	\$ 5,300,777	\$ 4,997,857	\$ 302,920
(3) Natural Gas	113,445	129,595	(16,150)	278,132	374,461	(96,329)
(4) FE Facilities	96,164	81,920	14,244	182,664	156,132	26,532
(5) MYR	79,919	118,294	(38,375)	171,156	230,588	(59,432)
(6) International	-	6,660	(6,660)	-	14,322	(14,322)
(7) Other	215,079	142,989	72,090	399,618	300,476	99,142
(8) Total revenues	<u>3,149,773</u>	<u>2,853,099</u>	<u>296,674</u>	<u>6,332,347</u>	<u>6,073,836</u>	<u>258,511</u>
(9)						
(10) EXPENSES:						
(11) Fuel	191,561	181,811	9,750	389,920	354,569	35,351
(12) Purchased Power	903,574	856,506	47,068	1,839,541	1,784,384	55,157
(13) Purchased Gas	102,963	123,814	(20,851)	256,491	348,611	(92,120)
(14) Other operating expenses	705,858	731,724	(25,866)	1,369,243	1,459,838	(90,595)
(15) FE Facilities	92,795	81,086	11,709	179,715	155,845	23,870
(16) MYR	81,775	116,203	(34,428)	172,557	225,836	(53,279)
(17) International	-	9,857	(9,857)	-	20,246	(20,246)
(18) Mark-to-Market Adjustment	2,482	889	1,593	3,010	4,579	(1,569)
(19) Provision for depreciation	147,172	169,454	(22,282)	293,209	331,011	(37,802)
(20) Amortization of regulatory assets	202,273	184,736	17,537	468,468	399,542	68,926
(21) General taxes	157,732	162,885	(5,153)	336,817	340,952	(4,135)
(22) Total expenses	<u>2,588,185</u>	<u>2,618,965</u>	<u>(30,780)</u>	<u>5,308,971</u>	<u>5,425,413</u>	<u>(116,442)</u>
(23) INCOME BEFORE INTEREST						
(24) AND INCOME TAXES	<u>561,588</u>	<u>234,134</u>	<u>327,454</u>	<u>1,023,376</u>	<u>648,423</u>	<u>374,953</u>
(25) Net interest charges:						
(26) Interest expense	179,881	199,278	(19,397)	352,745	399,539	(46,794)
(27) Capitalized interest	(5,280)	(7,622)	2,342	(11,750)	(16,774)	5,024
(28) Subsidiaries' preferred stock dividends	5,389	13,860	(8,471)	10,670	28,402	(17,732)
(29) Net interest charges	<u>179,990</u>	<u>205,516</u>	<u>(25,526)</u>	<u>351,665</u>	<u>411,167</u>	<u>(59,502)</u>
(30) Income taxes	<u>177,553</u>	<u>18,283</u>	<u>159,270</u>	<u>293,667</u>	<u>112,541</u>	<u>181,126</u>
(31) Income before discontinued operations						
(32) and accounting change	204,045	10,335	193,710	378,044	124,715	253,329
(33) Discontinued Operations	-	(68,223)	68,223	-	(66,248)	66,248
(34) Cumulative effect of accounting change	-	-	-	-	102,147	(102,147)
(35) NET INCOME	<u>\$ 204,045</u>	<u>\$ (57,888)</u>	<u>\$ 261,933</u>	<u>\$ 378,044</u>	<u>\$ 160,614</u>	<u>\$ 217,430</u>
(36)						
(37) Basic earnings per common share:						
(38) Before discontinued operations and						
(39) accounting change	\$ 0.62	\$ 0.03	\$ 0.59	\$ 1.16	\$ 0.43	\$ 0.73
(40) Discontinued operations	-	(0.23)	0.23	-	(0.23)	0.23
(41) Cumulative effect of accounting change	-	-	-	-	0.35	(0.35)
(42)	<u>\$ 0.62</u>	<u>\$ (0.20)</u>	<u>\$ 0.82</u>	<u>\$ 1.16</u>	<u>\$ 0.55</u>	<u>\$ 0.61</u>
(43) Weighted average number of basic						
(44) shares outstanding	<u>327,284</u>	<u>294,166</u>	<u>33,118</u>	<u>327,171</u>	<u>294,026</u>	<u>33,145</u>
(45)						
(46) Diluted earnings per common share:						
(47) Before discontinued operations and						
(48) accounting change	\$ 0.62	\$ 0.03	\$ 0.59	\$ 1.15	\$ 0.42	\$ 0.73
(49) Discontinued operations	-	(0.23)	0.23	-	(0.23)	0.23
(50) Cumulative effect of accounting change	-	-	-	-	0.35	(0.35)
(51)	<u>\$ 0.62</u>	<u>\$ (0.20)</u>	<u>\$ 0.82</u>	<u>\$ 1.15</u>	<u>\$ 0.54</u>	<u>\$ 0.61</u>
(52) Weighted average number of diluted						
(53) shares outstanding	<u>329,034</u>	<u>294,877</u>	<u>34,157</u>	<u>329,034</u>	<u>294,877</u>	<u>34,157</u>

FirstEnergy Consolidated Income Segments

(Unaudited)

Three Months Ended June 30, 2004

(In thousands):	Regulated Services	Competitive Services	Other (c)	Reconciling Adjustments	Consolidated
(1) REVENUES:					
(2) Electric Sales	\$ 1,133,446	\$ 1,511,720	\$ -	\$ -	\$ 2,645,166
(3) Natural Gas	-	113,445	-	-	113,445
(4) FE Facilities	-	96,164	-	-	96,164
(5) MYR	-	79,919	-	-	79,919
(6) International	-	-	-	-	-
(7) Other	155,995	51,240	6,278	1,566 (a)	215,079
(8) Internal revenues	-	-	127,625	(127,625) (b)	-
(9) Total revenues	<u>1,289,441</u>	<u>1,852,488</u>	<u>133,903</u>	<u>(126,059)</u>	<u>3,149,773</u>
(10)					
(11) EXPENSES:					
(12) Fuel	-	191,561	-	-	191,561
(13) Purchased Power	-	903,574	-	-	903,574
(14) Purchased Gas	-	102,963	-	-	102,963
(15) Other operating expenses	290,666	378,105	150,711	(113,624) (a)(b)	705,858
(16) FE Facilities	-	92,795	-	-	92,795
(17) MYR	-	81,775	-	-	81,775
(18) International	-	-	-	-	-
(19) Mark-to-Market Adjustment	-	2,521	(39)	-	2,482
(20) Provision for depreciation	128,294	8,903	9,975	-	147,172
(21) Amortization of regulatory assets	202,273	-	-	-	202,273
(22) General taxes	143,034	10,448	4,250	-	157,732
(23) Total expenses	<u>764,267</u>	<u>1,772,645</u>	<u>164,897</u>	<u>(113,624)</u>	<u>2,588,185</u>
(24) INCOME BEFORE INTEREST AND INCOME TAXES	<u>525,174</u>	<u>79,843</u>	<u>(30,994)</u>	<u>(12,435)</u>	<u>561,588</u>
(26) Net interest charges:					
(27) Interest expense	108,083	11,839	72,394	(12,435) (b)	179,881
(28) Capitalized interest	(4,072)	(1,167)	(41)	-	(5,280)
(29) Subsidiaries' preferred stock dividends	5,389	-	-	-	5,389
(30) Net interest charges	<u>109,400</u>	<u>10,672</u>	<u>72,353</u>	<u>(12,435)</u>	<u>179,990</u>
(31) Income taxes	175,586	28,360	(26,393)	-	177,553
(32) Income before discontinued operations and an accounting change	240,188	40,811	(76,954)	-	204,045
(34) Discontinued operations	-	-	-	-	-
(35) Cumulative effect of an accounting change	-	-	-	-	-
(36) NET INCOME	<u>\$ 240,188</u>	<u>\$ 40,811</u>	<u>\$ (76,954)</u>	<u>\$ -</u>	<u>\$ 204,045</u>

(Unaudited)

Three Months Ended June 30, 2003

(In thousands):	Regulated Services	Competitive Services	Other (c)	Reconciling Adjustments	Consolidated
(1) REVENUES:					
(2) Electric Sales	\$ 1,145,311	\$ 1,228,330	\$ -	\$ -	\$ 2,373,641
(3) Natural Gas	-	129,595	-	-	129,595
(4) FE Facilities	-	81,920	-	-	81,920
(5) MYR	-	118,294	-	-	118,294
(6) International	-	-	6,660	-	6,660
(7) Other	91,349	16,423	38,545	(3,328) (a)	142,989
(8) Internal revenues	-	-	146,707	(146,707) (b)	-
(9) Total revenues	<u>1,236,660</u>	<u>1,574,562</u>	<u>191,912</u>	<u>(150,035)</u>	<u>2,853,099</u>
(10)					
(11) EXPENSES:					
(12) Fuel	-	181,811	-	-	181,811
(13) Purchased Power	-	856,506	-	-	856,506
(14) Purchased Gas	-	123,814	-	-	123,814
(15) Other operating expenses	252,867	447,085	149,877	(118,105) (a)(b)	731,724
(16) FE Facilities	-	81,086	-	-	81,086
(17) MYR	-	116,203	-	-	116,203
(18) International	-	-	9,857	-	9,857
(19) Mark-to-Market Adjustment	-	889	-	-	889
(20) Provision for depreciation	153,197	7,392	8,865	-	169,454
(21) Amortization of regulatory assets	184,736	-	-	-	184,736
(22) General taxes	144,867	4,984	3,853	9,181	162,885
(23) Total expenses	<u>735,667</u>	<u>1,819,770</u>	<u>172,452</u>	<u>(108,924)</u>	<u>2,618,965</u>
(24) INCOME BEFORE INTEREST AND INCOME TAXES	<u>500,993</u>	<u>(245,208)</u>	<u>19,460</u>	<u>(41,111)</u>	<u>234,134</u>
(26) Net interest charges:					
(27) Interest expense	123,359	13,132	103,898	(41,111) (b)	199,278
(28) Capitalized interest	(6,034)	(1,588)	-	-	(7,622)
(29) Subsidiaries' preferred stock dividends	13,860	-	-	-	13,860
(30) Net interest charges	<u>131,185</u>	<u>11,544</u>	<u>103,898</u>	<u>(41,111)</u>	<u>205,516</u>
(31) Income taxes	154,767	(105,225)	(31,259)	-	18,283
(32) Income before discontinued operations and an accounting change	215,041	(151,527)	(53,179)	-	10,335
(34) Discontinued operations	-	(425)	(67,798)	-	(68,223)
(35) Cumulative effect of a change in accounting	-	-	-	-	-
(36) NET INCOME	<u>\$ 215,041</u>	<u>\$ (151,952)</u>	<u>\$ (120,977)</u>	<u>\$ -</u>	<u>\$ (57,888)</u>

FirstEnergy Consolidated Income Segments

(Unaudited)

Three Months Ended June 30, 2004 VS 2003

(In thousands):	Regulated Services	Competitive Services	Other (c)	Reconciling Adjustments	Consolidated
(1) REVENUES:					
(2) Electric Sales	\$ (11,865)	\$ 283,390	\$ -	\$ -	\$ 271,525
(3) Natural Gas	-	(16,150)	-	-	(16,150)
(4) FE Facilities	-	14,244	-	-	14,244
(5) MYR	-	(38,375)	-	-	(38,375)
(6) International	-	-	(6,660)	-	(6,660)
(7) Other	64,646	34,817	(32,267)	4,894 (a)	72,090
(8) Internal revenues	-	-	(19,082)	19,082 (b)	-
(9) Total revenues	<u>52,781</u>	<u>277,926</u>	<u>(58,009)</u>	<u>23,976</u>	<u>296,674</u>
(10)					
(11) EXPENSES:					
(12) Fuel	-	9,750	-	-	9,750
(13) Purchased Power	-	47,068	-	-	47,068
(14) Purchased Gas	-	(20,851)	-	-	(20,851)
(15) Other operating expenses	37,799	(68,980)	834	4,481 (a)(b)	(25,866)
(16) FE Facilities	-	11,709	-	-	11,709
(17) MYR	-	(34,428)	-	-	(34,428)
(18) International	-	-	(9,857)	-	(9,857)
(19) Mark-to-Market Adjustment	-	1,632	(39)	-	1,593
(20) Provision for depreciation	(24,903)	1,511	1,110	-	(22,282)
(21) Amortization of regulatory assets	17,537	-	-	-	17,537
(22) General taxes	(1,833)	5,464	397	(9,181)	(5,153)
(23) Total expenses	<u>28,600</u>	<u>(47,125)</u>	<u>(7,555)</u>	<u>(4,700)</u>	<u>(30,780)</u>
(24) INCOME BEFORE INTEREST AND INCOME TAXES	<u>24,181</u>	<u>325,051</u>	<u>(50,454)</u>	<u>28,676</u>	<u>327,454</u>
(26) Net interest charges:					
(27) Interest expense	(15,276)	(1,293)	(31,504)	28,676	(19,397)
(28) Capitalized interest	1,962	421	(41)	-	2,342
(29) Subsidiaries' preferred stock dividends	(8,471)	-	-	-	(8,471)
(30) Net interest charges	<u>(21,785)</u>	<u>(872)</u>	<u>(31,545)</u>	<u>28,676</u>	<u>(25,526)</u>
(31) Income taxes	20,819	133,585	4,866	-	159,270
(32) Income before discontinued operations and an accounting change	25,147	192,338	(23,775)	-	193,710
(34) Discontinued operations	-	425	67,798	-	68,223
(35) Cumulative effect of a change in accounting	-	-	-	-	-
(36) NET INCOME	<u>\$ 25,147</u>	<u>\$ 192,763</u>	<u>\$ 44,023</u>	<u>\$ -</u>	<u>\$ 261,933</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.

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)				
Assets	As of		As of	
	June 30, 2004		December 31, 2003	
(In thousands)				
Current Assets:				
Cash and cash equivalents	\$	99,538	\$	113,975
Receivables		1,339,074		1,505,500
Other		980,116		623,836
		<u>2,418,728</u>		<u>2,243,311</u>
Property, Plant and Equipment		13,301,681		13,268,922
Investments		3,103,887		3,497,691
Deferred Charges		13,185,304		13,900,024
	\$	<u>32,009,600</u>	\$	<u>32,909,948</u>
Liabilities and Capitalization				
Current Liabilities				
Currently payable long-term debt and preferred stock	\$	1,382,153	\$	1,754,197
Short-term borrowings		74,436		521,540
Accounts payable		612,894		725,239
Other		1,578,255		1,471,191
		<u>3,647,738</u>		<u>4,472,167</u>
Capitalization				
Common stockholders' equity		8,432,963		8,289,341
Preferred stock not subject to mandatory redemption		335,123		335,123
Long-term debt and other long-term obligations		10,011,547		9,789,066
		<u>18,779,633</u>		<u>18,413,530</u>
Noncurrent Liabilities		9,582,229		10,024,251
	\$	<u>32,009,600</u>	\$	<u>32,909,948</u>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)				
	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
(In thousands)				
Cash flows from operating activities				
Net income (loss)	\$	204,045	\$	(57,888)
Adjustments to reconcile net income to net cash from operating activities:				
Depreciation and amortization of regulatory assets, nuclear fuel and leases		369,859		369,359
Deferred costs recoverable as regulatory assets		(60,974)		37,812
Deferred income taxes and investment tax credits		(100,056)		(54,823)
Disallowed purchased power costs		-		152,500
Cumulative effect of accounting change		-		-
Loss from discontinued operations		-		68,223
Change in working capital and other		(92,624)		(493,452)
		<u>320,250</u>		<u>21,731</u>
Cash flows from financing activities		(573,360)		(119,728)
Cash flows from investing activities		72,379		(108,558)
Net decrease in cash and cash equivalents		(180,731)		(206,555)
Cash and cash equivalents at beginning of period		280,269		334,111
Cash and cash equivalents at end of period	\$	<u>99,538</u>	\$	<u>127,556</u>
			\$	<u>378,044</u>
				<u>160,614</u>
			799,242	756,027
			(144,881)	(56,499)
			(94,133)	(32,941)
			-	152,500
			-	(174,663)
			-	66,248
			31,601	(387,293)
			<u>969,873</u>	<u>483,993</u>
			(813,384)	(356,103)
			(170,926)	(226,266)
			(14,437)	(98,376)
			113,975	225,932
			<u>99,538</u>	<u>127,556</u>

FirstEnergy Statistical Summary

Adjusted Capitalization (Including Off-Balance Sheet Items)				
As of June 30,				
	2004	% Total	2003	% Total
(Dollars in thousands)				
Total common equity	\$ 8,432,963	39%	\$ 7,124,751	31%
Preferred stock *	335,123	2%	640,224	3%
Long-term debt - all other*	11,393,700	52%	12,565,943	54%
Short-term debt *	74,436	0%	1,045,067	5%
Off-balance sheet debt equivalents:				
- Sale-leaseback arrangements	1,352,729	6%	1,446,815	6%
-Accounts receivable factoring	178,000	1%	145,000	1%
Total	\$ 21,766,951	100%	\$ 22,967,800	100%

* Includes amounts due to be paid within one year, JCP&L securitization of \$293 million and \$310 million in 2004 and 2003, respectively.

Financial Statistics						
	Three Months Ended June 30,			Six Months Ended June 30,		
	2004	2003	Change	2004	2003	Change
(in thousands)						
L-T Debt and Preferred Stock Redemptions	\$ 721,023	\$ 940,503	\$ (219,480)	\$ 989,943	\$ 1,141,369	\$ (151,426)
Short-term Debt Increase (Decrease)	\$ (59,563)	\$ 189,741	\$ (249,304)	\$ (447,104)	\$ (47,749)	\$ (399,355)
Capital Expenditures	\$ 196,094	\$ 199,742	\$ (3,648)	\$ 334,500	\$ 424,161	\$ (89,661)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2004	2003	Change	2004	2003	Change
Regulatory Deferrals						
Ohio Transition Plan						
Beginning Balance	\$ 497,110	\$ 309,368		\$ 453,005	\$ 259,353	
Deferral of Shopping Incentives	52,238	42,223	\$ 10,015	93,799	87,649	\$ 6,150
Deferral of New Regulatory Assets	15,776	3,098	12,678	18,320	7,687	10,633
Current period deferrals	68,014	45,321	\$ 22,693	112,119	95,336	\$ 16,783
Ending Balance-Ohio Deferrals	\$ 565,124	\$ 354,689		\$ 565,124	\$ 354,689	
Deferred Energy Costs						
New Jersey						
Beginning Balance	\$ 425,400	\$ 530,328		\$ 440,900	\$ 548,641	
Deferral (recovery) of energy costs	(22,700)	60,894	\$ (83,594)	(38,200)	42,581	\$ (80,781)
Rate case disallowance	-	(152,500)	\$ 152,500	-	(152,500)	\$ 152,500
Current period change	(22,700)	(91,606)	\$ 68,906	(38,200)	(109,919)	\$ 71,719
Ending Balance	\$ 402,700	\$ 438,722		\$ 402,700	\$ 438,722	

	Three Months Ended June 30,			Six Months Ended June 30,		
	2004	2003	Change	2004	2003	Change
Unusual Items: 2004 vs 2003						
Lawsuits Settlement	\$ (17,980)	\$ -	\$ (17,980)	\$ (17,980)	\$ -	\$ (17,980)
Sale of GLEP*	15,600	-	15,600	15,600	-	15,600
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	-	(6,200)	6,200	-	(6,200)	6,200
Total - Pre-tax Amounts	\$ (2,380)	\$ (177,284)	\$ 174,904	\$ (2,380)	\$ (177,284)	\$ 174,904
EPS Effect	(\$0.05)	(\$0.36)	\$0.31	(\$0.05)	(\$0.36)	\$0.31

* Before income taxes of \$22.6 million

FirstEnergy Statistical Summary

ELECTRIC SALES STATISTICS	Three Months Ended June 30,			Six Months Ended June 30,		
	2004	2003	Change	2004	2003	Change
	(KWH In Millions)			(KWH In Millions)		
Electric Generation Sales						
Retail -						
Regulated	19,245	19,386	-0.7%	39,987	41,504	-3.7%
Unregulated	3,751	3,335	12.5%	7,767	6,564	18.3%
Total Retail	22,996	22,721	1.2%	47,754	48,068	-0.7%
Wholesale	13,342	9,737	37.0%	25,805	20,163	28.0%
Total Electric Generation Sales	36,338	32,458	12.0%	73,559	68,231	7.8%
Electric Distribution Deliveries						
Residential	7,722	7,258	6.4%	17,829	17,385	2.6%
Commercial	8,263	7,853	5.2%	16,559	16,145	2.6%
Industrial	9,538	9,423	1.2%	18,336	18,146	1.0%
Other	125	138	-9.4%	258	279	-7.5%
Total Distribution Deliveries	25,648	24,672	4.0%	52,982	51,955	2.0%
Electric Sales Shopped						
Residential	1,778	1,400	27.0%	3,951	3,047	29.7%
Commercial	2,366	1,720	37.6%	4,702	3,346	40.5%
Industrial	2,259	2,166	4.3%	4,342	4,058	7.0%
Total Electric Sales Shopped	6,403	5,286	21.1%	12,995	10,451	24.3%
NATURAL GAS SALES STATISTICS						
NATURAL GAS SALES STATISTICS	Three Months Ended June 30,			Six Months Ended June 30,		
	2004	2003	Change	2004	2003	Change
	(Decatherms in thousands)			(Decatherms in thousands)		
Retail	10,903	14,146	-22.9%	29,005	43,723	-33.7%
Wholesale	6,188	9,677	-36.1%	14,287	19,713	-27.5%
Total Natural Gas Sales	17,091	23,823	-28.3%	43,292	63,436	-31.8%

Operating Statistics (12 mos. Ending)	As of June 30,	
	2004	2003
System Load Factor	65.6%	60.7%
Capacity Factors:		
Fossil	58.6%	59.0%
Nuclear	78.3%	65.0%
Generation Output:		
Fossil	64%	69%
Nuclear	36%	31%
Weather		
Composite Heating Days Year-to-Date (Normal - 3493)	3,534	3,819
Composite Cooling Days Year-to-Date (Normal - 240)	299	158

**2004 EARNINGS PER SHARE (EPS) GUIDANCE
(Reconciliation of GAAP to Non-GAAP)
(Unaudited)**

	Three Months Ended June 30	Six Months Ended June 30	Annual Guidance
Basic EPS (GAAP Basis)	\$ 0.62	\$ 1.16	\$2.65 - \$2.80
Unusual Charges:			
Lawsuits Settlement	0.03	0.03	0.03
Sale of 50% Interest in Great Lakes Energy Partners	0.02	0.02	0.02
Davis-Besse Impact	-	0.12	0.12
Normalized EPS (Non-GAAP Basis)	0.67	1.33	\$2.82 - \$2.97
Davis-Besse Impact	-	(0.12)	(0.12)
EPS Guidance Basis (Non-GAAP Basis) ^(*)	\$ 0.67	\$ 1.21	\$2.70 - \$2.85

(*) - As of July 28, 2004, earnings guidance for 2004 now includes the incremental expenses associated with the Davis-Besse outage and the impact resulting from approval of the Ohio Rate Stabilization Plan.

FirstEnergy Corp.
Reconciliation of 2004 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:	
Non-GAAP Earnings Guidance	\$885-\$935
Adjustments:	
Depreciation	598
Amortization	822
Deferred costs recoverable as regulatory assets	(125)
Deferred income taxes and ITC, net	(85)
Other, including changes in working capital ¹	<u>175</u>
Net cash from operating activities (GAAP)	2,295
 Other Items:	
Capital expenditures	(720)
Nuclear fuel fabrication	(90)
Contributions to nuclear decommissioning trusts	(100)
Common stock dividends	(490)
NUG trust contributions	(50)
Claim settlement ¹	(100)
Miscellaneous	<u>80</u>
Free Cash Flow (Non-GAAP)	825
Claim settlement ¹	100
Miscellaneous asset sales	<u>125</u>
Cash Generation (Non-GAAP) ²	\$1,050

Notes:

¹ On a GAAP basis, the \$100 million after-tax cash benefit from the claim settlement is reflected in "Other, including changes in working capital." Since we do not consider this one-time settlement to be part of "Free Cash Flow," we removed it from the subtotal and then added it back to include it as a component of "Cash Generation."

² Potential proceeds from a JCP&L deferred energy cost securitization, not included in the above total, would be an additional source of cash to be used for debt retirement in 2004.

Ohio Rate Stabilization Plan

On June 18, FirstEnergy filed an application for rehearing of its Rate Stabilization Plan which the Public Utilities Commission of Ohio (PUCO) approved on June 9. While much of the plan was approved as filed, the company is asking for a rehearing of certain issues such as the ability to recover increased costs for fuel and environmental expenditures, and the ability to defer costs associated with distribution reliability improvements. The PUCO is expected to issue a comprehensive order on all of the rehearing requests.

Appointment of Chief Operating Officer

On July 23, FirstEnergy announced that Richard R. Grigg has been elected executive vice president and chief operating officer. Mr. Grigg retired earlier this year as president and chief executive officer of WE Generation, after nearly 34 years with Wisconsin Energy Corporation. He will lead several operating business units including Energy Delivery, Fossil Generation, and Commodity Operations, starting in late August.

Sale of Great Lakes Energy Partners

During June, FirstEnergy sold its 50% interest in Great Lakes Energy Partners. The sale generated net after-tax cash proceeds of approximately \$150 million, which were used to accelerate the company's debt reduction. The sale continues our efforts to divest non-core assets and businesses.

\$1 Billion FirstEnergy Corp. Credit Facility Renewal

On June 22, FirstEnergy completed the replacement of \$1 billion of credit facilities. The three-year holding company senior unsecured revolving credit facility replaces various other credit facilities at the holding company and at Ohio Edison that were scheduled to expire this fall. The new facility, combined with other existing credit facilities, brings the total capacity of FirstEnergy's primary credit facilities to \$2.3 billion.

JCP&L Regulatory Update

On May 18, the New Jersey Board of Public Utilities (BPU) issued its final written order on last year's JCP&L base rate case. On June 1, the Company filed a motion for reconsideration of the final order. On July 7, the BPU agreed to rehear certain issues in the order. Oral arguments have been scheduled for August 4.

On July 16, JCP&L submitted its Phase II rate filing with the BPU. The filing includes an increase in base rates of \$36 million annually to recover the costs of projects designed to enhance system reliability and provide a ROE to JCP&L similar to that of other utilities in the state. The filing also seeks to recognize the impact of certain NJBPU-approved restructured purchase-power contracts with NUGs by increasing the deferred recovery component of the Market Transition Charges by \$20 million annually. If approved, the \$56 million request would result in a 2.6% base rate increase.

Settlement of Securities and Derivative Lawsuits

FirstEnergy has reached an agreement that resolves all pending securities and derivative lawsuits related to the extended outage at Davis-Besse; the August 14, 2003, regional power outage; and financial restatements related to changed accounting treatments for transition assets being recovered in Ohio. The agreement, which does not constitute any admission of wrongdoing and is subject to court approval, provides for a total settlement amount of \$89.9 million, of which approximately \$72 million will be paid by the company's insurance carriers.

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, maintenance costs being higher than anticipated, legislative and regulatory changes (including revised environmental requirements), adverse regulatory or legal decisions and the outcome of governmental investigations, 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 markets, further investigation into the causes of the August 14, 2003 regional power outage and the outcome, cost and other effects of present and potential legal and administrative proceedings and claims related to that outage, the final outcome in the proceeding related to its Rate Stabilization Plan, the risks and other factors discussed from time to time in FirstEnergy's Securities and Exchange Commission filings, including its annual report on Form 10-K (as amended) for the year ended December 31, 2003, and its report on Form 10Q for the quarter ended March 31, 2004, and other similar factors. FirstEnergy 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.