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## **FIRSTENERGY UTILITIES PROPOSE SMARTER GRID** Application for Funding Targets Projects in Ohio, Pennsylvania and New Jersey

Akron, Ohio – FirstEnergy Corp. (NYSE: FE) has proposed investing \$114 million on "smart grid" technologies to improve the reliability and interactivity of its electric distribution infrastructure in its three-state service area. The proposal includes support for programs to help customers save energy and money and was included in the company's application for economic stimulus funding filed today with the U.S. Department of Energy under the American Recovery and Reinvestment Act.

"These programs would deliver immediate and long-term benefits to customers in Ohio, Pennsylvania and New Jersey, and help lay the groundwork for widespread deployment of smart grid technologies," said Richard R. Grigg, executive vice president of FirstEnergy and president, FirstEnergy Utilities. "In addition, these programs would provide customers with innovative ways to save energy and money."

The company's application requests \$57 million – or half of the funding needed for targeted projects in communities served by FirstEnergy electric utility companies. The federal support – as well as regulatory recovery of non-federally funded costs – would help ensure the cost-effective implementation of the initial smart grid investments. And, the projects would provide FirstEnergy with the opportunity to better understand the costs and benefits associated with smart grid technologies.

The proposal requests funding for test projects in several suburban communities east of Cleveland served by the Cleveland Electric Illuminating Company (CEI); the York, Pa., area served by Metropolitan Edison Company (Met-Ed); and a number of communities throughout the Jersey Central Power & Light (JCP&L) service area:

- CEI Smart grid components, including distribution automation, voltage control, and advanced protection equipment, will be installed near Cleveland, to enhance service reliability. In addition, 5,000 smart meters will be installed – with the potential to install 39,000 more – and used in conjunction with new information systems and a special pricing program to help customers save money by better managing their electricity use, especially during times of peak demand.
- Met-Ed A voluntary load control program for 14,000 customers in the York area will help reduce peak demand through an integrated system that directly controls air conditioners and other customer appliances during periods of high usage. In addition, deployment of distribution automation and related technologies will help improve the reliability and efficiency of the system. All of these smart grid improvements will be supported by two-way communications.
- JCP&L Expanding on smart grid technologies installed earlier this year, the project will use many of the same technologies and features being introduced in Pennsylvania. This voluntary control program involving 20,000 customers in New Jersey has the potential to reduce peak load by 30 megawatts.

Smart grid technologies – such as distributed automation, demand response with smart metering, volt control, advanced protection devices and wireless security – would help improve system reliability and efficiency and enable customers to save money by better managing their energy usage.

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, 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, 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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