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FirstEnergy's Pennsylvania Subsidiaries File Settlement in Consolidation Proceeding

Proposed settlement would provide cost savings to customers, particularly those in need

GREENSBURG, Pennsylvania – FirstEnergy Corp's (NYSE: FE) subsidiaries – Met-Ed, Penelec, Penn Power, West Penn Power, Keystone Appalachian Transmission Company (KATCo) and Mid-Atlantic Interstate Transmission, LLC (MAIT) – have filed a settlement agreement with the Pennsylvania Public Utility Commission (PaPUC) regarding their joint application to merge FirstEnergy's four Pennsylvania electric distribution companies into a single consolidated operating company with a continued focus on delivering safe, reliable electricity to more than two million customers in the state.

Under the terms of the proposed settlement, income-eligible customers would receive a total of \$650,000 in bill assistance over five years. In addition, the settlement outlines a mechanism for tracking cost savings realized through consolidated operations, which would be returned to customers as part of future base rate reviews.

The settlement, if approved by the PaPUC, helps enable the path forward for the companies' March 2023 application filed with the PaPUC that would consolidate the subsidiaries into a single legal entity called FirstEnergy Pennsylvania Electric Company (FE PA). The distribution companies will continue to do business publicly under the existing local brand names that are familiar to customers – Met-Ed, Penelec, Penn Power and West Penn Power.

The companies have requested PaPUC approval of their application no later than December 2023 and are also awaiting commission approval in New York. In a related proceeding, the Federal Energy Regulatory Commission (FERC) approved the companies' consolidation application on August 14, 2023.

Following consolidation, customers would continue to receive service from the familiar electric company brands that currently deliver their electricity. For billing and other customer-facing purposes, the four electric companies would continue to use their existing names. Similarly, customer rates and terms and conditions of service would not change as a result of the consolidation. Consolidation also would not change Universal Service Programs, Pennsylvania Customer Assistance Programs for lower-income customers, Energy Efficiency programs and Default Service programs. Any changes to customer rates, terms and conditions and programs will be addressed in future base rate reviews and other proceedings.

By consolidating to a larger, combined company, FE PA anticipates gaining greater access to capital at more favorable interest rates to invest in projects to improve customer service and further enhance the energy grid.

"We appreciate the hard work of involved parties in negotiating an agreement that will provide long-lasting benefits to customers, regulators, stakeholders and employees alike while continuing to deliver safe and reliable electric service to our customers," said Scott Wyman, president of FirstEnergy's Pennsylvania operations. "We anticipate consolidated operations to produce cost savings, which would be returned to our customers as part of future rate reviews."

If approved, the consolidation would also result in the transfer of transmission assets owned and operated by West Penn Power to KATCo. As a distribution-only company, FE PA would focus its investments solely to serve its local customers. It would not be responsible for

financing transmission projects driven by ever-changing grid requirements and that potentially benefit utility customers in distant regions.

Parties to the settlement include, but are not limited to, the Office of Consumer Advocate, the Office of Small Business Advocate, Pennsylvania State University, the Bureau of Investigation and Enforcement, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania, Industrial Consumer Groups and Industrial Energy Consumers of Pennsylvania.

Met-Ed serves approximately 587,000 customers within 3,300 square miles of eastern and southeastern Pennsylvania. Follow Met-Ed on Twitter [@Met Ed](#) and on Facebook at www.facebook.com/MetEdElectric.

Penelec serves approximately 588,000 customers within 17,600 square miles of northern and central Pennsylvania. Follow Penelec on Twitter [@Penelec](#) and on Facebook at www.facebook.com/PenelecElectric.

Penn Power serves more than 170,000 customers in all or parts of Allegheny, Beaver, Butler, Crawford, Lawrence and Mercer counties in western Pennsylvania. Follow Penn Power on Twitter [@Penn Power](#), on Facebook at www.facebook.com/PennPower, and online at www.pennpower.com.

West Penn Power serves approximately 737,000 customers in 24 counties within central and southwestern Pennsylvania. Follow West Penn Power on Twitter [@W Penn Power](#) and on Facebook at www.facebook.com/WestPennPower.

FirstEnergy is dedicated to integrity, safety, reliability, and operational excellence. Its 10 electric distribution companies form one of the nation's largest investor-owned electric systems, serving customers in Ohio, Pennsylvania, New Jersey, West Virginia, Maryland, and

New York. The company's transmission subsidiaries operate approximately 24,000 miles of transmission lines that connect the Midwest and Mid-Atlantic regions. Follow FirstEnergy online at www.firstenergycorp.com and on Twitter [@FirstEnergyCorp](https://twitter.com/FirstEnergyCorp).

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