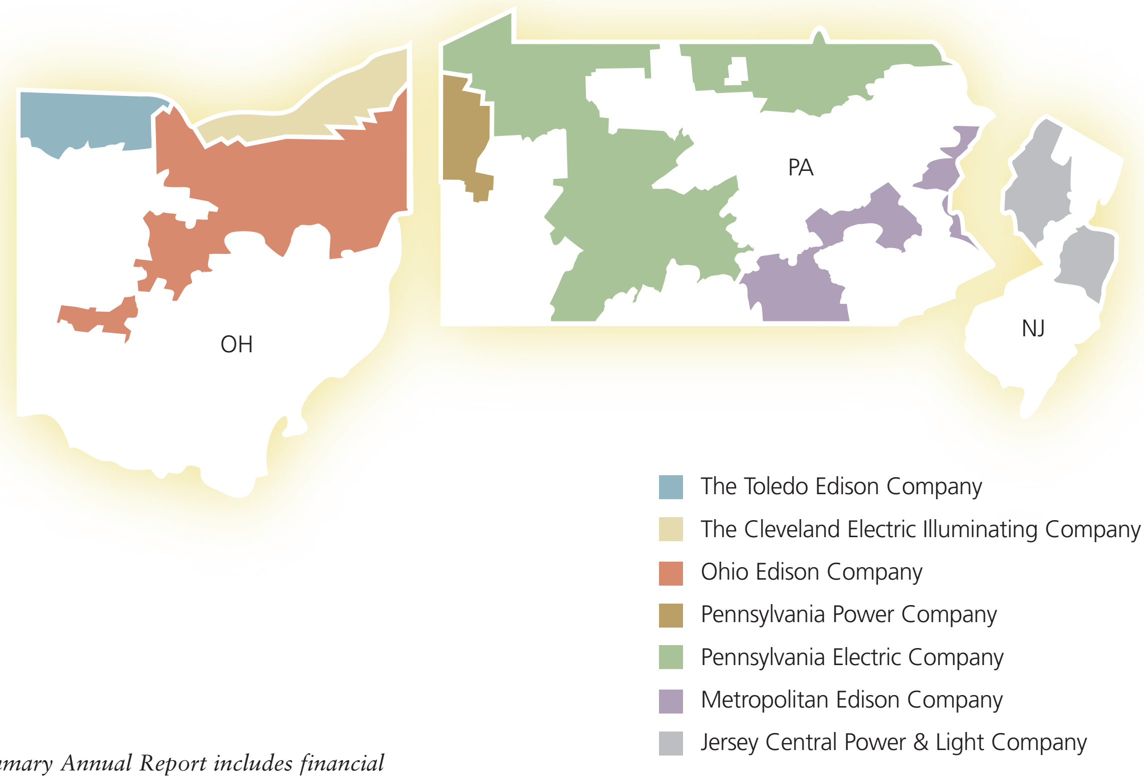
FirstEnergy

SUMMARY

2007 ANNUAL REPORT

ELECTRIC UTILITY OPERATING COMPANIES



This Summary Annual Report includes financial and operating highlights and summary financial statements. For complete financial statements, including notes, please refer to FirstEnergy's 2007 Form 10-K filing, which is available online at the Company's Web site (www.firstenergycorp.com/ir).

CONTENTS

CORPORATE PROFILE

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. Its generation subsidiaries control more than 14,000 megawatts of capacity.

FINANCIAL HIGHLIGHTS

(Dollars in millions, except per share amounts)

	2007	2006
Total revenues	**$12,802**	$11,501
Income from continuing operations*	**$ 1,309**	$ 1,258
Net income	**$ 1,309**	$ 1,254
Basic earnings per common share:		
Income from continuing operations	**$ 4.27**	$ 3.85
Net earnings per basic share	**$ 4.27**	$ 3.84
Diluted earnings per common share:		
Income from continuing operations	**$ 4.22**	$ 3.82
Net earnings per diluted share	**$ 4.22**	$ 3.81
Dividends paid per common share**	**$ 2.00**	$ 1.80
Book value per common share	**$ 29.45**	$ 28.35
Net cash from operating activities	**$ 1,694**	$ 1,939

* *The 2006 discontinued operations are described in Note 8 to the consolidated financial statements, which can be found in FirstEnergy's 2007 Annual Report on Form 10-K.*

** *A quarterly dividend of $0.55 was paid on March 1, 2008, increasing the indicated annual dividend rate to $2.20 per share.*

Forward-Looking Statements: This Summary Annual Report 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, or 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 our 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 Ohio and Pennsylvania, 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, 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 including revised environmental requirements and possible greenhouse gas emissions regulation, the uncertainty of the timing and amounts of the capital expenditures needed to, among other things, implement the Air Quality Compliance Plan (including that such amounts could be higher than anticipated) or levels of emission reductions related to the Consent Decree resolving the New Source Review 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 Nuclear Regulatory Commission including, but not limited to, the Demand for Information issued to FENOC on May 14, 2007) as disclosed in our SEC filings, the timing and outcome of various proceedings before the PUCO (including, but not limited to, the Distribution Rate Cases and the generation supply plan filing for the Ohio Companies and the successful resolution of the issues remanded to the PUCO by the Supreme Court of Ohio regarding the Rate Stabilization Plan and the Rate Certainty Plan, including the deferral of fuel costs) and the PPUC (including the resolution of the Petitions for Review filed with the Commonwealth Court of Pennsylvania with respect to the transition rate plan for Met-Ed and Penelec), the continuing availability of generating units and their ability to continue 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, changing market conditions that could affect the value of assets held in our nuclear decommissioning trust fund, pension fund and other trust funds, the ability to access the public securities and other capital markets and the cost of such capital, the risks and other factors discussed from time to time in our 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 us to predict all such factors, nor can we assess the impact of any such factor on our 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. We expressly disclaim any current intention to update any forward-looking statements contained herein as a result of new information, future events, or otherwise.

In 2007, we achieved the strongest results in our 10-year history – and, by many key measures, we've become one of our industry's top performers.

Through our focus on continuous improvement, we increased the productivity and efficiency of our power plants, enhanced the reliability of our service, and provided greater value to shareholders.

Our key accomplishments for the year included:

- *Posting the best safety record in our Company's history and one of the best in our industry – an Occupational Health and Safety Administration (OSHA) recordable rate of 0.86 incidents per 100 employees*
- *Delivering a total shareholder return of 23.6 percent – among the best in our industry*
- *Achieving record earnings of $4.27 per share while generating approximately $1.7 billion in cash from operations*
- *Raising the annual dividend rate for the fifth time in three years, for a total increase of 47 percent*
- *Producing 81 million megawatt-hours (MWH) from our generating plants, nearly matching our record 2006 performance*

Our record earnings per share – up 11 percent compared to 2006 – were near the top of our guidance to the financial community. These strong results were driven by increased electric generation sales, which more than offset higher purchased power costs.

We also enhanced shareholder value through our accelerated share repurchase program, which reduced outstanding shares by 25 million, or nearly 8 percent, since 2005. And, in December, your Board of Directors approved a 10-percent increase in the dividend, bringing the annual rate to $2.20 per share of common stock, up from $1.50 in 2004.

Anthony J. Alexander, President and Chief Executive Officer

These and other accomplishments over the past three years have produced an annualized total shareholder return of 26.4 percent and an increase in the market value of our Company for shareholders of $9 billion – among the best financial performances in the electric utility industry over that period.

Our three-year financial performance and strong prospects for growth helped us earn recognition from *Public Utilities Fortnightly* magazine as one of the nation's 40 Best Energy Companies.

Working Safely

Our employees achieved the best safety results in our history and one of the best in the industry. Our OSHA recordable rate of 0.86 represents less than one recordable incident per 200,000 hours worked. Employees at 12 Company locations had no OSHA recordable incidents in 2007, and our Davis-Besse and Perry nuclear plant employees have worked a combined 12.4 million hours without a lost-time accident.

Despite these strong results, we were tragically reminded earlier this month that a life can be lost in an instant when working with electricity. That's why we stress with employees that safety must be their first priority during every minute while on the job.

Moving Toward Competitive Markets

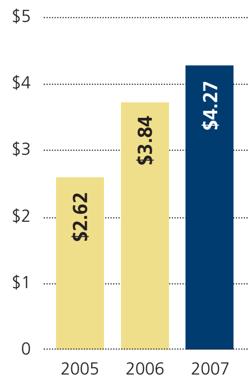
As our progress indicates, we continue to execute our strategies for future growth – strategies that recognize the many opportunities competitive markets offer.

With this in mind, we remain active in the debate concerning Senate Bill 221, proposed legislation that would restructure Ohio's electric industry. We are actively supporting specific language in the legislation that would maintain a market option for meeting our customers' generating needs or a rate plan option that would continue to manage the transition to fully competitive markets. We remain hopeful that the final bill will strike the right balance for ensuring that competitive markets continue to benefit our customers and Company.

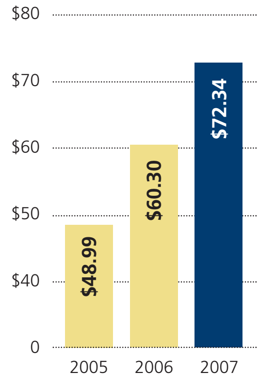
West Lorain natural gas plant

Our Pennsylvania Power utility made a successful transition in 2007 to a fully competitive market that provides customer choice for generation. A bidding process is being used to establish generation prices for customers through 2011.

BASIC EARNINGS PER SHARE



YEAR-END STOCK PRICE



Maximizing Our Generation Business

We believe our competitive generation business offers the best prospects for our future growth. Toward that end, we're pursuing a strategy to maximize the productivity of our power plants and wholesale marketing activities while taking advantage of cost-effective opportunities to add capacity.

The strong performance of our generating assets – now part of our FirstEnergy Solutions (FES) subsidiary – was led by our nuclear operations, which produced a record 30.3 million MWH of our total generation. FES has become one of the nation's largest competitive electricity suppliers, with more than 100 million MWH of power sales annually.

To meet growing wholesale and retail demand for electricity and achieve future milestones in generating performance, we are strategically adding capacity at our existing plants and exploring other opportunities for capacity additions.

Earlier this year, we purchased a partially complete, 707-megawatt (MW) natural gas, combined-cycle plant in Fremont, Ohio. We expect this plant to come online in two years, bringing our total capacity to nearly 15,000 MW. This new, low-emitting resource will further diversify our generation mix while reducing our average carbon dioxide (CO_2) emission rate – already about one-third below the average rate for generation in the region where our power plants are located.

Flue liners for the new Sammis Plant chimney

With completion of this facility, plant uprates and other strategic additions, we will have increased our generating capacity by more than 2,300 MW since 1999. That's the equivalent of our largest plant in Ohio, the W. H. Sammis Plant, and it was added at a fraction of the cost of a new plant.

In addition, the Nuclear Regulatory Commission accepted our application to renew the Beaver Valley Nuclear Power Station's license – an important first step toward keeping this vital asset operating well into the future.

Protecting the Environment

We continue to work aggressively to minimize the impact of our operations on the environment.

Since 1990, we've reconfigured our fleet by retiring older, less-efficient coal-based units and adding nuclear capacity while improving fleet efficiency. As a result, we have avoided some 150 million tons of CO_2 emissions. And, with nearly 40 percent

Little Blue Run containment pond

of our electricity generated by non-emitting resources – including more than 100 MW of wind capacity that came online in 2007 – we expect to be reasonably well-positioned to operate under carbon constraints that likely would be included in future climate change legislation.

Our environmental commitment is underscored by a major retrofit at our Sammis Plant – the centerpiece of our nearly $2 billion air quality compliance program. When this project is complete, 84 percent of the generation we control will be non-emitting or fully scrubbed. Environmental projects across our system are helping us achieve additional reductions in nitrogen-oxides and sulfur-dioxide emission rates, which are already significantly below the averages for our region.

As part of our ongoing support of emerging environmental technologies, we pledged $2 million to establish the FirstEnergy Advanced Energy Research Center at The University of Akron, expanding research involving carbon capture and coal-based fuel cells. And, we plan to continue supporting government and industry efforts to develop new carbon control technologies.

In addition, we launched new green energy programs to help customers support the development of alternative energy sources. For example, our Green Resource Program enables Ohio residential customers to purchase certificates that support renewable energy sources such as wind. We also offer load control programs, a project involving smart thermostats for residential customers, home energy audits and energy-efficiency rebates.

In Akron, a new office complex for about 700 Information Technology and FES employees will serve as a model of environmental stewardship. This facility is being built to the high standards set through Leadership in Energy and Environmental Design (LEED) specifications.

Enhancing Service to Customers

Through our ongoing investments in people, equipment and technology, we continue to enhance the reliability and responsiveness of our service to customers.

We've made significant investments in our transmission and distribution systems – adding new power lines, transformers, substations, trucks and other equipment. We've also installed new technologies that are designed

Line maintenance from a bucket truck

to reduce the number of customers affected by outages and help ensure faster service restoration when outages do occur.

These and other investments have produced significant results. For example, we have reduced the number of bulk-transmission outages by 25 percent over the past five years, and our system of high-voltage transmission lines again ranked among the industry's most reliable in 2007.

And, we continue to make progress in enhancing distribution reliability – cutting the average annual duration of outages by an hour, or 31 percent, over the past two years.

Our highly skilled employees remain among the best in our industry for emergency storm response. For the second consecutive year, we received the Edison Electric Institute's Emergency Assistance Award, which recognized our efforts to assist utilities in Indiana and Illinois with power restoration following some of the most damaging storms in more than a decade.

This dedication to service can be found throughout our Company. For example, our contact center representatives respond to nearly 10 million calls each year from customers who have questions and concerns. With the help of new equipment and processes, we're responding more quickly with accurate and timely information. In a survey of customers who contacted us, 81 percent rate the service they received a 9 or 10 on a 10-point scale.

Building Our Workforce and Our Communities

We're addressing a significant issue facing our Company and industry – the need to replace experienced employees who are approaching retirement age. In 2007, we welcomed nearly 1,300 new employees, and we plan to hire more than 1,000 people each year for the next five or more years.

As part of this effort, we recently expanded our innovative Power Systems Institute (PSI), which trains our next generation of line, substation and power plant employees by offering two-year associate degrees in applied science. We added three schools in 2007 and now have 550 students enrolled at the 11 colleges participating across our service area.

PSI class on maintenance practices

Beyond the employment opportunities available at our companies, we also help sustain local communities through the many contributions and volunteer efforts of our working men and women.

Among last year's charitable efforts, our employees and companies helped provide the equivalent of some two million meals to Harvest for Hunger and contributed $1.8 million to United Way organizations across Ohio, Pennsylvania and New Jersey. In addition, our FirstEnergy Foundation provided $5 million in grants to non-profit organizations across our service areas and in communities where our employees live and work.

We also support state and local economic development initiatives that work to attract and retain businesses and the jobs they create. In 2007, FirstEnergy was again recognized by *Site Selection* magazine as one of the top utilities in the country for promoting economic development. These and other efforts play a vital role in improving the business climate and quality of life in the communities we're privileged to serve.

Setting a Course for Future Growth

As we look toward the future, we are positioning our competitive generation business to achieve new operational milestones while helping meet growing customer demand for our product.

Clearly, energy efficiency and conservation efforts play a key role in helping us manage this demand. But our nation must add thousands of megawatts of new generation to keep pace with the growing need for electricity and to replace aging generating facilities. In fact, the Department of Energy has forecast that, by 2030, electricity use in the United States will increase by almost 40 percent.

Yet as an industry, we continue to face more demanding environmental requirements and a wide range of uncertainties that affect decisions to add capacity based on coal, advanced nuclear and other technologies. While we currently have no plans to add baseload generating facilities, we intend to employ cost-effective strategies in the near term to build on our diverse mix of environmentally sound generating assets.

I'm confident that our employees will meet these and other challenges that lie ahead. They've demonstrated an unwavering commitment to operational excellence while helping our Company achieve its financial and regulatory goals – and they are focused on delivering greater value to our shareholders and customers.

Along with recognizing the outstanding efforts of our employees, I thank you for your continued confidence as we enter our second decade as FirstEnergy. With your support, I remain dedicated to enhancing the value of your investment in the years ahead.

Sincerely,

Anthony J. Alexander

ANTHONY J. ALEXANDER
President and Chief Executive Officer

March 21, 2008

FirstEnergy Board of Directors


Paul T. Addison


Anthony J. Alexander


Michael J. Anderson


Dr. Carol A. Cartwright


William T. Cottle


Robert B. Heisler, Jr.

Dear Shareholders:

On behalf of your Board of Directors, I want to thank FirstEnergy's management team and employees for another record year.

As a result of continued strong operational and financial performance, the market value of your Company increased by nearly $3 billion last year. Our 2007 total shareholder return of 23.6 percent, which reflects stock price appreciation plus reinvested dividends, was among the best in our industry. Based on our confidence in your Company's future, the Board increased the common stock dividend by an additional 10 percent in December, which brings the annual rate to $2.20 per share.

As FirstEnergy addresses its opportunities and challenges, we remain committed to rigorous standards of corporate governance and ethics. In February of this year, we were honored to be named among the top 100 Corporate Citizens in the United States by *Corporate Responsibility Officer (CRO) Magazine*. This prestigious annual study measures corporate efforts to address issues related to climate change, employee relations, environment, finance, governance, human rights, lobbying and philanthropy.

FirstEnergy's corporate governance practices also ranked among the top 10 percent of all utilities and the top 15 percent of all S&P 500 companies at the beginning of 2008, based on corporate governance measures used by ISS Governance Services.

You can learn more by reading our *Corporate Responsibility Report*, which offers a comprehensive look at your Company's ethics and governance practices, environmental commitment, health and safety issues, and contributions to our region's quality of life. The report is available online at *www.firstenergycorp.com*.

Your Board is proud of FirstEnergy's continued progress in enhancing value to shareholders and remains committed to ensuring that your interests are well represented.

Thank you for your ongoing confidence and support.

Sincerely,

George M. Smart

George M. Smart
Chairman of the Board


Ernest J. Novak, Jr.


Catherine A. Rein


George M. Smart


Wes M. Taylor


Jesse T. Williams, Sr.

Paul T. Addison (61)
Retired, formerly Managing Director in the Utilities Department of Salomon Smith Barney (Citigroup). Chair, Finance Committee; Member, Audit Committee. Director of FirstEnergy Corp. since 2003.

Anthony J. Alexander (56)
President and Chief Executive Officer of FirstEnergy Corp. Director of FirstEnergy Corp. since 2002.

Michael J. Anderson (56)
President and Chief Executive Officer of The Andersons, Inc., and Chairman of the Board of Interstate Bakeries Corporation. Member, Finance and Nuclear Committees. Director of FirstEnergy Corp. since 2007.

Dr. Carol A. Cartwright (66)
Retired, formerly President of Kent State University. Chair, Corporate Governance Committee; Member, Compensation Committee. Director of FirstEnergy Corp. since 1997 and of Ohio Edison from 1992-1997.

William T. Cottle (62)
Retired, formerly Chairman of the Board, President and Chief Executive Officer of STP Nuclear Operating Company. Chair, Nuclear Committee; Member, Corporate Governance Committee. Director of FirstEnergy Corp. since 2003.

Robert B. Heisler, Jr. (59)
Special Assistant for Community and Business Strategies to the President of Kent State University; retired Chairman of the Board of KeyBank N.A. Member, Compensation and Finance Committees. Director of FirstEnergy Corp. from 1998-2004 and since 2006.

Ernest J. Novak, Jr. (63)
Retired, formerly Managing Partner of the Cleveland office of Ernst & Young LLP. Chair, Audit Committee; Member, Finance Committee. Director of FirstEnergy Corp. since 2004.

Catherine A. Rein (65)
Retired, formerly Senior Executive Vice President and Chief Administrative Officer of MetLife Inc. Chair, Compensation Committee; Member, Audit Committee. Director of FirstEnergy Corp. since 2001 and of the former GPU, Inc. (merged with FirstEnergy in 2001) from 1989-2001.

George M. Smart (62)
Non-executive Chairman of the FirstEnergy Corp. Board of Directors. Retired, formerly President of Sonoco-Phoenix, Inc. Member, Audit and Corporate Governance Committees. Director of FirstEnergy Corp. since 1997 and of Ohio Edison from 1988-1997.

Wes M. Taylor (65)
Retired, formerly President of TXU Generation. Member, Compensation and Nuclear Committees. Director of FirstEnergy Corp. since 2004.

Jesse T. Williams, Sr. (68)
Retired, formerly Vice President of Human Resources Policy, Employment Practices and Systems of The Goodyear Tire & Rubber Company. Member, Corporate Governance and Nuclear Committees. Director of FirstEnergy Corp. since 1997 and of Ohio Edison from 1992-1997.

FirstEnergy Officers

FirstEnergy Corp.

Anthony J. Alexander
President and Chief Executive Officer

Mark T. Clark
Executive Vice President, Strategic Planning and Operations

Richard R. Grigg
Executive Vice President and President, FirstEnergy Utilities

Gary R. Leidich
Executive Vice President and President, FirstEnergy Generation

Leila L. Vespoli*
Executive Vice President and General Counsel

Richard H. Marsh*
Senior Vice President and Chief Financial Officer

James F. Pearson*
Vice President and Treasurer

Harvey L. Wagner*
Vice President, Controller and Chief Accounting Officer

Rhonda S. Ferguson*
Corporate Secretary

Paulette R. Chatman**
Assistant Controller

Jacqueline S. Cooper*
Assistant Corporate Secretary

Jeffrey R. Kalata*
Assistant Controller

Randy Scilla**
Assistant Treasurer

Edward J. Udovich**
Assistant Corporate Secretary

Lisa S. Wilson*
Assistant Controller

* *Also holds a similar position with FirstEnergy Service Company, FirstEnergy Solutions Corp., and FirstEnergy Nuclear Operating Company.*

** *Also holds a similar position with FirstEnergy Service Company and FirstEnergy Nuclear Operating Company.*

FirstEnergy Service Company

Anthony J. Alexander
President and Chief Executive Officer

Mark T. Clark
Executive Vice President, Strategic Planning and Operations

Richard R. Grigg
Executive Vice President and President, FirstEnergy Utilities

Gary R. Leidich
Executive Vice President and President, FirstEnergy Generation

Lynn M. Cavalier
Senior Vice President, Human Resources

David C. Luff
Senior Vice President, Governmental Affairs

Donald R. Schneider
Senior Vice President, Energy Delivery & Customer Service

Thomas M. Welsh
Senior Vice President, Assistant to CEO

Tony C. Banks
Vice President, Business Development, Performance & Management

David M. Blank
Vice President, Rates & Regulatory Affairs

William D. Byrd
Vice President, Corporate Risk and Chief Risk Officer

Mary Beth Carroll
Vice President, Corporate Affairs & Community Involvement

Thomas A. Clark
Vice President, Customer Service & Service Area Development

Ralph J. DiNicola
Vice President, Communications

Michael J. Dowling
Vice President, Governmental Affairs

Bradley S. Ewing
Vice President, Energy Delivery

Rhonda S. Ferguson
Vice President, Corporate Secretary and Chief Ethics Officer

Dennis J. Fuster
Vice President, Project Construction

Bennett L. Gaines
Vice President, Information Technology & Corporate Security, and Chief Information Officer

Mark A. Julian
Vice President, Energy Delivery

Nicholas J. Lizanich
Vice President, Asset Oversight

Thomas C. Navin
Vice President, Investment Management

John E. Paganie
Vice President, Energy Efficiency

Robert P. Reffner
Vice President, Legal

Ronald E. Seeholzer
Vice President, Investor Relations

Eugene J. Sitarz
Vice President, Tax

Daniel V. Steen
Vice President, Environmental

Stanley F. Szwed
Vice President, Federal Energy Regulatory Commission Policy, and Chief FERC Compliance Officer

Bradford F. Tobin
Vice President, Supply Chain, and Chief Procurement Officer

Richard J. Horak
Assistant Controller

FirstEnergy Solutions Corp.

Charles E. Jones
President

Ali Jamshidi
Vice President, Commodity Operations

Charles D. Lasky
Vice President, Fossil Operations

Arthur W. Yuan
Vice President, Sales & Marketing

Dennis J. Fuster†
Vice President

Frank A. Lubich†
Vice President, Fossil Operations

† *FirstEnergy Generation Corp.*

FirstEnergy Nuclear Operating Company

Anthony J. Alexander
Chief Executive Officer

Joseph J. Hagan
President and Chief Nuclear Officer

James H. Lash
Senior Vice President and Chief Operating Officer

Danny L. Pace
Senior Vice President, Fleet Engineering

Barry S. Allen
Vice President, Davis-Besse

Mark B. Bezilla
Vice President, Perry

Paul A. Harden
Vice President, Nuclear Support

Jeannie M. Rinckel
Vice President, Fleet Oversight

Peter P. Sena
Vice President, Beaver Valley

FirstEnergy Regional Operations Management

OHIO

James M. Murray
President, Ohio Operations

Dennis M. Chack
Regional President, The Cleveland Electric Illuminating Company

Trent A. Smith
Regional President, The Toledo Edison Company

Steven E. Strah
Regional President, Ohio Edison Company

PENNSYLVANIA

Douglas S. Elliott
President, Pennsylvania Operations

Ronald P. Lantzy
Regional President, Metropolitan Edison Company

James R. Napier, Jr.
Regional President, Pennsylvania Electric Company

NEW JERSEY

Stephen E. Morgan
President, Jersey Central Power & Light Company

Donald M. Lynch
Regional President, Jersey Central Power & Light Company

FIRSTENERGY FINANCIALS

The following financial information should be read in conjunction with, and is qualified in its entirety by reference to, the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and with the consolidated financial statements and the "Notes to Consolidated Financial Statements" in our 2007 Annual Report on Form 10-K (also included in our 2007 financial information package sent with our proxy materials for our 2008 Annual Meeting of Shareholders). Our Consolidated Statements of Income are not necessarily indicative of future conditions or results of operations.

SELECTED FINANCIAL DATA

For the Years Ended December 31,	**2007**	2006	2005	2004	2003
		(In millions, except per share amounts)			
Revenues	**$12,802**	$11,501	$11,358	$11,600	$10,802
Income From Continuing Operations	**$ 1,309**	$ 1,258	$ 879	$ 907	$ 494
Net Income	**$ 1,309**	$ 1,254	$ 861	$ 878	$ 423
Basic Earnings per Share of Common Stock:					
Income from continuing operations	**$ 4.27**	$ 3.85	$ 2.68	$ 2.77	$ 1.63
Net earnings per basic share	**$ 4.27**	$ 3.84	$ 2.62	$ 2.68	$ 1.39
Diluted Earnings per Share of Common Stock:					
Income from continuing operations	**$ 4.22**	$ 3.82	$ 2.67	$ 2.76	$ 1.62
Net earnings per diluted share	**$ 4.22**	$ 3.81	$ 2.61	$ 2.67	$ 1.39
Dividends Declared per Share of Common Stock (1)	**$ 2.05**	$ 1.85	$ 1.705	$1.9125	$ 1.50
Total Assets	**$32,068**	$31,196	$31,841	$31,035	$32,878
Capitalization as of December 31:					
Common Stockholders' Equity	**$ 8,977**	$ 9,035	$ 9,188	$ 8,590	$ 8,290
Preferred Stock	–	–	184	335	335
Long-Term Debt and Other Long-Term Obligations	**8,869**	8,535	8,155	10,013	9,789
Total Capitalization	**$17,846**	$17,570	$17,527	$18,938	$18,414
Weighted Average Number of Basic Shares Outstanding	**306**	324	328	327	304
Weighted Average Number of Diluted Shares Outstanding	**310**	327	330	329	305

(1) Dividends declared in 2007 include three quarterly payments of $0.50 per share in 2007 and one quarterly payment of $0.55 per share payable in 2008, increasing the indicated annual dividend rate from $2.00 to $2.20 per share. Dividends declared in 2006 include three quarterly payments of $0.45 per share in 2006 and one quarterly payment of $0.50 per share paid in 2007. Dividends declared in 2005 include two quarterly payments of $0.4125 per share in 2005, one quarterly payment of $0.43 per share in 2005 and one quarterly payment of $0.45 per share in 2006. Dividends declared in 2004 include four quarterly dividends of $0.375 per share paid in 2004 and a quarterly dividend of $0.4125 per share paid in 2005. Dividends declared in 2003 include four quarterly dividends of $0.375 per share.

PRICE RANGE OF COMMON STOCK

The common stock of FirstEnergy Corp. is listed on the New York Stock Exchange under the symbol "FE" and is traded on other registered exchanges.

	2007		2006	
First Quarter High-Low	**$67.11**	**$57.77**	$52.17	$47.75
Second Quarter High-Low	**$72.90**	**$62.56**	$54.57	$48.23
Third Quarter High-Low	**$68.31**	**$58.75**	$57.50	$53.47
Fourth Quarter High-Low	**$74.98**	**$63.39**	$61.70	$55.99
Yearly High-Low	**$74.98**	**$57.77**	$61.70	$47.75

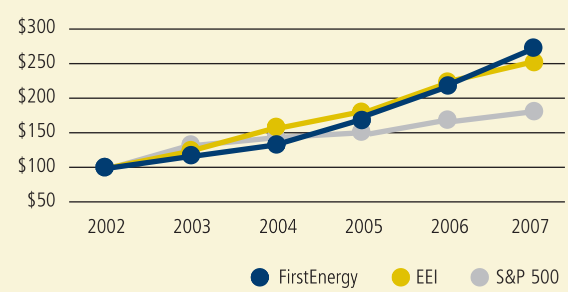
Prices are from http://finance.yahoo.com.

SHAREHOLDER RETURN

The following graph shows the total cumulative return from a $100 investment on December 31, 2002 in FirstEnergy's common stock compared with the total cumulative returns of the Edison Electric Institute's (EEI) Index of Investor-Owned Electric Utility Companies and the S&P 500.

Total Return Cumulative Values

($100 Investment on December 31, 2002)



Summary of Management's Discussion and Analysis of Results of Operations and Financial Condition

Net income in 2007 was $1.31 billion, or basic earnings of $4.27 per share of common stock ($4.22 diluted), compared with net income of $1.25 billion, or basic earnings of $3.84 per share ($3.81 diluted) in 2006 and $861 million, or basic earnings of $2.62 per share ($2.61 diluted) in 2005. The increase in our 2007 earnings was driven primarily by increased electric sales revenues, partially offset by increased purchased power costs, increased other operating expenses and higher amortization of regulatory assets.

Change in Basic Earnings Per Share From Prior Year

	2007	2006	2005
Basic Earnings Per Share – Prior Year	**$3.84**	$2.62	$2.68
Non-core asset sales – 2007	**0.04**	–	–
Saxton decommissioning regulatory asset – 2007	**0.05**	–	–
Trust securities impairment – 2007/2006	**(0.03)**	(0.02)	–
PPUC NUG accounting adjustment – 2006	**0.02**	(0.02)	–
Ohio/New Jersey income tax adjustments – 2005	–	0.19	(0.19)
Sammis Plant New Source Review settlement – 2005	–	0.04	(0.04)
Davis-Besse fine/penalty – 2005	–	0.10	(0.10)
JCP&L arbitration decision – 2005	–	0.03	(0.03)
New regulatory assets - JCP&L settlement – 2005	–	(0.05)	0.05
Lawsuits settlements – 2004	–	–	0.03
Nuclear operations severance costs – 2004	–	–	0.01
Davis-Besse extended outage impacts – 2004	–	–	0.12
Discontinued Operations:			
Non-core asset sales/impairments	–	(0.02)	0.21
Other	**0.01**	(0.02)	(0.09)
Cumulative effect of a change in accounting principle	–	0.09	(0.09)
Revenues	**2.51**	0.26	(0.44)
Fuel and purchased power	**(1.51)**	(0.43)	0.72
Amortization of regulatory assets	**(0.31)**	0.78	(0.21)
Deferral of new regulatory assets	–	0.23	0.22
Other expenses	**(0.43)**	0.25	(0.27)
Investment income	**(0.03)**	(0.11)	0.02
Interest expense	**(0.11)**	(0.11)	0.02
Reduced common shares outstanding	**0.22**	0.03	–
Basic Earnings Per Share	**$4.27**	$3.84	$2.62

Total electric generation sales increased 2.5% during 2007 compared to the prior year, with retail and wholesale sales increasing 2.0%, and 4.5%, respectively. Electric distribution deliveries increased 2.6% in 2007 compared to 2006, reflecting load growth and higher weather-related usage in 2007.

Financial Matters

Dividends

On December 18, 2007, our Board of Directors declared a quarterly dividend of $0.55 per share on outstanding common stock, a 10% increase, payable on March 1, 2008. The new indicated annual dividend is $2.20 per share. This action brings our cumulative dividend increase to 47% since the beginning of 2005 and is consistent with our policy of sustainable annual dividend growth with a payout that is appropriate for our level of earnings.

Share Repurchase Programs

On March 2, 2007, we repurchased approximately 14.4 million shares, or 4.5%, of our outstanding common stock under an accelerated share repurchase program at an initial purchase price of approximately $900 million, or $62.63 per share. We paid a final purchase price adjustment in cash on December 13, 2007, resulting in a final purchase price of $942 million, or $65.54 per share.

On August 10, 2006, we repurchased approximately 10.6 million shares, or 3.2%, of our outstanding common stock through an accelerated share repurchase program. The initial purchase price was $600 million, or $56.44 per share. We paid a final purchase price adjustment of $27 million in cash on April 2, 2007. Under the two programs, we have repurchased approximately 25 million shares, or 8%, of the total common shares that were outstanding in July 2006.

Sale and Leaseback Transaction

On July 13, 2007, FirstEnergy Generation Corp. (FGCO) completed a $1.3 billion sale and leaseback transaction for its 779 MW interest in Unit 1 of the Bruce Mansfield Plant. The terms of the agreement provide for an approximate 33-year lease of Unit 1. We used the net, after-tax proceeds of approximately $1.2 billion to repay short-term debt that was used to fund the approximately $900 million share repurchase program and $300 million pension contribution. FES' registration obligations under the registration rights agreement applicable to the transaction were satisfied in September 2007, at which time the transaction was classified as an operating lease under Accounting principles generally accepted in the United States for FES and us. The $1.1 billion book gain from the transaction was deferred and will be amortized ratably over the lease term. FGCO continues to operate the plant under the terms of the lease agreement and is entitled to the plant's output.

Credit Rating Agency Action

On March 26, 2007, Standard & Poor's (S&P) assigned its corporate credit rating of BBB to FES and on March 27, 2007, Moody's issued a rating of Baa2 to FES. FES is the holding company of FGCO and FirstEnergy Nuclear Generating Corp. (NGC), the owners of our fossil and nuclear generation assets, respectively. Both S&P and Moody's cited the strength of our generation portfolio as a key contributor to the investment grade credit ratings.

On October 18, 2007, S&P revised their outlook for us and our subsidiaries to negative from stable, citing the exposure of our generating assets in Ohio and Pennsylvania to market commodity risk.

On November 2, 2007, Moody's revised their outlook for us and our subsidiaries to stable from positive, citing a downward trend in financial metrics, our near-term capital expenditure program and increased regulatory uncertainty.

Extension and Amendment of Credit Facility

On November 20, 2007, we and certain of our subsidiaries, agreed, pursuant to a Consent and Amendment with the lenders under our $2.75 billion credit facility dated as of August 24, 2006, to extend the termination date of the facility for one year to August 24, 2012. We also agreed to amendments that will permit us to request an unlimited number of additional one-year extensions of the facility termination date upon shorter notice than provided by the original facility terms, which permitted only two such extensions. In addition, the amendments increase FES' borrowing sub-limit under the credit facility to up to $1 billion and remove any requirements for the delivery of a parental guaranty of FES' obligations.

New Financings

On March 27, 2007, The Cleveland Electric Illuminating Company (CEI) issued $250 million of 5.70% unsecured senior notes due 2017. The proceeds from the transaction were used to repay short-term borrowings and for general corporate purposes.

On May 21, 2007, Jersey Central Power & Light Company (JCP&L) issued $550 million of senior unsecured debt securities. The offering was in two tranches, consisting of $250 million of 5.65% senior notes due 2017 and $300 million of 6.15% senior notes due 2037. The proceeds from the transaction were used to redeem all of JCP&L's outstanding First Mortgage Bonds, repay short-term debt and repurchase JCP&L's common stock from FirstEnergy.

On August 30, 2007, Pennsylvania Electric Company (Penelec) issued $300 million of 6.05% unsecured senior notes due 2017. A portion of the net proceeds from the issuance and sale of the senior notes was used to fund the repurchase of $200 million of Penelec's common stock from FirstEnergy. The remainder was used to repay short-term borrowings and for general corporate purposes.

On October 4, 2007, FGCO and NGC closed on the issuance of $427 million of Pollution Control Revenue Bonds (PCRBs). Proceeds from the issuance were used to redeem an equal amount of outstanding PCRBs originally issued on behalf of the Ohio Companies (Ohio Edison Company, CEI and The Toledo Edison Company). This transaction brings the total amount of PCRBs transferred from the Ohio Companies and Pennsylvania Power Company (Penn) to FGCO and NGC to approximately $1.9 billion, with approximately $265 million remaining to be transferred. The transfer of these PCRBs supports the intra-system generation asset transfer that was completed in 2005.

Regulatory Matters - Ohio

Legislative Process

On September 25, 2007, the Ohio Governor's proposed energy plan was officially introduced into the Ohio Senate as Senate Bill 221. The bill proposed to revise state energy policy to address electric generation pricing after 2008, establish advanced energy portfolio standards and energy efficiency standards, and create Greenhouse Gases emission reporting and carbon control planning requirements. The bill also proposed to move to a "hybrid" system for determining generation rates for default service in which electric utilities would provide regulated generation service unless they satisfy a statutory burden to demonstrate the existence of a competitive market for retail electricity.

The Senate Energy & Public Utilities Committee conducted hearings on the bill and received testimony from interested parties, including the Governor's Energy Advisor, the Chairman of the Public Utilities Commission of Ohio (PUCO), consumer groups, utility executives and others. On October 4, 2007, we provided testimony to the Committee citing several concerns with the introduced version of the bill, including its lack of context in which to establish prices. We recommended that the PUCO be provided the clear statutory authority to negotiate rate plans, and in the event that negotiations do not result in rate plan agreements, a competitive bidding process be utilized to establish generation prices for customers that do not choose alternative suppliers. We also proposed that the PUCO's statutory authority be expanded to promote societal programs such as energy efficiency, demand response, renewable power, and infrastructure improvements. Several proposed amendments to the bill were submitted, including those from Ohio's investor-owned electric utilities. On October 25, 2007, a substitute version of the bill, which incorporated certain of the proposed amendments, was introduced into the Senate Energy & Public Utilities Committee. On October 31, 2007, the Ohio Senate passed Substitute Senate Bill 221. Among other things, the bill outlines a process for establishing electricity generation prices beginning in 2009, and includes a requirement that at least 25% of the state's electricity come from advanced energy technologies by 2025, with at least one-half of that amount coming from renewable resources.

In November 2007, the Ohio House of Representatives referred the bill to the House Public Utilities Committee, which has since conducted various topic-based hearings on the bill. Testimony has been received from interested parties, including the Chairman of the PUCO, consumer groups, utility executives and others. On November 14, 2007, we provided testimony on the history and status of deregulation in Ohio. We said that Ohioans should have the opportunity to participate in the competitive electricity marketplace as provided for under Ohio's 1999 deregulation law, Senate Bill 3, which set the stage for long-term price moderation as well as more reliable and responsive service for Ohio's customers. On November 28, 2007, we provided further testimony expressing the industry's concerns with Substitute Senate Bill 221. We said the legislation should be modified to provide the PUCO with expanded regulatory tools and statutory authority to negotiate rate plans, and to include a true market rate option. At this time, we cannot predict the outcome of this process nor determine the impact, if any, such legislation may have on our operations.

Distribution Rate Request

On June 7, 2007, the Ohio Companies filed their base distribution rate increase request and supporting testimony with the PUCO. The requested increase of approximately $332 million in annualized distribution revenues (updated on August 6, 2007) is needed to recover expenses related to distribution operations and the costs deferred under previously approved rate plans. The new rates would become effective with the first billing cycle in January 2009 for Ohio Edison Company and The Toledo Edison Company, and approximately May 2009 for CEI. Concurrent with the effective dates of the proposed distribution rate increases, the Ohio Companies will reduce or eliminate their Regulatory Transition Charge revenues, resulting in an estimated net reduction of $262 million on the regulated portion of customers' bills.

On December 4, 2007, the PUCO Staff issued its Staff Reports containing the results of their investigation into the distribution rate request. In its reports, the PUCO Staff recommended a distribution rate increase in the range of $161 million to $180 million, compared to the Ohio Companies' request of $332 million. On January 3, 2008, the Ohio Companies and intervening parties filed objections to the Staff Reports and on January 10, 2008, the Ohio Companies filed supplemental testimony. Evidentiary hearings began on January 29, 2008 and continued through February 2008. During the evidentiary hearings, the PUCO Staff submitted testimony decreasing their recommended revenue increase to a range of $114 million to $132 million. The PUCO is expected to render its decision during the second or third quarter of 2008.

Generation Supply Proposal

On July 10, 2007, the Ohio Companies filed an application with the PUCO requesting approval of a comprehensive supply plan for providing generation service to customers who do not purchase electricity from an alternative supplier, beginning January 1, 2009. The proposed competitive bidding process would average the results of multiple bidding sessions conducted at different times during the year. The final price per kilowatt-hour (KWH) included in rates would reflect an average of the prices resulting from all successful bid sessions. In their filing, the Ohio Companies offered two alternatives for structuring the bids, either by customer class or a "slice-of-system" approach. A slice-of-system approach would require the successful bidder to be responsible for supplying a fixed percentage of the utility's total load notwithstanding the customer's classification. The proposal also provides the PUCO with the option to phase in generation price increases for any residential tariff group if the outcome of a bid would otherwise result in an increase in average total price of 15% or more. On August 16, 2007, the PUCO held a technical conference for interested parties to gain a better understanding of the proposal. Initial and reply comments on the proposal were filed by various parties in September and October, 2007, respectively. The proposal is currently pending before the PUCO.

RCP Fuel Remand

On August 29, 2007, the Supreme Court of Ohio upheld findings by the PUCO, approving several provisions of the Ohio Companies' Rate Certainty Plan (RCP). The Court, however, remanded back to the PUCO for further consideration the portion of the PUCO's RCP order that authorized the Ohio Companies to collect deferred fuel costs through future distribution rates. The Court found recovery of competitive generation service costs through noncompetitive distribution rates unlawful. The PUCO's order had authorized the Ohio Companies to defer increased fuel costs incurred from January 1, 2006 through December 31, 2008, including interest on the deferred balances, and to recover these deferred costs over a 25-year period beginning in 2009. On September 7, 2007, the Ohio Companies filed a Motion for Reconsideration with the Court on the issue of the deferred fuel costs, which the Court later denied on November 21, 2007. On September 10, 2007, the Ohio Companies filed an Application on remand with the PUCO proposing that the increased fuel costs be recovered through two generation-related fuel cost recovery riders during the period of October 2007 through December 2008. On January 9, 2008 the PUCO approved the Ohio Companies' proposed fuel cost rider to recover fuel costs incurred from January 1, 2008 through December 31, 2008, which is expected to be approximately $167 million. The fuel cost rider was effective January 11, 2008 and will be adjusted and reconciled quarterly. In addition, the PUCO ordered the Ohio Companies to file a separate application for an alternate recovery mechanism to collect the 2006 and 2007 deferred fuel costs. On February 8, 2008, the Ohio Companies filed an application proposing to recover $220 million of deferred fuel costs and carrying charges for 2006 and 2007 pursuant to a separate fuel rider, with alternative options for the recovery period ranging from 5 to 25 years. This second application is pending before the PUCO.

Renewable Energy Option

On August 15, 2007, the PUCO approved a stipulation filed by the Ohio Companies, PUCO Staff and the Ohio Consumers' Counsel that creates a green pricing option for customers of the Ohio Companies. The Green Resource Program enables customers to support the development of alternative energy resources through their voluntary participation in this alternative to the Ohio Companies' standard service offer for generation supply. The Green Resource Program provides for the Ohio Companies to purchase Renewable Energy Certificates at prices determined through a competitive bidding process monitored by the PUCO.

Regulatory Matters – Pennsylvania

Legislative Process

On February 1, 2007, the Governor of Pennsylvania proposed an Energy Independence Strategy (EIS). The EIS includes four pieces of proposed legislation that, according to the Governor, are designed to reduce energy costs, promote energy independence and stimulate the economy. Elements of the EIS include the installation of smart meters, funding for solar panels on residences and small businesses, conservation and demand reduction programs to meet energy growth, a requirement that electric distribution companies acquire power that results in the "lowest reasonable rate on a long-term basis," the utilization of micro-grids and a three year phase-in of rate increases.

On July 17, 2007 the Governor signed into law two pieces of energy legislation. The first amended the Alternative Energy Portfolio Standards Act of 2004 to, among other things, increase the percentage of solar energy that must be supplied at the conclusion of an electric distribution company's transition period. The second law allows electric distribution companies, at their sole discretion, to enter into long-term contracts with large customers and to build or acquire interests in electric generation facilities specifically to supply long-term contracts with such customers. A special legislative session on energy was convened in mid-September 2007 to consider other aspects of the EIS. The final form of any legislation arising from the special legislative session is uncertain. Consequently, we are unable to predict what impact, if any, such legislation may have on our operations.

Penn's Interim Default Service Supply

On May 2, 2007, Penn made a filing with the Pennsylvania Public Utility Commission (PPUC) proposing how it will procure the power supply needed for default service customers beginning June 1, 2008. Penn's customers transitioned to a fully competitive market on January 1, 2007, and the default service plan that the PPUC previously approved covered a 17-month period through May 31, 2008. The filing proposed that Penn procure a full-requirements product, by customer class, through multiple Request for Proposals (RFPs) with staggered delivery periods extending through May 2011. It also proposed a 3-year phase-out of promotional generation rates.

On September 28, 2007, Penn filed a Joint Petition for Settlement resolving all but one issue in the case. Briefs were also filed on September 28, 2007 on the unresolved issue of incremental uncollectible accounts expense. The settlement was either supported, or not opposed, by all parties. On December 20, 2007, the PPUC approved the settlement except for the full requirements tranche approach for residential customers, which was remanded to the Administrative Law Judge for further proceedings. Under the terms of the Settlement Agreement, the default service procurement for small commercial customers will be done with multiple RFPs, while the default service procurement for large commercial and industrial customers will utilize hourly pricing. Bids in the first RFP for small commercial load were received on February 20, 2008. In February 2008, parties filed direct and rebuttal testimony in the remand proceeding for the residential procurement approach. An evidentiary hearing was held on February 26, 2008, and this matter is expected to be presented to the PPUC for its consideration by March 13, 2008.

Commonwealth Court Appeal

On January 11, 2007, the PPUC issued its order in the Metropolitan Edison Company (Met-Ed) and Penelec 2006 comprehensive transition rate cases. Met-Ed and Penelec subsequently appealed the PPUC's decision on the denial of generation rate relief and on a consolidated income tax adjustment related to the cost of capital to the Pennsylvania Commonwealth Court, while other parties appealed the PPUC's decision on transmission rate relief to that court. Initial briefs in the appeals were filed on June 19, 2007. Responsive briefs and reply briefs were filed on September 21, 2007 and October 5, 2007, respectively. Oral arguments are expected to take place in early 2008.

Generation

Our generating fleet produced 81.0 billion KWH during 2007 compared to 82.0 billion KWH in 2006. Our nuclear fleet produced a record 30.3 billion KWH, while the non-nuclear fleet produced 50.7 billion KWH.

During 2007, generation capacity at several of our units increased as a result of work completed in connection with outages for refueling or other maintenance. These capacity additions were achieved in support of our operating strategy to maximize existing generation assets. The resulting increases in the net demonstrated capacity of our generating units are summarized below:

2007 Power Uprates (MW)

Fossil:	
Bruce Mansfield Unit 3	30
Seneca Unit 2	8
	38
Nuclear:	
Beaver Valley Unit 1	43
Beaver Valley Unit 2	24
	67
Total	**105**

Our supply portfolio was also enhanced during the year through the reduction of seasonal derates by 149 MW at our peaking units and through long-term contracts to purchase the output of 115 MW from wind generators.

Complementing our strategy of incremental enhancements to our current generating fleet, FGCO identified an opportunity to acquire a partially completed 707-MW natural gas fired generating plant in Fremont, Ohio. On January 28, 2008, FGCO entered into definitive agreements with Calpine Corporation to acquire the plant for $253.6 million, following a competitive bid process. The facility includes two combined-cycle combustion turbines and a steam turbine which are expected to be capable of producing approximately 544 MW of load-following capacity and 163 MW of peaking capacity. In court documents, Calpine has estimated that the plant is 70% complete and could become operational within 12 to 18 months. Based on those documents, FGCO estimates that the additional expenditures to complete the facility to be approximately $150 million to $200 million. The final cost and timeframe for construction are subject to FGCO's pending engineering study.

Environmental Update

In February 2007, a Selective Non-Catalytic Reduction (SNCR) system was placed in-service at Unit 5 of FGCO's Eastlake Plant, upon completion of a scheduled maintenance outage. The SNCR installation is part of our overall Air Quality Compliance Strategy and was required under the New Source Review Consent Decree. The SNCR system is expected to reduce Nitrogen Oxide (NOx) emissions and help achieve reductions required by the United States Environmental Protection Agency's NOx Transport Rule.

On May 30, 2007, we announced that FGCO plans to install an Electro-Catalytic Oxidation (ECO) system on Units 4 and 5 of the R.E. Burger Plant. Design engineering for the new Burger Plant ECO system began in 2007 with anticipated start-up in the first quarter of 2011.

Perry Nuclear Power Plant

On March 2, 2007, the Nuclear Regulatory Commission (NRC) returned the Perry Plant to routine agency oversight as a result of its assessment of the corrective actions that FirstEnergy Nuclear Operating Company (FENOC) has taken over the last two-and-one-half years. The plant had been operating under heightened NRC oversight since August 2004. On May 8, 2007, as a result of a "white" Emergency AC Power Systems mitigating systems performance indicator, the NRC notified FENOC that the Perry Plant was being placed in the Regulatory Response Column (Column 2 of the Reactor Oversight Process) and additional inspections would be conducted.

On June 29, 2007, the Perry Plant began an unplanned outage to replace a 30-ton motor in the reactor recirculation system. In addition to the motor replacement, routine and preventive maintenance and several system inspections were performed during the outage to assure continued safe and reliable operation of the plant. On July 25, 2007, the plant was returned to service.

On August 21, 2007, FENOC announced plans to expand used nuclear fuel storage capacity at the Perry Plant. The plan calls for installing above-ground, airtight steel and concrete cylindrical canisters, cooled by natural air circulation, to store used fuel assemblies. Construction of the new fuel storage system, which is expected to cost approximately $30 million, is scheduled to begin in the spring of 2008, with completion planned for 2010.

Beaver Valley Power Station

On October 24, 2007, Beaver Valley Unit 1 returned to service following completion of its scheduled refueling outage that began on September 24, 2007. During the outage, the ten-year in-service inspection of the reactor vessel was also completed with no significant issues identified. Beaver Valley Unit 1 had operated for 378 consecutive days when it was taken off line for the outage.

In August 2007, FENOC filed applications with the NRC seeking renewal of the operating licenses for Beaver Valley Units 1 and 2 for an additional 20 years, which would extend the operating licenses to January 29, 2036, for Unit 1 and May 27, 2047, for Unit 2. On November 9, 2007, FENOC announced that the NRC's preliminary requirements to extend the licenses had been met. The NRC held a public meeting on November 27, 2007 to discuss the license renewal. Over the next two years, the NRC will conduct audits and an environmental survey. A decision on the applications is expected in the third quarter of 2009.

Davis-Besse Nuclear Power Station

On May 14, 2007, the NRC issued a Demand for Information (DFI) to FENOC regarding two reports prepared by expert witnesses for an insurance arbitration related to Davis-Besse. On June 13, 2007, FENOC filed a response to the NRC's DFI reaffirming that it accepts full responsibility for the mistakes and omissions leading up to the damage to the reactor vessel head and that it remains committed to operating Davis-Besse and our other nuclear plants safely and responsibly. In follow-up discussions, FENOC was asked to provide supplemental information to clarify certain aspects of the DFI response and provide additional details regarding plans to implement the commitments made therein. FENOC submitted this supplemental response to the NRC on July 16, 2007. On August 15, 2007, the NRC issued a confirmatory order imposing these commitments. FENOC must inform the NRC's Office of Enforcement after it completes the key commitments embodied in the NRC's order. FENOC's compliance with these commitments is subject to future NRC review.

On February 14, 2008, Davis-Besse returned to service following completion of its scheduled refueling outage, which began on December 30, 2007. In addition to replacing 76 of the 177 fuel assemblies, several improvement projects were completed, including rewinding the turbine generator and reinforcing welds on plant equipment.

CONSOLIDATED STATEMENTS OF INCOME

For the Years Ended December 31,	**2007**	2006	2005
	(In millions, except per share amounts)		
Revenues:			
Electric utilities	**$11,305**	$10,007	$9,703
Unregulated businesses	**1,497**	1,494	1,655
Total revenues*	**12,802**	11,501	11,358
Expenses:			
Fuel and purchased power	**5,014**	4,253	4,011
Other operating expenses	**3,086**	2,965	3,103
Provision for depreciation	**638**	596	588
Amortization of regulatory assets	**1,019**	861	1,281
Deferral of new regulatory assets	**(524)**	(500)	(405)
General taxes	**754**	720	713
Total expenses	**9,987**	8,895	9,291
Operating Income	**2,815**	2,606	2,067
Other Income (Expense):			
Investment income	**120**	149	217
Interest expense	**(775)**	(721)	(660)
Capitalized interest	**32**	26	19
Subsidiaries' preferred stock dividends	–	(7)	(15)
Total other expense	**(623)**	(553)	(439)
Income From Continuing Operations Before Income Taxes	**2,192**	2,053	1,628
Income Taxes	**883**	795	749
Income From Continuing Operations	**1,309**	1,258	879
Discontinued operations (net of income tax benefits of $2 million and $4 million, respectively)	–	(4)	12
Income Before Cumulative Effect Of A Change In Accounting Principle	**1,309**	1,254	891
Cumulative effect of a change in accounting principle (net of income tax benefit of $17 million)	–	–	(30)
Net Income	**$ 1,309**	$ 1,254	$ 861
Basic Earnings Per Share Of Common Stock:			
Income from continuing operations	**$ 4.27**	$ 3.85	$ 2.68
Discontinued operations	–	(0.01)	0.03
Cumulative effect of a change in accounting principle	–	–	(0.09)
Net earnings per basic share	**$ 4.27**	$ 3.84	$ 2.62
Weighted Average Number Of Basic Shares Outstanding	**306**	324	328
Diluted Earnings Per Share Of Common Stock:			
Income from continuing operations	**$ 4.22**	$ 3.82	$ 2.67
Discontinued operations	–	(0.01)	0.03
Cumulative effect of a change in accounting principle	–	–	(0.09)
Net earnings per diluted share	**$ 4.22**	$ 3.81	$ 2.61
Weighted Average Number Of Diluted Shares Outstanding	**310**	327	330

** Includes $424 million, $400 million and $395 million of excise tax collections in 2007, 2006 and 2005, respectively.*

CONSOLIDATED BALANCE SHEETS

As of December 31,	2007	2006
ASSETS	*(In millions)*	
Current Assets:		
Cash and cash equivalents	**$ 129**	$ 90
Receivables-		
Customers (less accumulated provisions of $36 million and $43 million, respectively, for uncollectible accounts)	**1,256**	1,135
Other (less accumulated provisions of $22 million and $24 million, respectively, for uncollectible accounts)	**165**	132
Materials and supplies, at average cost	**521**	577
Prepayments and other	**159**	149
	2,230	2,083
Property, Plant And Equipment:		
In service	**24,619**	24,105
Less - Accumulated provision for depreciation	**10,348**	10,055
	14,271	14,050
Construction work in progress	**1,112**	617
	15,383	14,667
Investments:		
Nuclear plant decommissioning trusts	**2,127**	1,977
Investments in lease obligation bonds	**717**	811
Other	**754**	746
	3,598	3,534
Deferred Charges And Other Assets:		
Goodwill	**5,607**	5,898
Regulatory assets	**3,945**	4,441
Pension assets	**700**	–
Other	**605**	573
	10,857	10,912
	$32,068	$31,196
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Currently payable long-term debt	**$ 2,014**	$ 1,867
Short-term borrowings	**903**	1,108
Accounts payable	**777**	726
Accrued taxes	**408**	598
Other	**1,046**	956
	5,148	5,255
Capitalization:		
Common stockholders' equity	**8,977**	9,035
Long-term debt and other long-term obligations	**8,869**	8,535
	17,846	17,570
Noncurrent Liabilities:		
Accumulated deferred income taxes	**2,671**	2,740
Asset retirement obligations	**1,267**	1,190
Deferred gain on sale and leaseback transaction	**1,060**	–
Power purchase contract loss liability	**750**	1,182
Retirement benefits	**894**	944
Lease market valuation liability	**663**	767
Other	**1,769**	1,548
	9,074	8,371
	$32,068	$31,196

CONSOLIDATED STATEMENTS OF COMMON STOCKHOLDERS' EQUITY

(Dollars in millions)

	COMPREHENSIVE INCOME	COMMON STOCK NUMBER OF SHARES	COMMON STOCK PAR VALUE	OTHER PAID-IN CAPITAL	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	RETAINED EARNINGS	UNALLOCATED ESOP COMMON STOCK
Balance, January 1, 2005		329,836,276	$33	$7,056	$(313)	$1,857	$(43)
Net income	$ 861					861	
Minimum liability for unfunded retirement benefits, net of $208 million of income taxes	295				295		
Unrealized gain on derivative hedges, net of $9 million of income taxes	14				14		
Unrealized loss on investments, net of $15 million of income tax benefits	(16)				(16)		
Comprehensive income	$1,154						
Stock options exercised				(41)			
Allocation of ESOP shares				22			16
Restricted stock units				6			
Cash dividends declared on common stock						(559)	
Balance, December 31, 2005		329,836,276	33	7,043	(20)	2,159	(27)
Net income	$1,254					1,254	
Unrealized gain on derivative hedges, net of $10 million of income taxes	19				19		
Unrealized gain on investments, net of $40 million of income taxes	69				69		
Comprehensive income	$1,342						
Net liability for unfunded retirement benefits due to the implementation of SFAS 158, net of $292 million of income tax benefits					(327)		
Redemption premiums on preferred stock						(9)	
Stock options exercised				(28)			
Allocation of ESOP shares				33			17
Restricted stock units				11			
Stock based compensation				6			
Repurchase of common stock		(10,630,759)	(1)	(599)			
Cash dividends declared on common stock						(598)	
Balance, December 31, 2006		319,205,517	32	6,466	(259)	2,806	(10)
Net income	$1,309					1,309	
Unrealized loss on derivative hedges, net of $8 million of income tax benefits	(17)				(17)		
Unrealized gain on investments, net of $31 million of income taxes	47				47		
Pension and other postretirement benefits, net of $169 million of income taxes	179				179		
Comprehensive income	$1,518						
Stock options exercised				(40)			
Allocation of ESOP shares				26			10
Restricted stock units				23			
Stock based compensation				2			
FIN 48 cumulative effect adjustment						(3)	
Repurchase of common stock		(14,370,110)	(1)	(968)			
Cash dividends declared on common stock						(625)	
Balance, December 31, 2007		304,835,407	$31	$5,509	$ (50)	$3,487	$ –

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31,	2007	2006	2005
		(In millions)	
Cash Flows From Operating Activities:			
Net income	**$1,309**	$1,254	$861
Adjustments to reconcile net income to net cash from operating activities-			
Provision for depreciation	**638**	596	588
Amortization of regulatory assets	**1,019**	861	1,281
Deferral of new regulatory assets	**(524)**	(500)	(405)
Nuclear fuel and lease amortization	**101**	90	90
Deferred purchased power and other costs	**(346)**	(445)	(384)
Deferred income taxes and investment tax credits, net	**(9)**	159	154
Investment impairment	**26**	27	6
Cumulative effect of a change in accounting principle	**–**	–	30
Deferred rents and lease market valuation liability	**(99)**	(113)	(104)
Accrued compensation and retirement benefits	**(37)**	193	90
Tax refunds related to pre-merger period	**–**	–	18
Commodity derivative transactions, net	**6**	24	6
Gain on asset sales	**(30)**	(49)	(35)
Loss (income) from discontinued operations	**–**	4	(12)
Cash collateral, net	**(68)**	(77)	196
Pension trust contributions	**(300)**	–	(500)
Decrease (increase) in operating assets-			
Receivables	**(136)**	105	(87)
Materials and supplies	**79**	(25)	(32)
Prepayments and other current assets	**10**	3	3
Increase (decrease) in operating liabilities-			
Accounts payable	**51**	99	32
Accrued taxes	**71**	(175)	150
Accrued interest	**(8)**	7	(6)
Electric service prepayment programs	**(75)**	(64)	208
Other	**16**	(35)	72
Net cash provided from operating activities	**1,694**	1,939	2,220
Cash Flows From Financing Activities:			
New Financing-			
Long-term debt	**1,527**	2,739	721
Short-term borrowings, net	**–**	386	561
Redemptions and Repayments-			
Common stock	**(969)**	(600)	–
Preferred stock	**–**	(193)	(170)
Long-term debt	**(1,098)**	(2,536)	(1,424)
Short-term borrowings, net	**(205)**	–	–
Net controlled disbursement activity	**(1)**	(27)	(18)
Stock-based compensation tax benefit	**20**	13	–
Common stock dividend payments	**(616)**	(586)	(546)
Net cash used for financing activities	**(1,342)**	(804)	(876)
Cash Flows From Investing Activities:			
Property additions	**(1,633)**	(1,315)	(1,208)
Proceeds from asset sales	**42**	162	104
Proceeds from sale and leaseback transaction	**1,329**	–	–
Sales of investment securities held in trusts	**1,294**	1,651	1,587
Purchases of investment securities held in trusts	**(1,397)**	(1,666)	(1,688)
Cash investments and restricted funds	**72**	121	(42)
Other	**(20)**	(62)	(86)
Net cash used for investing activities	**(313)**	(1,109)	(1,333)
Net increase in cash and cash equivalents	**39**	26	11
Cash and cash equivalents at beginning of year	**90**	64	53
Cash and cash equivalents at end of year	**$129**	$90	$64
Supplemental Cash Flow Information:			
Cash Paid During the Year-			
Interest (net of amounts capitalized)	**$744**	$656	$665
Income taxes	**$710**	$688	$406

SHAREHOLDER SERVICES

Transfer Agent and Registrar

FirstEnergy Securities Transfer Company, a subsidiary of FirstEnergy, acts as the transfer agent and registrar. Shareholders wanting to transfer stock, or who need assistance or information, can send their stock or write to Shareholder Services, FirstEnergy Corp., 76 South Main Street, Akron, Ohio 44308-1890. Shareholders also can call the following toll-free telephone number, which is valid in the United States, Canada, Puerto Rico and the Virgin Islands, weekdays between 8:00 a.m. and 4:30 p.m., Eastern Time: 1-800-736-3402. For Internet access to general shareholder information and useful forms, visit our Web site at *www.firstenergycorp.com/ir.*

Stock Listing and Trading

Newspapers generally report FirstEnergy common stock under the abbreviation FSTENGY, but this can vary depending upon the newspaper. The common stock of FirstEnergy is listed on the New York Stock Exchange under the symbol FE.

Direct Dividend Deposit

Shareholders can have their dividend payments automatically deposited to checking and savings accounts at any financial institution that accepts electronic direct deposits. Using this free service ensures that payments will be available to you on the payment date, eliminating the possibility of mail delay or lost checks. Contact Shareholder Services to receive an authorization form.

Stock Investment Plan

Shareholders and others can purchase or sell shares of FirstEnergy common stock through the Company's Stock Investment Plan. Investors who are not registered shareholders can enroll with an initial $250 investment. Participants can invest all or some of their dividends or make optional payments at any time of at least $25 per payment up to $100,000 annually. Contact Shareholder Services to receive an enrollment form.

Safekeeping of Shares

Shareholders can request that the Company hold their shares of FirstEnergy common stock in safekeeping. To take advantage of this service, shareholders should forward their common stock certificates to the Company along with a signed letter requesting that the Company hold the shares. Shareholders also should state whether future dividends for the held shares are to be reinvested or paid in cash. The certificates should not be endorsed, and registered mail is suggested. The shares will be held in uncertificated form, and we will make certificates available to shareholders upon request at no cost. Shares held in safekeeping will be reported on dividend checks or Stock Investment Plan statements.

Form 10-K Annual Report

Form 10-K, the Annual Report to the Securities and Exchange Commission, will be sent to you without charge upon written request to Rhonda S. Ferguson, Corporate Secretary, FirstEnergy Corp., 76 South Main Street, Akron, Ohio 44308-1890. You can also view the Form 10-K by visiting the Company's Internet site at *www.firstenergycorp.com/ir.*

Institutional Investor and Security Analyst Inquiries

Institutional investors and security analysts should direct inquiries to: Ronald E. Seeholzer, Vice President, Investor Relations, 330-384-5415.

Annual Meeting of Shareholders

Shareholders are invited to attend the 2008 Annual Meeting of Shareholders on Tuesday, May 20, at 10:30 a.m. Eastern Time, at the John S. Knight Center, 77 East Mill Street, in Akron, Ohio. Registered shareholders not attending the meeting can appoint a proxy and vote on the items of business by telephone, Internet or by completing and returning the proxy card that is sent to them. Shareholders whose shares are held in the name of a broker can attend the meeting if they present a letter from their broker indicating ownership of FirstEnergy common stock on the record date of March 21, 2008.

FirstEnergy has included as Exhibit 31 to its Annual Report on Form 10-K for fiscal year 2007 filed with the Securities and Exchange Commission certificates of FirstEnergy's Chief Executive Officer and Chief Financial Officer certifying the quality of the Company's public disclosure. FirstEnergy's Chief Executive Officer has also submitted to the New York Stock Exchange (NYSE) a certificate certifying that he was not aware of any violation by FirstEnergy of the NYSE corporate governance listing standards as of the date of the certification.

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FirstEnergy®

76 SOUTH MAIN STREET, AKRON, OH 44308-1890

SUMMARY

2007 ANNUAL REPORT