

FOREST OIL CORP
Form 4
June 13, 2011

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Cecil N. Colwell

(Last) (First) (Middle)
707 SEVENTEENTH STREET, SUITE 3600
(Street)

DENVER, CO 80202

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
FOREST OIL CORP [FST]

3. Date of Earliest Transaction (Month/Day/Year)
06/10/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Senior V.P. Worldwide Drilling

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
____ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D) Price			
Common Stock	06/10/2011		A	7,000 A \$ 0	58,211	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Transaction (Instr. 6)
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Reporting Owners

Reporting Owner Name / Address	Relationships				Amount or Number of Shares
	Director	10% Owner	Officer	Other	
Cecil N. Colwell 707 SEVENTEENTH STREET SUITE 3600 DENVER, CO 80202			Senior V.P. Worldwide Drilling		

Signatures

By: Roberta L. Louis, attorney-in-fact For: Cecil N. Colwell 06/13/2011

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. 2015 Proxy Statement

If you are a beneficial owner, we encourage you to provide instructions to your bank, broker, or other nominee by executing the voting form supplied to you by that entity. A broker will be permitted to vote your shares on Item 2 without your instructions because Item 2 is considered a routine matter under applicable New York Stock Exchange (later referred to as NYSE) rules; however, your broker cannot vote your shares on any other items unless you provide instructions because these are deemed to be non-routine matters under NYSE rules. Therefore, your failure to give voting instructions means that your shares will not be voted on these non-routine items and, as applicable, your unvoted shares will be broker non-votes. An item to be voted on may require a percentage of votes cast, rather than a percentage of shares outstanding, to determine passage or failure. Votes cast is defined to include both For and Against votes and excludes abstentions and broker non-votes, except with respect to Item 4 whereby abstentions will have the same effect of being counted as a vote Against pursuant to NYSE rules. If your proxy card is not completed properly, such as marking more than one box for an item, your vote for that particular item will be treated as an abstention.

10 Q: What is the vote required for each item to be voted on?

A: For the election of directors named under Item 1, the 13 nominees receiving the most For votes (among votes properly cast in person or by proxy) will be elected. As further described in Item 1 below, any nominee for director who receives a greater number of votes Withheld from his or her election than votes For his or her election will promptly tender his or her resignation to the Corporate Governance Committee following certification of the shareholder vote. Abstentions and broker non-votes will have no effect. With respect to Item 2, ratification of the appointment of PricewaterhouseCoopers LLP as your Company's independent registered public accounting firm for 2015 requires the affirmative vote of a majority of votes cast. Abstentions and broker non-votes will have no effect. For Item 3, the affirmative vote of a majority of the votes cast is required to approve, by non-binding vote, named executive officer compensation. Abstentions and broker non-votes will have no effect. For Item 4, the affirmative vote of a majority of the votes cast is required to approve the FirstEnergy Corp. 2015 Incentive Compensation Plan. Under NYSE requirements for the approval of equity plans, abstentions will be counted and have the same effect as an Against vote and broker non-votes will have no effect.

The non-binding shareholder proposals in Items 5 through 8, must receive the affirmative vote of a majority of votes cast. Abstentions and broker non-votes will have no effect. Notwithstanding the results of the shareholder vote on Items 5 through 8, the ultimate adoption of such shareholder proposals is at the discretion of your Board.

11 Q: Will any other matters be voted on other than those described in this proxy statement?

A: We do not know of any business that will be considered at the Meeting other than the matters described in this proxy statement. However, if other matters are presented properly, your executed appointment of a proxy will give authority to the appointed proxies to vote on those matters at their discretion, unless you indicate otherwise in writing.

12 Q: Where can I find the voting results of the Meeting?

A: We will announce preliminary voting results at the Meeting. Final voting results will be set forth in a Current Report on Form 8-K, which is required to be filed with the SEC within four business days after the date of the Meeting and will be posted on our Internet website at www.firstenergycorp.com under the tab Investors, SEC Filings & Reports. You may also automatically receive your Company's SEC Alerts (which include alerts for the filing of Form 8-Ks by your Company with the SEC) via e-mail by visiting that same website and clicking on Investors, SEC Filings & Reports and then the E-mail Alert icon.

How You Can Vote

13 Q: Who is entitled to vote at the Meeting?

A: Shareholders of record of FirstEnergy common stock as of the Record Date are entitled to receive notice of the Meeting and vote their shares. If you plan to attend the Meeting, you will need to register in advance by following the advance registration instructions below in Question 17.

14 Q: How does the Board recommend that I vote?

A: Your Board recommends that you vote as follows:

For the 13 Nominees to your Board who are listed in this proxy statement (Item 1);

For the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2015 (Item 2);

For the advisory vote to approve named executive officer compensation (Item 3);

For the management proposal to approve the FirstEnergy Corp. 2015 Incentive Compensation Plan (Item 4); and

Against each of the shareholder proposals (Items 5 through 8).

15 Q: How do I vote?

A: If you are a shareholder of record or an employee who holds unvested restricted stock, you can vote your shares using one of the following methods. Whether you plan to attend the Meeting or not, we encourage you to vote as soon as possible.

By Internet - Go to the Internet website indicated on your proxy card, Notice of Internet Availability or other electronic communications and follow the instructions.

By telephone - Call the toll-free number indicated on your proxy card or other electronic communications using a touch-tone telephone and follow the instructions.

By mail

Complete, date and sign the proxy card that you received in the mail. If you properly sign your proxy card but do not mark your choices, your shares will be voted as recommended by your Board.

Mail your proxy card in the enclosed postage-paid envelope. If your envelope is misplaced, send your proxy card to Corporate Election Services, your Company's independent proxy tabulator and Inspector of Election. The address is FirstEnergy Corp., c/o Corporate Election Services, P.O. Box 3230, Pittsburgh, PA 15230.

At the Meeting - You may vote in person at the Meeting, even if you previously appointed a proxy by Internet, telephone, or mail.

If you received a Notice of Internet Availability and would like to vote by telephone or mail, please follow the instructions on your notice to request a paper copy of the proxy materials and proxy card.

If you are a participant in the FirstEnergy Corp. Savings Plan, your proxy card will include the shares of common stock held for your account in the FirstEnergy Corp. Savings Plan and any other shares registered with our transfer agent, American Stock Transfer & Trust Company, LLC, as of the Record Date. You can vote shares allocated to your Savings Plan account by submitting your voting instructions by telephone or through the Internet as instructed on your proxy card or by completing,

signing, and dating the proxy card and returning the form in the enclosed postage-prepaid envelope. Subject to the Employee Retirement Income Security Act of 1974, as amended, and pursuant to the Savings Plan provisions, the Savings Plan's Trustee will vote all shares as instructed by Savings Plan participants and shares for which the Savings Plan's Trustee does not receive timely voting instructions will be voted in the same proportion as the shares held under the Savings Plan for which the Savings Plan's Trustee receives timely voting instructions. Because the Savings Plan Trustee is the only one who can vote your FirstEnergy Corp. Savings Plan shares, you may not vote such shares at the Meeting.

Beneficial owners (other than participants in the FirstEnergy Corp. Savings Plan) will receive instructions from the holder of record (the bank, broker or other nominee that holds your shares) that you must follow in order for your shares to be voted. Also, please note that if you wish to vote in person at the Meeting, you must request a legal proxy from your bank, broker, or other nominee that holds your shares and present that legal proxy identifying you as the beneficial owner of your shares of FirstEnergy common stock and authorizing you to vote those shares at the Meeting.

If you are voting by Internet, telephone or mail, your vote must be received by 7:00 a.m. Eastern time on Tuesday, May 19, 2015, to be counted in the final tabulation except for participants in the FirstEnergy Corp. Savings Plan. If you are a participant in the FirstEnergy Corp. Savings Plan, your vote must be received by 6:00 a.m. Eastern time on Monday, May 18, 2015, to be counted in the final tabulation.

16 Q: How may I revoke my proxy?

A: You may revoke your appointment of a proxy or change your related voting instructions one or more times by:

Mailing a proxy card that revises your previous appointment and voting instructions;

Voting by Internet or telephone after the date of your previous appointment and voting instructions;

Voting in person at the Meeting (other than participants in the FirstEnergy Corp. Savings Plan); or

Notifying the Corporate Secretary of your Company in writing prior to the commencement of the Meeting.

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The proxy tabulator will treat the last instructions it receives from you as final. For example, if a proxy card is received by the proxy tabulator after the date that a telephone or Internet appointment is made, the tabulator will treat the proxy card as your final instruction. For that reason, it is important to allow sufficient time for your voting instructions on a mailed proxy card to reach the proxy tabulator before changing them by telephone or Internet. Please note that unless you are voting in person at the Meeting, in order to be counted, the revocation or change must be received by the date and time discussed above in Question 15. Also refer to "How do I vote?" in Question 15 above for additional instructions.

If you are a beneficial owner of shares, you must follow the directions you receive from your bank, broker, or other nominee in order to change your vote.

9 FirstEnergy Corp. 2015 Proxy Statement

Attending the Annual Meeting

17 Q: Do I need to register in advance to attend the Meeting?

A: Yes. In accordance with our security procedures, if you plan to attend the Meeting, you will need to register in advance by following the advance registration instructions below.

Attendance at the Meeting will be limited to your Company's invited guests and to persons owning FirstEnergy Corp. shares as of the Record Date of March 20, 2015, who register in advance of the Meeting as described below and present (i) an admission card (refer to further instructions below) and (ii) a valid form of government-issued photo identification. If you are a beneficial owner of shares (other than being a participant in the FirstEnergy Corp. Savings Plan), to attend the meeting you will also need an original copy of a letter or legal proxy from your bank, broker, or other nominee or your account statement showing proof that you own FirstEnergy shares as of the Record Date. The admission card admits only the named shareholder(s) and is not transferable.

Advance Registration

If you are a shareholder of record, participant in the FirstEnergy Corp. Savings Plan or an employee who holds unvested restricted stock and you are voting by Internet or telephone, or by mail: To register to attend the Meeting, please indicate that you will attend the Meeting when voting by Internet or telephone, or check the appropriate registration box on your proxy card if voting by mail.

All other shareholders: To register to attend the Meeting and, as applicable, have an admission card mailed to you, please send a request containing all of the information described below.

Send your request by mail to: FirstEnergy Corp. Annual Meeting Registration – A-GO-16, 76 South Main Street, Akron, OH 44308-1890; by email to: Registration@FirstEnergyCorp.com or by fax: 330-777-6519.

1. Your name, mailing address and telephone number; and

2. If you are a beneficial owner (other than participants in the FirstEnergy Corp. Savings Plan), proof that you own FirstEnergy shares (such as a photocopy of a letter or legal proxy from your bank, broker, or other nominee or a photocopy of your account statement redacting certain information) as of the Record Date of March 20, 2015.

Admission Card

If you plan to attend the Meeting, please follow the advance registration instructions above and bring the admission card with you to the Meeting. If you are a shareholder of record, participant in the FirstEnergy Corp. Savings Plan or an employee who holds unvested restricted stock, the admission card portion of your proxy card or one-page Notice of Internet Availability will serve as your admission card. All other shareholders must follow the instructions above to receive an admission card.

Other Related Matters

If you desire to have one representative attend the Meeting on your behalf or one representative designated to present a shareholder proposal properly brought before the Meeting, please follow the process under All other shareholders above and include the name, mailing address and telephone number of that representative.

Cameras, recording equipment, computers, large bags and items such as briefcases, backpacks and packages will not be permitted in the Meeting room. No individual may use communication devices, take photographs, or use audio or video recording equipment in the Meeting facilities without the express written permission of your Company. No firearms or weapons will be allowed in the Meeting facilities. Signage and other inappropriate items are likewise prohibited. Seating will be limited and your Company reserves the right to limit the number of Meeting attendees.

18 Q: What are the directions to the Meeting location?

A: John S. Knight Center, 77 E. Mill Street, Akron, Ohio

From Ohio Turnpike Via Route 8: Take I-80 East to Exit 180 (Route 8 South). Follow Route 8 South to the Perkins Street exit. Exit right onto Perkins Street. Proceed on Perkins Street until reaching High Street. Turn left onto High Street. Proceed on High Street, passing over East Market Street. The John S. Knight Center is located on the left at the corner of High & Mill Streets.

From North Via I-77 & West Via I-76: Take I-77/I-76 (they run concurrently briefly) to Exit 22A. Merge with a one-way side street (South Street). Follow South Street to the 2nd light. At that point all traffic must turn left onto Broadway. Follow Broadway to Mill Street. The John S. Knight Center is located at the corner of Broadway & Mill Streets.

From North and South via I-71: Take I-71 to I-76 East to Exit 22A (Main/Broadway/Downtown) then follow directions above.

From South: Take I-77 to Exit 22A. Take Broadway and follow Broadway to Mill Street. The John S. Knight Center is located on the left at the corner of Broadway & Mill Streets.

Parking is available next to and near the John S. Knight Center.

Shareholder Proposals For 2016

19 Q: When are shareholder proposals due for the 2016 Annual Meeting?

A:

Explanation of Responses:

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Under the rules of the SEC, a shareholder who wishes to offer a proposal for inclusion in your Company's proxy statement and proxy card for the 2016 annual meeting of shareholders must submit the proposal and any supporting statement by December 3, 2015, to the Corporate Secretary, FirstEnergy Corp., 76 South Main Street, Akron, OH 44308-1890. Any proposal received after that date will not be eligible for inclusion in the 2016 proxy statement and proxy card.

Under our Amended Code of Regulations (later referred to as the Amended Regulations), a shareholder who wishes to properly introduce an item of business before an annual meeting of shareholders must follow the applicable rules and procedures. The procedures provide that we must receive the notice of intention to introduce an item of business, including nominations of candidates for election to your Board, at an annual meeting not less than 30 nor more than 60 calendar days prior to the annual meeting. In the event public announcement of the date of the annual meeting is not made at least 70 calendar days prior to the date of the meeting, notice must be received not later than the close of business on the 10th calendar day following the day on which the public announcement is first made. Accordingly, if a public announcement of the date of the 2016 annual meeting of shareholders is made at least 70 calendar days prior to the date of the meeting and assuming that our 2016 annual meeting of shareholders is held on the third Tuesday of May, we must receive any notice of intention to introduce an item of business at that meeting no earlier than March 18, 2016 and no later than April 17, 2016; otherwise, we must receive any notice of intention to introduce an item of business at that meeting no later than the close of business on the 10th calendar day following the day on which the public announcement is first made. If we do not receive notice as set forth above or if certain

11 FirstEnergy Corp. 2015 Proxy Statement

other requirements of applicable law are met, the persons named as proxies in the proxy materials relating to that meeting will use their discretion in voting the proxies when these matters are raised at the meeting. Our Amended Regulations are available on the SEC website and upon written request to the Corporate Secretary, FirstEnergy Corp., 76 South Main Street, Akron, OH 44308-1890.

Obtaining Additional Information

20 Q: How can I learn more about FirstEnergy's operations?

A: You can learn more about our operations by reviewing the annual report to shareholders for the year ended December 31, 2014, that is included with the mailing of this proxy statement. You can also view the annual report and other information by visiting our Internet website at www.firstenergycorp.com/financialreports or www.ReadMaterial.com/FE.

A copy of our latest Annual Report on Form 10-K for the year ended December 31, 2014 filed with the SEC, including the financial statements and the financial statement schedules, 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 also can view the Form 10-K by visiting your Company's Internet website at www.firstenergycorp.com/financialreports. Information contained on any of the Company or third-party* Internet sites referenced above or later in this proxy statement is not deemed to be part of this proxy statement.

* The inclusion of a hyperlink to any third-party Internet site is not and does not imply any endorsement, approval, investigation, verification or monitoring by FirstEnergy of any information contained in such a third-party site (other than information prepared by FirstEnergy). In no event shall FirstEnergy be responsible for the information (other than information prepared by FirstEnergy) contained on any such third-party site or your use of such third-party site.

Corporate Governance and Board of Directors Information

Board Leadership Structure

Your Board separated the positions of CEO and Chairman of the Board in 2004 and such separation continued throughout 2014. During 2014, Mr. Anthony J. Alexander served as our CEO, while Mr. George M. Smart, an independent director, served as our Chairman of the Board. Our Amended Regulations and Corporate Governance Policies do not require that our Chairman of the Board of Directors and CEO positions be separate, and your Board has not adopted a specific policy or philosophy on whether the role of the CEO and Chairman of the Board of Directors should be separate. However, having a separate Chairman of the Board and CEO has typically allowed our CEO to focus more time on our day-to-day operations and is appropriate at this time.

Your Board recently considered its leadership structure when Mr. Anthony J. Alexander, who served as your Company's CEO in 2014, was elected as our Executive Chairman, effective January 1, 2015. He was succeeded by Mr. Charles E. Jones, who was elected as your Company's CEO and to your Company's Board. Mr. Alexander will conclude his service as Executive Chairman on April 30, 2015 and will also step down from your Board effective May 1, 2015. During this brief transition period in 2015, Mr. Smart, serving as your Lead Independent Director since January 1, 2015, effectively provides the Board with the same level of independent leadership that was provided while Mr. Smart served as Chairman of the Board, which allows your new CEO to focus more time on our day-to-day operations and allows your Executive Chairman to focus on the transition of your new CEO. Effective May 1, 2015, Mr. Smart will return to his prior role as your independent Chairman when Mr. Alexander concludes his service as Executive Chairman. Mr. Smart, whether in his role as Chairman in 2014 or in his role as Lead Independent Director during the transition period, presides at all executive sessions of the independent directors.

As required by the NYSE listing standards, FirstEnergy schedules regular executive sessions for our independent directors to meet without management participation. Because an independent director is required to preside over each such executive session of independent directors, we believe it is more efficient to have our Lead Independent Director or independent Chairman preside over all such meetings as opposed to rotating that function among all of your Company's independent directors.

Director Independence

Your Board annually reviews the independence of each of its members to make the affirmative determination of independence that is called for by our Corporate Governance Policies and required by the SEC and the listing standards of the NYSE, including certain independence requirements of Board members serving on the Audit Committee, the Compensation Committee and the Corporate Governance Committee.

Your Board adheres to the definition of an independent director as established by the NYSE and the SEC. The definition used by your Board to determine independence is included in our Corporate Governance Policies and can be viewed by visiting our Internet website at www.firstenergycorp.com/charters.

Compliance with the definition of independence is reviewed annually by the Corporate Governance Committee. During this review, your Board recognizes that in the ordinary course of business, relationships and transactions may occur between your Company and its subsidiaries and entities with which some of our Directors are or have been affiliated. Accordingly, our Corporate Governance Guidelines provide categorical standards to assist your Board in determining what constitutes a material relationship for purposes of determining a director's independence. The following relationships are not considered to be material and, as such, would not impair a Director's independence: if the Director, an immediate family member or a person or organization with which the Director has an affiliation

purchases electricity or related products or services from your Company or its subsidiaries in the ordinary course of business and the rates or charges involved in the transaction are fixed in conformity with law or governmental authority or otherwise meet the requirements of Item 404(a) Instruction 7 of the SEC's Regulation S-K. Each independent director is required to report to the Corporate Secretary any changes in the information used to determine independence.

Based on the most recent annual independence review, your Board affirmatively determined, with the exception of Mr. Anthony J. Alexander (who is not a nominee) and Mr. Charles E. Jones, that all nominees (Paul T. Addison, Michael J. Anderson, William T. Cottle, Robert B. Heisler, Jr., Julia L. Johnson, Ted J. Kleisner, Donald T. Misheff, Ernest J. Novak, Jr., Christopher D. Pappas, Luis A. Reyes, George M. Smart and Dr. Jerry Sue Thornton) as well as Ms. Rein and Mr. Taylor are independent, in each case under these independence standards. Mr. Alexander and Mr. Jones are not considered independent directors because of their employment with your Company. Ms. Rein and Mr. Taylor will retire from your Board as of the date of the Meeting in accordance with the mandatory retirement age provisions of our Corporate Governance Policies. Accordingly, your Board has not nominated Ms. Rein or Mr. Taylor as candidates for reelection at the Meeting.

In making such determination, your Board considered the fact that certain directors are executive officers of companies with which we conducted business. In addition, many of our directors are or were directors, trustees, or similar advisors of entities with which we conducted business or of non-profit organizations with which we conducted business and/or made contributions.

Specifically, your Board considered the following relationships that existed during the preceding three years between your Company and its subsidiaries and certain entities affiliated with our directors:

Purchases from the Company for non-regulated electric services and related non-electric products and services (Ms. Johnson, Dr. Thornton and Messrs. Anderson, Heisler, Kleisner, Misheff, Novak, Reyes and Smart);

Purchases by the Company of electric power generation and equipment, fuel and related products, and generator service (Dr. Thornton and Messrs. Anderson, Reyes, Smart and Taylor);

Purchases by the Company of paint and related coatings (Dr. Thornton);

Purchases by the Company for public utility water services (Ms. Johnson);

Purchases by the Company of temporary labor and mutual emergency assistance (Ms. Johnson and Mr. Reyes);

Payments by the Company of fees for non-advisory cash financial services and non-advisory trustee and investment management financial services (Ms. Rein);

Purchases by the Company of cement products (Mr. Novak);

Purchase from the Company for rental property lease (Mr. Anderson);

Purchases by the Company of tools and tire repair services (Mr. Heisler);

Payments by the Company relating to workers compensation (Dr. Thornton and Messrs. Heisler and Novak);

Purchases by the Company for banquet, meeting and outing related expenses (Dr. Thornton and Messrs. Heisler and Misheff); and

Payments by the Company relating to charitable contributions, membership fees/dues and related expenses (Dr. Thornton and Messrs. Anderson, Heisler, Kleisner, Misheff, Novak, Reyes and Smart).

In all cases, your Board determined that the nature of the business conducted and any interest of the applicable director in that business were immaterial both to your Company and to the director. Pursuant to your Company's Corporate Governance Policies, your Board also determined that the amounts paid to or received from the other entity affiliated with the applicable director in connection with the applicable transactions in each of the last three years did not exceed the greater of \$1 million or 2 percent of the consolidated gross revenue of that entity, which is the threshold set forth in the NYSE listing standards and our Corporate Governance Policies. The Corporate Governance Committee determined that none of the relationships described above constituted a related person transaction requiring disclosure as set forth in the Related Person Transactions Policy described under the heading "Certain Relationships and Related Person Transactions" in this proxy statement. In addition, outside of their service as a Company director, your Company's directors do not currently provide professional or other services to your Company, its affiliates or any officer of your Company and your Company's directors are not

related to any executive officer of your Company. Also, in each case where the director is an executive officer of another company, any transactions constituted less than one percent of your Company's and the other company's consolidated gross revenues in each of the last three completed fiscal years.

Board's Function

Although your Board has the responsibility for establishing broad corporate policies and for our overall performance, the Board is not involved in day-to-day operations of your Company. Management keeps the directors informed of our business and operations with various reports and documents that are sent to them each month. Management also makes operating and financial presentations at Board and committee meetings. The Board established the committees described below to assist in performing its responsibilities.

Corporate Governance Documents

Your Board believes that your Company's policies and practices should enhance your Board's ability to represent your interests as shareholders. In support of this philosophy, your Board established Corporate Governance Policies which, together with Board committee charters, serve as a framework for meeting your Board's duties and responsibilities with respect to the governance of your Company. Our Corporate Governance Policies and Board committee charters can be viewed by visiting our Internet website at www.firstenergycorp.com/charters. Any amendments to these documents will promptly be made available on our Internet website.

Board's Role in Risk Oversight

Your Company faces a variety of risks and recognizes that the effective management of those risks contributes to the overall success of your Company. Your Company has implemented a process to identify, prioritize, report, monitor, manage, and mitigate its significant risks. A Risk Policy Committee, consisting of the Chief Risk Officer and senior executive officers, provides oversight and monitoring to ensure that appropriate risk policies are established and carried out and processes are executed in accordance with selected limits and approval levels. Other Company committees exist to address topical risk issues. Timely reports on significant risk issues are provided as appropriate to employees, management, senior executive officers, respective Board committees, and the full Board. The Chief Risk Officer also prepares enterprise-wide risk management reports that are presented to the Audit Committee, the Finance Committee and your Board.

Your Board administers its risk oversight function through the full Board as well as through the various Board committees. Specifically, the full Board considers applicable risks of your Company at each meeting in connection with its consideration of significant business and financial developments of your Company. Also, the Audit Committee Charter requires the Audit Committee to oversee, assess, discuss, and generally review your Company's policies with respect to the assessment and management of risks, including risks related to the financial statements and financial reporting process of your Company, credit risk, and liquidity and commodity market risks. The Audit Committee also reviews and discusses with management the steps taken to monitor, control, and mitigate such exposures. Through this oversight process, your Board obtains an understanding of significant risk issues on a timely basis, including the risks inherent in your Company's strategy. In addition, while your Company's Chief Risk Officer administratively reports to the Chief Financial Officer, he has full access to the Audit and Finance Committees and is scheduled to attend each of their Committee meetings.

In addition to the Audit Committee's role in risk oversight, our other Board committees also play a role in risk oversight within each of their areas of responsibility. Specifically, the Compensation Committee reviews, discusses, and assesses risk related to compensation programs, including incentive compensation and equity-based plans, and risk related to compensation philosophy and structure. See also, "Risk Assessment of Compensation Programs" found in the Compensation Discussion and Analysis section in this proxy statement. The Corporate Governance Committee

considers risk related to corporate governance, including Board and committee membership, Board performance, and related party transactions. The Finance Committee evaluates the impact of risk resulting from financial resources and strategies, including capital structure policies, financial forecasts, budgets and financial transactions, commitments, expenditures, long and short-term debt levels, dividend policy, issuance of securities, exposure to fluctuation in interest rates, share repurchase programs and

other financial matters deemed appropriate by your Board. The Nuclear Committee considers the risks associated with the safety, reliability, and quality of our nuclear operations. Further, day-to-day risk oversight is conducted by our Corporate Risk department and our senior management and is shared with your Board or Board committees, as appropriate. We believe that your Board's role in risk oversight is consistent with and complemented by your Board's leadership structure. The section above in this proxy statement entitled "Board Leadership Structure" provides information relating to our historical separation of the Chairman of the Board and CEO positions and the similar roles of the Independent Lead Director and CEO positions during the current transition period.

Board Training

The Board recognizes the importance of its members keeping current on Company and industry issues and their responsibilities as directors. All new directors participate in orientation soon after being elected to the Board. Also, the Board makes available and encourages continuing education programs for Board members, which may include internal strategy meetings, third-party presentations, and externally offered programs.

Attendance at the Annual Meeting of Shareholders and Board and Committee Meetings

Our Corporate Governance Policies provide that Directors are expected to attend all scheduled Board and committee meetings and your Company's annual meetings of shareholders. All Board members who were nominees at that time attended your Company's 2014 annual meeting of shareholders.

Your Board held ten meetings during 2014. All directors attended 75 percent or more of the meetings of your Board and of the committees on which they served in 2014.

Non-management directors, who are all independent directors, are required to meet as a group in executive sessions without the CEO, the Executive Chairman or any other non-independent director, or management at least six times in each calendar year. George M. Smart, our Lead Independent Director, presides over all executive sessions. During 2014, the non-management directors met ten times in executive sessions.

Members of the Nuclear Committee and other Board members also participate in regular site visits to your Company's nuclear units and other operating locations.

Committees of the Board of Directors

Your Board established the standing committees listed below. All committees are comprised solely of independent directors as determined by your Board in accordance with our Corporate Governance Policies, which incorporate the NYSE listing standards and applicable SEC rules. All members of the Audit Committee, Compensation Committee and the Corporate Governance Committee are independent based on the definition applicable to such committee in the NYSE listing standards and SEC rules.

Audit Committee

The purpose of the Audit Committee is to assist your Board with oversight of: the integrity of your Company's financial statements; your Company's compliance with legal, risk management, and regulatory requirements; the independent auditor's qualifications and independence; the performance of your Company's internal audit function and independent auditor; and your Company's systems of internal control with respect to the accuracy of financial records, adherence to Company policies, and compliance with legal and regulatory requirements. The Audit Committee prepares the report that SEC rules require be included in this proxy statement and performs such other duties and responsibilities enumerated in the Audit Committee Charter. The Audit Committee's function is one of oversight, recognizing that your Company's management is responsible for preparing your Company's financial statements, and

the independent auditor is responsible for auditing those statements. In adopting the Audit Committee Charter, your Board acknowledges that the Audit Committee members are not employees of your Company and are not providing any expert or special assurance as to your Company's financial statements or any professional certification as to the independent auditor's work or auditing standards. Each member of the Audit Committee shall be entitled to rely on the integrity of those persons and organizations

within and outside your Company who provide information to the Audit Committee and the accuracy and completeness of the financial and other information provided to the Audit Committee by such persons or organizations absent actual knowledge to the contrary. For a complete list of responsibilities and other information, refer to the Audit Committee Charter available on our Internet website at www.firstenergycorp.com/charters.

The Audit Committee is comprised of five independent members and met nine times in 2014. The current members of the Audit Committee are Ernest J. Novak, Jr. (Chair), Paul T. Addison, Robert B. Heisler, Jr., Catherine A. Rein and George M. Smart. All members of the Committee are financially literate. Your Board appoints at least one member of the Audit Committee who, in your Board's business judgment, is an Audit Committee Financial Expert, as such term is defined by the SEC. Your Board determined that independent Audit Committee and Board member Ernest J. Novak, Jr. meets this definition. If it would occur and as required by the applicable NYSE listing standards, your Company will disclose on its website (www.firstenergycorp.com under the tab Investors, Corporate Governance, Board of Directors) any Board determination that the service by a member of your Company's Audit Committee on the audit committees of more than three public companies does or does not impair the ability of that individual to serve effectively on your Company's Audit Committee. See the Audit Committee Report in this proxy statement for additional information regarding the Audit Committee. Ms. Rein will retire from your Board as of the date of the Meeting in accordance with the mandatory retirement age provisions of our Corporate Governance Policies.

Compensation Committee

The purpose of the Compensation Committee is to discharge the responsibilities of your Board as specified in the Compensation Committee Charter relating to the compensation of certain senior-level officers of your Company, including your CEO, your Company's other non-CEO executive officers, the Chairman of the Board, if the Chairman of the Board is not an employee, and other individuals named in your Company's annual proxy statement; to review, discuss, and endorse a compensation philosophy and objectives that support competitive pay for performance and are consistent with the corporate strategy; to assist your Board in establishing the appropriate incentive compensation and equity-based plans for your Company's executive officers and other senior-level officers; to administer such plans in order to attract, retain, and motivate skilled and talented executives and to align such plans with Company and business unit performance, business strategies, and growth in shareholder value; to review and discuss with your Company's management the disclosures in the Compensation Discussion and Analysis (later referred to as the CD&A) required by applicable rules and regulations and, based upon such review and discussions, to recommend to your Board whether the CD&A should be included in your Company's Annual Report on Form 10-K and proxy statement; to produce the Compensation Committee Report to be included in your Company's Annual Report on Form 10-K and proxy statement, in accordance with applicable rules and regulations; and to perform such other duties and responsibilities enumerated in and consistent with the Compensation Committee Charter. For a complete list of responsibilities and other information, refer to the Compensation Committee Charter available on our Internet website at www.firstenergycorp.com/charters. In addition, refer to the CD&A that can be found later in this proxy statement.

The Compensation Committee is comprised of five independent members and met five times in 2014. The current members of this committee are Ted J. Kleisner (Chair), Robert B. Heisler, Jr., Christopher D. Pappas, Catherine A. Rein and Wes M. Taylor. Mr. Kleisner was elected as Chair of the Committee in May 2014. Ms. Rein and Mr. Taylor will retire from your Board as of the date of the Meeting in accordance with the mandatory retirement age provisions of our Corporate Governance Policies.

Corporate Governance Committee

The purpose of the Corporate Governance Committee is to develop, recommend to your Board, and periodically review the corporate governance principles applicable to your Company; to recommend Board candidates for all directorships by identifying individuals qualified to become Board members in a manner that is consistent with criteria approved by your Board; to recommend that your Board select the director nominees for the next annual

meeting of shareholders and recommend to your Board nominees to fill any vacancies and/or newly created directorships on your Board; and to oversee the evaluation of your Board, each committee thereof, and management.

In consultation with the CEO, the Chairman of the Board or, as applicable, the Lead Independent Director and the full Board, the Corporate Governance Committee has primary responsibility to search for, recruit, screen, interview, and recommend prospective directors, as required, who will provide an appropriate balance of knowledge, experience, and capability on your Board. The process for board succession planning and identifying potential candidates for nomination by your Board is an ongoing one. The Corporate Governance Committee has actively engaged in director succession planning and regularly evaluates the addition of a director or directors with particular attributes described below along with an appropriate mix of long-, medium-, and short-term tenured directors in its succession planning. Your Board did not use a third party to assist with the identification and evaluation of potential nominees. In connection with our mandatory retirement age for outside directors described below, five of our six longest tenured directors are expected to retire within three years, including Ms. Rein and Mr. Taylor who will be retiring in May 2015.

The Corporate Governance Committee is guided by its charter, the Corporate Governance Policies, and other applicable laws and regulations in recruiting and selecting director candidates. Any assessment of a prospective Board or committee candidate includes, at a minimum, issues of diversity, age, background and training; business or administrative experience and skills; dedication and commitment; business judgment; analytical skills; problem-solving abilities; and familiarity with the regulatory environment. The Corporate Governance Policies provide that your Board will not nominate for re-election at any annual meeting of shareholders a non-employee Director following his or her 72nd birthday. In addition, the Corporate Governance Committee may consider such other attributes as it deems appropriate, all in the context of the perceived needs of your Board or applicable committee at that point in time. Such directors shall possess experience in one or more of the following: management or senior leadership position which demonstrates significant business or administrative experience and skills; accounting or finance; the electric utilities or nuclear power industry; or other significant and relevant areas deemed by the Corporate Governance Committee to be valuable to your Company.

The Corporate Governance Committee investigates and considers suggestions for candidates for membership on your Board, including shareholder nominations for your Board. Provided that shareholders nominating director candidates have complied with the procedural requirements set forth in the Corporate Governance Committee Charter and Amended Regulations, the Corporate Governance Committee applies the same criteria and employs substantially similar procedures for evaluating nominees suggested by shareholders for your Board as it would for evaluating any other Board nominee. The Corporate Governance Committee will give due consideration to all written shareholder nominations that are submitted in writing to the Corporate Governance Committee, in care of the Corporate Secretary, FirstEnergy Corp., 76 South Main Street, Akron, Ohio 44308-1890, received at least 120 days before the publication of your Company's annual proxy statement from a shareholder or group of shareholders owning one half of one percent (0.5 percent) or more of your Company's voting stock for at least one year, and accompanied by a description of the proposed nominee's qualifications and other relevant biographical information, together with the written consent of the proposed nominee to be named in the proxy statement and to serve on your Board. For a complete list of responsibilities and other information, refer to the Corporate Governance Committee Charter available on our Internet website at www.firstenergycorp.com/charters.

This committee is comprised of five independent members and met five times in 2014. The current members of this committee are Michael J. Anderson (Chair), William T. Cottle, Julia L. Johnson, Luis A. Reyes and George M. Smart.

Finance Committee

The purpose of the Finance Committee is to monitor and oversee your Company's financial resources and strategies, with emphasis on those issues that are long-term in nature. For a complete list of responsibilities and other

information, refer to the Finance Committee Charter available on our Internet site at www.firstenergycorp.com/charters.

This committee is comprised of six independent members and met four times in 2014. The current members of this committee are Paul T. Addison (Chair), Michael J. Anderson, Julia L. Johnson, Donald T. Misheff, Ernest J. Novak, Jr. and Christopher D. Pappas.

Nuclear Committee

The purpose of the Nuclear Committee is to monitor and oversee your Company's nuclear program and the operation of all nuclear units in which your Company or any of its subsidiaries has an ownership or leasehold interest. For a complete list of responsibilities and other information, refer to the Nuclear Committee Charter available on our Internet site at www.firstenergycorp.com/charters.

This committee is comprised of five independent members and met six times in 2014. The current members of this committee are William T. Cottle (Chair), Ted J. Kleisner, Donald T. Misheff, Luis A. Reyes and Wes M. Taylor. Mr. Taylor will retire from your Board as of the date of the Meeting in accordance with the mandatory retirement age provisions of our Corporate Governance Policies.

Non-Affiliated Board Membership

Our Corporate Governance Policies provide that the expectation is that directors will not, without your Board's approval, serve on the board of directors of more than three other non-affiliated companies having securities registered under the Securities Exchange Act of 1934, as amended (later referred to as the Exchange Act). All of our directors are in compliance with this provision of our Corporate Governance Policies.

Communications with the Board of Directors

Your Board provides a process for shareholders and interested parties to send communications to your Board and non-management directors, including our Lead Independent Director. As set forth in your Company's Corporate Governance Policies, shareholders and interested parties may send written communications to your Board or a specified individual director by mailing any such communications to the FirstEnergy Board of Directors at your Company's principal executive office, c/o Corporate Secretary, FirstEnergy Corp., 76 South Main Street, Akron, OH 44308-1890. Our Corporate Governance Policies can be viewed by visiting our Internet website at www.firstenergycorp.com/charters.

The Corporate Secretary or a member of her staff reviews all such communications promptly and relays them directly to a Board member or a specified individual director, provided that such communications: (i) bear relevance to your Company and the interests of the shareholder, (ii) are capable of being implemented by your Board, (iii) do not contain any obscene or offensive remarks, (iv) are of a reasonable length, and (v) are not from a shareholder who already has sent two such communications to your Board in the last year. Your Board may modify procedures for sorting shareholders' and interested parties' communications or adopt any additional procedures, provided they are approved by a majority of the independent directors.

Codes of Business Conduct

Your Company's Code of Business Conduct applies to all employees, including the CEO, Chief Financial Officer, and Chief Accounting Officer. In addition, your Board has a separate Director Code of Ethics and Business Conduct. Both codes can be viewed on our Internet website at www.firstenergycorp.com/charters. Any substantive amendments to these documents or related waivers will be made available on our Internet website. Both codes are available, without charge, upon written request to the Corporate Secretary, FirstEnergy Corp., 76 South Main Street, Akron, Ohio 44308-1890.

19 **FirstEnergy Corp.** 2015 Proxy Statement

Audit Committee Report

The Audit Committee (later referred to in this section as the Committee) of your Board is charged with assisting the full Board in fulfilling your Board's oversight responsibility with respect to the quality and integrity of the accounting, auditing, and financial reporting practices of your Company. The Committee acts under a written charter that is reviewed annually, revised as necessary, and is approved by your Board. In fulfilling its oversight responsibilities, the Committee reviewed and discussed with management the audited financial statements to be included in your Company's Annual Report on Form 10-K for the year ended December 31, 2014. In performing its review, the Committee discussed the propriety of the application of accounting principles by your Company, the reasonableness of significant judgments and estimates used in the preparation of the financial statements, and the clarity of disclosures in the financial statements.

The Committee reviewed and discussed with your Company's independent registered public accounting firm, PricewaterhouseCoopers LLP, their opinion on the conformity of the audited financial statements with accounting principles generally accepted in the United States. This discussion covered the matters required by Auditing Standard No. 16, Communications with Audit Committees, as adopted by the Public Company Accounting Oversight Board, including its judgments as to the propriety of the application of accounting principles by your Company.

The Committee received the written disclosures and the letter from the independent registered public accounting firm regarding their independence from your Company as required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence and discussed with the independent registered public accounting firm such firm's independence.

The Committee discussed with your Company's internal auditors and independent registered public accounting firm the overall scope, plans, and results of their respective audits. The Committee met with the internal auditors and independent registered public accounting firm, with and without management present, to discuss the results of their examinations, their evaluations of your Company's internal controls, and the overall quality of your Company's financial reporting process.

Based on the above reviews and discussions conducted, the Committee recommended to your Board that the audited financial statements be included in your Company's Annual Report on Form 10-K for the year ended December 31, 2014, for filing with the SEC.

Audit Committee Members: Ernest J. Novak, Jr. (Chair), Paul T. Addison, Robert B. Heisler, Jr., Catherine A. Rein and George M. Smart.

Matters Relating to the Independent Registered Public Accounting Firm

Audit Fees

The following is a summary of the fees paid by your Company to its independent registered public accounting firm, PricewaterhouseCoopers LLP, for services provided to your Company and its reporting subsidiaries during the years 2014 and 2013:

PricewaterhouseCoopers LLP billed your Company an aggregate of \$7,818,000 in 2014 and \$8,001,000 in 2013 in fees for professional services rendered for the audit of your Company's financial statements and the review of the financial statements included in each of your Company's Quarterly Reports on Form 10-Q, services that are normally provided in connection with statutory and regulatory filings or engagements, audit related services and, in 2013, non-audit services as noted below.

	Fees for Audit Year 2014	Fees for Audit Year 2013
<i>Audit Fees</i> ⁽¹⁾	\$7,701,000	\$7,661,000
<i>Audit Related Fees</i> ⁽²⁾	117,000	300,000
<i>Tax Fees</i>	- 0 -	- 0 -
<i>All Other Fees</i> ⁽³⁾	- 0 -	40,000
	\$7,818,000	\$8,001,000

(1) Professional services rendered for the audits of your Company's and certain of its subsidiaries' annual financial statements and reviews of unaudited financial statements included in your Company's and its SEC reporting subsidiary's Quarterly Reports on Form 10-Q and for services in connection with statutory and regulatory filings or engagements, including comfort letters, agreed upon procedures and consents for financings and filings made with the SEC.

(2) Professional services rendered in 2014 and 2013 related to additional agreed upon procedures for the audit of compliance with certain DOE grants. Also, in 2014, professional services rendered related to SEC Regulation AB and, in 2013, professional services rendered related to storm attestation.

(3) Other professional services rendered in 2013 related to SEC Regulation AB readiness.

The Committee has considered whether any non-audit services rendered by the independent registered public accounting firm are compatible with maintaining its independence. The Committee, in accordance with its charter and in compliance with all applicable legal and regulatory requirements promulgated from time to time by the NYSE and SEC, has a policy under which the independent registered public accounting firm cannot be engaged to perform non-audit services that are prohibited by these requirements. The policy further states that any engagement of the independent registered public accounting firm to perform other audit-related or any non-audit services must have approval in advance by the Chair of the Committee upon the recommendation of the Vice President, Controller and Chief Accounting Officer. Such approved engagement is then presented to the Committee at its next regularly scheduled meeting. All services provided by PricewaterhouseCoopers LLP in 2014 and 2013 were pre-approved.

21 **FirstEnergy Corp.** 2015 Proxy Statement

Items to Be Voted On

Item 1 Election of Directors

You are being asked to vote for the following 13 nominees to serve on your Board for a term expiring at the annual meeting of shareholders in 2016 and until their successors shall have been elected: **Paul T. Addison, Michael J. Anderson, William T. Cottle, Robert B. Heisler, Jr., Julia L. Johnson, Charles E. Jones, Ted J. Kleisner, Donald T. Misheff, Ernest J. Novak, Jr., Christopher D. Pappas, Luis A. Reyes, George M. Smart and Dr. Jerry Sue Thornton.** Mr. Jones was elected to your Board effective January 1, 2015 and is a nominee for election by shareholders at the Meeting. Dr. Thornton was elected to your Board effective March 17, 2015 and is a nominee for election by shareholders at the Meeting. Dr. Thornton was recommended as a director by the members of our Corporate Governance Committee.

As previously discussed, Mr. Alexander will conclude his service as Executive Chairman on April 30, 2015 and will also step down from your Board effective May 1, 2015, and Ms. Rein and Mr. Taylor will retire from your Board as of the date of the Meeting in accordance with the mandatory retirement age provisions of our Corporate Governance Policies. Accordingly, your Board has not nominated Ms. Rein or Messrs. Alexander and Taylor as candidates for reelection at the Meeting and the size of your Board, which is currently set at 16, will be reduced to 13 as of the Meeting. Mr. Alexander began his career with your Company in 1972 and there is profound thanks from your Board for his dedication, steadfastness, commitment and years of service to the interests of the Company, your Board, our shareholders, employees, customers and the communities we serve. Ms. Rein has been a director of your Company since 2001 and director of GPU, Inc. (merged with your Company in 2001) from 1989 to 2001. Mr. Taylor has been a director of your Company since 2004. We are also grateful for the leadership Ms. Rein and Mr. Taylor have provided during their years of service to your Company; their wisdom, knowledge, and judgment will be missed.

The section of this proxy statement entitled **Biographical Information and Qualifications of Nominees for Election as Directors** provides information for all nominees for election at the Meeting. Your Board has no reason to believe that the persons nominated will not be available to serve after being elected. If any of these nominees would not be available to serve for any reason, shares represented by the appointed proxies will be voted either for a lesser number of directors or for another person selected by your Board. However, if the inability to serve is believed to be temporary in nature, the shares represented by the appointed proxies will be voted for that person who, if elected, will serve when able to do so.

Pursuant to your Company's Amended Regulations, at any election of directors, the persons receiving the greatest number of votes are elected to the vacancies to be filled. Our Corporate Governance Policies also provide that in an uncontested election of directors (i.e., an election where the only nominees are those recommended by your Board), any nominee for director who receives a greater number of votes withheld from his or her election than votes For his or her election will promptly tender his or her resignation to the Corporate Governance Committee following certification of the shareholder vote. The Corporate Governance Committee will promptly consider the tendered resignation and will recommend to your Board whether to accept or reject the tendered resignation no later than 60 days following the date of the shareholders' meeting at which the election occurred. In considering whether to recommend acceptance or rejection of the tendered resignation, the Corporate Governance Committee will consider factors deemed relevant by the committee members, including the director's length of service, the director's particular qualifications and contributions to your Company, the reasons underlying the majority withheld vote, if known, and whether these reasons can be cured, and compliance with stock exchange listing standards and the Corporate Governance Policies. In considering the Corporate Governance Committee's recommendation, your Board will

consider the factors considered by the Corporate Governance Committee and any such additional information and factors your Board believes to be relevant. Your Board will act on the Corporate Governance Committee's recommendation no later than at its next regularly scheduled board meeting.

This Item 1 asks that you vote **FOR** the 13 nominees named in this proxy statement to serve on your Board.

Your Board Recommends That You Vote **For Item 1.**

Item 2 Ratification of the Appointment of the Independent Registered Public Accounting Firm

You are being asked to ratify the Audit Committee's appointment of PricewaterhouseCoopers LLP as your Company's independent registered public accounting firm to examine the books and accounts of your Company for the fiscal year ending December 31, 2015. While our Amended Regulations do not require shareholders to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm, we are submitting the proposal for ratification as a matter of good corporate governance. However, if shareholders do not ratify the appointment, the Audit Committee will reconsider retaining PricewaterhouseCoopers LLP. Even if the appointment is ratified, the Audit Committee, at its discretion, may change the appointment at any time during the year if it determines that such a change would be in the best interests of your Company and its shareholders. A representative of PricewaterhouseCoopers LLP is expected to attend the Meeting and will be available to respond to appropriate questions, and have an opportunity to make a statement if he or she wishes to do so. We refer you to the Matters Relating to the Independent Registered Public Accounting Firm section of this proxy statement for information regarding services performed by, and fees paid to, PricewaterhouseCoopers LLP during the years 2013 and 2014.

This Item 2 asks that you vote **FOR** the ratification of the Audit Committee's appointment of PricewaterhouseCoopers LLP as your Company's independent registered public accounting firm for the 2015 fiscal year.

Your Board Recommends That You Vote **For** **Item 2.**

Item 3 Advisory Vote to Approve Named Executive Officer Compensation

The following proposal provides shareholders the opportunity to cast an advisory, non-binding vote on compensation for the named executive officers (later referred to as the NEOs), as further described in the Compensation Discussion and Analysis (later referred to as CD&A), by voting for or against the following resolution. This resolution is required pursuant to Section 14A of the Exchange Act. The next advisory vote on executive officer compensation is scheduled to occur at your Company's 2016 annual meeting of shareholders.

RESOLVED, that the shareholders approve, on an advisory basis, the compensation of the FirstEnergy Corp. NEOs, as such compensation is disclosed pursuant to the compensation disclosure rules of the SEC, including the CD&A, the compensation tables, and the other related narrative executive compensation disclosure contained in this proxy statement.

The primary objectives of your Company's executive compensation program are to attract, motivate, retain, and reward the talented executives who we believe can provide the performance and leadership we need to achieve success in the highly complex energy industry. Our executive compensation program is centered on a pay for performance philosophy and is aligned with the long-term interests of our shareholders. In 2014, compensation adjustments were provided to some of our NEOs, positioning the total annual compensation opportunities provided to our NEOs, in the aggregate, at 2 percent below the revenue-regressed 50th percentile of our peer group.

After engaging with our top shareholders in 2013 and 2014 and making significant changes to our compensation plans and programs, we received over 92 percent support from our shareholders for our advisory vote to approve named executive officer (later referred to as NEO) compensation at our annual meeting in 2014. During 2014, we continued to benchmark our plans and programs to support direct alignment between pay and performance and with your Company's shareholders' interests.

23 **FirstEnergy Corp.** 2015 Proxy Statement

The following are highlights of changes made to our compensation plans and programs in 2014:

Created a pool of funds for the Short-Term Incentive Program (later referred to as STIP) payout based on Operating EPS (a non-GAAP financial measure, as described in the CD&A) achieved during the plan year to ensure incentive payouts are aligned with Company Operating earnings results,

Strengthened the relationship between pay and performance by providing a completely at-risk Long-Term Incentive Program (later referred to as LTIP) beginning in 2014, which puts 88 percent of our CEO s and 74 percent of our remaining NEOs , in the aggregate, total compensation opportunity completely at-risk,

Eliminated overlapping performance measures in the STIP and LTIP beginning in 2014, with the exception of the Safety performance measure,

Implemented a clawback policy,

Closed the FirstEnergy Corp. Supplemental Executive Retirement Plan to new entrants in 2014,

Moved to a qualified and nonqualified cash-balance pension plan formula for new hires and rehires after January 1, 2014, and

Eliminated the counting of unvested performance-adjusted restricted stock units towards share ownership guideline requirements.

We direct you to the CD&A for a more detailed discussion of these changes.

Your Board strongly believes that these changes, in conjunction with continued shareholder outreach, are in the best interests of shareholders and address the financial and operational concerns raised in previous shareholders' advisory vote results and ongoing shareholder outreach. Annual review of all compensation plans and programs will continue to ensure that your Company's compensation programs are in alignment with market practice and in the best interest of our shareholders.

Your Board recommends that shareholders vote **FOR** approval of Item 3. Because your vote is advisory, it will not be binding upon your Board. However, your Board carefully considers shareholders' opinions, and the Compensation Committee will take into account the outcome of the vote when considering future executive compensation practices.

Your Board Recommends That You Vote **For **Item 3.****

Item 4 Approve the FirstEnergy Corp. 2015 Incentive Compensation Plan

Subject to shareholder approval, your Board has adopted the FirstEnergy Corp. 2015 Incentive Compensation Plan (later referred to as the Plan), to promote the success of your Company and its subsidiaries by providing incentives to certain employees and directors that will link their personal interests to the long-term financial success of your Company and its subsidiaries and to increase shareholder value. By adopting the Plan, your Board believes your Company will continue to be able to motivate, attract, and retain the people whose judgment, interest, efforts, and special skills will help enable your Company to succeed. The Plan provides for equity and equity-based awards the Company intends to grant under its Long-Term Incentive Program and cash-based awards your Company intends to grant under its Short-Term Incentive Program.

Purpose of the Proposal

You are being asked to approve the proposed Plan, including the authority to issue 10 million shares for awards under the Plan. Based on the number of shares available under our current 2007 Incentive Plan (as described below) and the Company's historical grant practices, approval of the Plan is necessary in order to have sufficient shares available in the future for your Company's customary annual incentive awards and occasional awards to attract, retain and motivate key employees in specific situations. The affirmative vote of a majority of the votes cast is required to approve the Plan. Under NYSE requirements for the approval of equity plans, abstentions will be counted and have the same effect as an "Against" vote and broker non-votes will have no effect. A summary of the principal features of the Plan is provided below, but is qualified in its entirety by reference to the full text of the Plan that is attached as Appendix A to this proxy.

Shareholder approval of the Plan is intended to constitute approval for purposes of the approval requirements of Section 162(m) of the Internal Revenue Code of 1986, as amended (later referred to as the Code), so that certain awards based on the attainment of performance goals using the performance measures set forth in the Plan are eligible to qualify as performance-based compensation under Section 162(m) of the Code. Section 162(m) of the Code generally limits the deductibility of compensation in excess of \$1,000,000 that is payable to certain officers of your Company. If, however, awards qualify as performance-based compensation and other conditions are met your Company may avoid the loss of tax deductions for those awards. Because the performance-based compensation exception under Section 162(m) of the Code requires a review of individual facts, and there is limited binding guidance under Section 162(m), your Company cannot guarantee that any awards under the Plan to covered employees that are intended to qualify for the exemption will necessarily qualify. Your Company reserves the right to grant awards to covered employees under the Plan that are not intended to qualify for exemption under Section 162(m) of the Code.

Material Features of the Plan

Plan Administration. Generally, the Plan will be administered by the Compensation Committee of your Board (later referred to in this Item 4 as the Committee). However, the Plan is administered by the full Board with respect to awards granted to non-employee directors. The Committee consists solely of two or more outside directors (as defined under the regulations of Section 162(m) of the Code). With respect to awards granted to employees, the Committee has the discretionary power to interpret the terms of the Plan, any award agreement and any other agreement or document related to the Plan. With respect to awards granted to non-employee directors, your Board has the discretionary power to interpret the terms of the Plan, any award agreement and any other agreement or document related to the Plan. The Committee also may adopt such rules, regulations, forms, instruments, and guidelines for administering the Plan as it deems necessary or proper. The Committee may delegate to an officer of your Company the authority to grant a certain number of awards to employees who are not deemed to be insiders for purposes of Section 16 of the Exchange Act.

Eligibility. All employees and non-employee directors are eligible to participate in the Plan. The Plan authorizes the Committee to designate any employee of your Company and its subsidiaries as a participant in the Plan. Your Board may designate any non-employee director as a participant. Generally, all regular employees (approximately 15,466 as of the date of this proxy statement) may receive cash-based awards granted under the plan under the Company's short-term incentive programs and all executives of the organization (approximately 558 as of the date of this proxy statement) may receive equity or equity-based awards under your Company's long-term incentive program. Currently, there are 14 non-employee directors on your Board who are eligible to receive awards under the Plan.

Shares Available Under the Plan. The maximum number of shares of your Company's common stock, par value \$0.10 per share, that your Company may issue with respect to awards granted under the Plan is:

10,000,000 shares, plus

the total number of shares remaining available for grant under your Company's Amended and Restated 2007 Incentive Plan as of the effective date of the Plan, plus

the total number of shares that are subject to awards currently outstanding under your Company's Amended and Restated 2007 Incentive Plan that are not used due to the forfeiture, cancellation or expiration of such awards.

Assuming target level payouts, as of March 17, 2015, there are approximately 1.95 million shares remaining available under the Amended and Restated 2007 Incentive Plan and approximately 2.3 million shares underlying outstanding awards granted under the Amended and Restated 2007 Incentive Plan, which reflects expected forfeitures related to Mr. Alexander's pending departure associated with prorated performance-adjusted RSUs for the 2013-2015 and 2014-2016 cycles. Assuming maximum achievement of performance targets, as of March 17, 2015, there are less than 25,000 shares remaining available under the Amended and Restated 2007 Incentive Plan and approximately 4.2 million shares underlying outstanding awards granted under the Amended and Restated 2007 Incentive Plan, which also reflects Mr. Alexander's expected forfeitures. Actual results will not be

determined until the end of each applicable performance period and may be adjusted upward or downward subject to the achievement of performance targets. In connection with the approval of the Plan, no further awards will be granted under the Amended and Restated 2007 Incentive Plan. Awards previously issued under the Amended and Restated 2007 Incentive Plan will continue to be governed in accordance with the terms of such plan. As of March 17, 2015, the closing price of a common share of your Company was \$35.06. Shares available for issuance under the Plan may be authorized and unissued shares, treasury shares or shares obtained on the open market.

Adjustments. In the event of any corporate event or transaction (including a change in the shares of your Company or the capitalization of your Company) such as a merger, consolidation, reorganization, recapitalization, separation, partial or complete liquidation, stock dividend, stock split, reverse stock split, split up, spinoff, other distribution of stock or property of your Company, combination of shares, exchange of shares, dividend in-kind or other like change in capital structure, number of outstanding shares or distribution (other than normal cash dividends) to shareholders of your Company or any similar corporate event or transaction, the Committee, in order to prevent dilution or enlargement of the participants' rights under the Plan, will substitute or adjust, as applicable, the number and kind of shares that may be issued under the Plan or under particular forms of awards, the number and kind of shares subject to outstanding awards, the exercise price applicable to outstanding awards, any annual award limits, and other value determinations applicable to outstanding awards.

No Liberal Share Counting Provisions. The Plan prohibits liberal share counting by requiring that no shares tendered in payment of a stock option's exercise price may be added back into the aggregate share limit. The Plan also provides that no shares withheld in satisfaction of tax withholding obligations may be added back into the aggregate share limit. The full number of common shares covered by a SAR, to the extent that it is settled in common shares, and whether or not all shares are actually issued to a participant upon exercise of the SAR, will be considered used and therefore may not be added back to the aggregate share limit. Lastly, if your Company repurchases common shares with stock option exercise proceeds, those shares will not be added to the aggregate plan limit.

Annual Award Limits. No more than 500,000 shares subject to stock options or SARs that are intended to qualify as performance-based compensation under Section 162(m) of the Code may be granted to any participant with respect to any calendar year. Awards of restricted stock, restricted stock units, and performance shares that are intended to qualify as performance-based compensation under Section 162(m) of the Code are each limited to 500,000 shares per participant for any calendar year, whether such awards are paid in cash or stock. For any calendar year, the maximum amount payable to any participant with respect to any cash-based award intended to qualify as performance-based compensation under Section 162(m) of the Code will be \$15 million. In addition, the aggregate number of shares that may be granted to any non-employee director under an award during any calendar year may not exceed 500,000 shares.

Prohibition on Repricing of Options or SARs. Subject to the adjustment provisions described above in the subsection titled *Adjustments*, in no event will the Committee or your Board, without first obtaining the approval of your Company's shareholders, have the right to:

cancel outstanding stock options or SARs for the purpose of replacing or regranting such stock options or SARs with an exercise price that is less than the original exercise price of the stock option or SAR;

change the exercise price of a stock option or SAR to an exercise price that is less than the original exercise price; or

cancel an outstanding stock option or SAR with an exercise price that is more than the fair market value of a share on the date of cancellation in exchange for cash or another award.

Minimum Vesting Requirements. Awards granted under the Plan are generally required to have a minimum vesting period of at least one year. However, up to five percent (5%) of the shares available under the Plan may be used for awards without a minimum vesting period.

Performance Goals. Awards under the Plan may be conditioned upon the attainment of performance goals. Any performance measure(s) may be used to measure the performance of your Company or any subsidiary as a whole or any business unit or segment of your Company or a subsidiary. Any performance measures may also be used as a comparison of the performance of your Company, a subsidiary or a division to the performance of a group of comparator companies, or a published or special index. The Committee may select a share price performance measure as compared to various stock market indices. The Committee also has the authority to provide for accelerated vesting of any award based on the achievement of performance goals pursuant to the performance measures. In establishing performance measures, the Committee may provide that any financial factor that in whole or in part comprises any performance measure will be determined in accordance with U.S. generally accepted accounting principles (later referred to as GAAP) or that any such financial factor may be non-GAAP (i.e., that such financial factor may be adjusted to exclude from its calculation one or more GAAP or non-GAAP items).

The Committee may provide in any award based on the achievement of performance goals that any evaluation of performance may include or exclude any of the following events that occur during a performance period: asset write-downs; litigation or claim judgments or settlements; the effect of changes in tax laws, accounting principles or other laws or provisions affecting reported results; any reorganization and restructuring programs; extraordinary nonrecurring items; acquisitions or divestitures; and/or foreign exchange gains and losses.

Performance goals and performance measures under the Plan may be selected by the Committee in its sole discretion. With respect to awards intended to qualify as performance-based compensation under Section 162(m) of the Code, performance goals may be based upon one or more of the following performance measures:

Net earnings or net income (before or after taxes);
Income;
Retained earnings;
Earnings per share;
Net sales or revenue growth;
Net operating profit or income;
Operating earnings;
Return measures (including return on assets, capital, invested capital, equity, sales or revenue);
Cash flow (including operating cash flow, free cash flow, cash flow return on equity and cash flow return on investment);
Earnings before taxes, interest, depreciation and/or amortization (later referred to as EBITDA);
Adjusted EBITDA;
Gross or operating margins;
Productivity ratios;
Share price (including growth measures and total shareholder return);
Costs or cost control;
Margins;
Operating efficiency;
Operating and maintenance cost management;
Demand-side management (including conservation and load management);
Market share;
Service reliability;
Energy production availability performance;
Results of customer satisfaction or employee satisfaction surveys;
Aggregate product price and other product price measures;
Working capital;
Economic value added (later referred to as EVA[®]), which is net operating profit after tax minus the sum of capital multiplied by the cost of capital;
Management development;
Succession planning;
Shaping legislative and regulatory initiatives and outcomes;
Taxes;
Safety record;
Depreciation and amortization;
Total shareholder return;
Workforce hiring plan measures;
Air quality control project management;
Environmental;
Risk management;
Technology upgrade measures;
Financial contribution to earnings from special projects or initiatives;
Capital expenditures;
Generation output;
Power supply sourcing adequacy;

Explanation of Responses:

Results of asset acquisitions;
Results of asset divestitures;
Capitalization;
Credit metrics;
Credit ratings;
Compound growth rates (earnings, revenue, income from continuing operations, cash generation, etc.);
Generation outage duration;
Transmission outage duration;
Distribution outage duration;
Value creation;
Effective tax rate;
Financing flexibility;
Financing capability; and
Value returned to shareholders.

If the shareholders vote to approve the Plan, they will be approving the performance measures listed above for purposes of the shareholder approval requirements for performance-based compensation under Section 162(m) of the Code. Nevertheless, if the Committee determines that it is advisable to grant awards that are not intended to qualify as performance-based compensation under Section 162(m) of the Code, the Committee may grant such awards without satisfying the requirements of Section 162(m) of the Code and base vesting on performance measures other than those set forth above.

Types of Awards. The Plan permits awards in the form of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, other stock-based awards, and cash-based awards. Each award is evidenced by an agreement by which the Committee establishes its specific terms and conditions. In addition, non-employee Directors are eligible to receive any type of award, which may or may not be subject to vesting requirements.

Stock Options. Awards under the Plan may take the form of stock options that may be tax-favored incentive stock options or non-qualified stock options. If an award under the Plan is made in the form of stock options, the exercise price of the option may not be less than the fair market value of the underlying shares on the date of grant. The term of any stock option cannot exceed ten years. The Committee is entitled to set all terms in connection with a participant's right to exercise an award and may impose such conditions as it determines. No participant may be awarded incentive stock options that are first exercisable during any calendar year which involve shares having a fair market value, determined at the time of grant, in excess of \$100,000. The maximum number of shares that may be issued with respect to incentive stock options is 10,000,000 shares. Options can be settled in shares or in cash, as determined by the Committee and provided in the applicable award agreement.

Stock Appreciation Rights. Awards under the Plan may take the form of a SAR. SARs allow the holder to realize the value of the difference between the exercise price set by the Committee and the market value of that stock when the rights are exercised. The exercise price set by the Committee may not be less than the fair market value of the underlying shares as of the date of grant. The term of a SAR cannot exceed ten years. If the value of the stock has not increased during its term, the SAR will have no value. SARs may be settled in cash, shares, or a combination of cash and shares, as determined by the Committee and provided in the applicable award agreement.

Restricted Stock. Awards under the Plan may take the form of shares of restricted stock. Restricted stock involves the issuance of shares to participants subject to restrictions on transferability and any other restrictions the Committee may impose. The restrictions lapse if either the holder remains employed by your Company or its subsidiaries for a period of time established by the Committee under the applicable award agreement or satisfies other restrictions, including performance-based restrictions, during the period of time established by the Committee. Participants holding shares of restricted stock granted under the Plan may be granted the right to exercise full voting rights with respect to those shares prior to the lapse of the restrictions on the shares.

Restricted Stock Units. Awards under the Plan may take the form of restricted stock units. A restricted stock unit is the right of the participant to receive one share of common stock, or its cash equivalent, upon the satisfaction of requirements set forth in the applicable award agreement. Requirements may consist of remaining in the employ of your Company or a subsidiary for a certain period of time or the achievement of performance goals. The Participant will have no rights of ownership in the shares subject to the restricted stock units and shall have no right to vote such shares until the shares, if any, are issued to the participant upon satisfaction of the award's underlying requirements.

Performance Shares. Awards under the Plan may take the form of performance shares. The period of time over which performance goals are measured will be of such duration as the Committee shall determine. Performance shares are denominated in common shares and may be settled in cash, shares, or a combination of cash and shares, as determined by the Committee.

Other Stock-Based Awards and Cash-Based Awards. Other stock-based awards are awards of stock-based compensation that do not fit within the scope of the other specifically enumerated types of awards but are denominated in shares or based on the price of your Company's common shares. The Committee may make cash-based awards with a range of payment levels. Cash-based awards are denominated in dollar amounts. Other stock-based awards and cash-based awards may be based upon the achievement of performance goals. Other stock-based awards and cash-based awards may be settled in cash, shares, or a combination of cash and shares, as determined by the Committee.

Awards to Non-Employee Directors. Your Board may, from time to time and upon such terms and conditions as it may determine, authorize the granting of any type of an award to non-employee directors of your Company or a subsidiary. Each grant of an award to a non-employee director will be upon such terms and conditions as approved by your Board and will be evidenced by an award agreement in such form as will be approved by your Board. Each award agreement will specify in the case of a stock option and free-standing SAR, an exercise price per share, which will not be less than the fair market value per share on the date of grant. Each stock option and SAR granted under the Plan to a non-employee director will expire not more than ten years from date of grant. If a non-employee director subsequently becomes an employee of your Company or a subsidiary while remaining a member of your Board, any award held by such individual at the time of such commencement of employment will not be affected by such employment. Non-employee directors may be granted, or may be permitted to elect to receive, pursuant to procedures established by your Board, all or any portion of their annual retainers, meeting fees or other fees in shares or restricted shares in lieu of cash.

Dividends and Dividend Equivalents. Awards of restricted stock, restricted stock units and performance shares may provide for the issuance of dividends or dividend equivalents with respect to the shares subject to the awards. Awards of stock options or SARs may not provide for the issuance of dividends or dividend equivalents on either a current or deferred basis. To the extent any award of restricted stock, restricted stock units or performance shares is subject to the achievement of performance goals, then any dividends or dividend equivalents issued with respect to such awards will be deferred until and contingent upon achievement of the performance goals.

Change in Control of the Company Double Trigger Vesting Provision. Upon a change in control of your Company, if a participant is granted a replacement award by the successor or acquiring entity, then such replacement award will remain subject to its vesting and/or conditions of exercise after the change in control. If, however, a participant's employment is terminated by your Company (or successor entity) for any reason other than cause, then such replacement awards will become fully vested and/or exercisable and all stock options or SARs held by the participant as of the date of the change in control will remain exercisable until the earlier of one year following the termination of employment (unless the agreement provides for a longer term of exercisability after termination of employment) or the original termination date of the stock option. A replacement award under the Plan is an award related to publicly traded stock granted by the successor or acquiring entity that is of at least equal value and with no less favorable terms and conditions as the awards held by the participant as of the date of the change in control.

If, upon a change in control, a participant is not granted a replacement award by the successor or acquiring entity, the Committee may:

determine that any or all outstanding awards granted under the Plan, whether or not exercisable, will be canceled and terminated and that in connection with such cancellation and termination the holder of such award may receive for each share of common stock subject to such awards a cash payment (or the delivery of shares of stock, other securities or a combination of cash, stock and securities equivalent to such cash payment) equal to the difference, if any, between the consideration received by shareholders of your Company in respect of a share of common stock in connection with such transaction and the purchase price per share, if any, under the award multiplied by the number of shares of common stock subject to such award (or if the exercise price of an award is greater than the value of the consideration received by shareholders, cancel such award without payment); or

provide that the period to exercise stock options or SARs granted under the Plan shall be extended (but not beyond the expiration of such stock options or SARs).

Subject to some additional considerations described in the Plan document, a change in control generally includes: (1) the acquisition of twenty-five percent (25%) of the outstanding common stock or voting power of your Company; (2) the incumbent members of your Board cease to hold a majority unless a majority of such incumbent members vote to approve the new members; (3) a reorganization, sale or other disposition of all or substantially all of the assets of your Company, where your Company's shareholders hold less than 60% of the combined voting power of the surviving company or certain other control thresholds are not met; or (4) the

approval by the shareholders of your Company of a complete liquidation or dissolution of your Company. A change of control is defined by reference to your Company (and not its subsidiaries and affiliates).

Plan Amendment and Termination. Subject to certain limitations, the Committee may, at any time and from time to time, alter, amend, modify, suspend or terminate this Plan and any award agreement in whole or in part. However, no termination, amendment, suspension or modification of the Plan or an award agreement will materially and adversely affect any award previously granted under the Plan without the written consent of the participant who received such award (other than amendments deemed advisable to conform the Plan or any award agreement to applicable laws, regulations or stock exchange rules).

Tax Effects

The tax consequences of awards granted under the Plan are complex and depend, in large part, on the surrounding facts and circumstances. This section provides a brief summary of certain significant federal income tax consequences of the Plan under existing U.S. law. This summary is not a complete statement of applicable law and is based upon the Code, the regulations promulgated thereunder, as well as administrative and judicial interpretations of the Code as in effect on the date of this description. If federal tax laws, or the interpretations of such laws, change in the future, the information provided in this section may no longer be accurate. This section does not discuss state, local, or non-U.S. tax consequences. This section also does not discuss the effect of gift, estate, or inheritance taxes.

The federal income tax consequences to a participant vary depending upon the type of award granted under the Plan. Generally, there are no federal income tax consequences to an employee upon the grant or exercise of an incentive stock option. If the employee holds the shares purchased through the exercise of an incentive stock option for more than two years after the grant day and one year after the exercise date (required holding period), the employee will be eligible for capital gains treatment on any excess of the sales price over the option price upon selling the shares. However, if the employee sells the shares during the required holding period, he must recognize ordinary income on the date of sale equal to the difference between the option price and the fair market value of the shares on the exercise date. The balance of the employee's gain, if any, on the sale of the shares is subject to capital gains treatment.

The recipient of a non-qualified stock option realizes ordinary income upon exercising the option equal to the difference between the option price and the fair market value on the exercise date of the shares purchased. Upon the subsequent sale of any such shares by the recipient, any appreciation or depreciation in the value of the shares after the exercise date will be treated as a capital gain or loss for the recipient.

Generally, no taxes are due upon a grant of restricted stock, restricted stock units, performance shares or other stock-based or cash-based awards subject to vesting provisions. An award of restricted stock becomes taxable when it is no longer subject to a substantial risk of forfeiture (*i.e.*, becomes vested or transferable). Income tax is paid at ordinary income rates on the value of the restricted stock when the restrictions lapse, and then at capital gain rates with respect to any further gain (or loss) when the shares are sold. In the case of restricted stock units, performance shares, other stock-based or cash-based awards, the participant will have taxable ordinary income upon the delivery of shares or payment of cash with respect to the award. To the extent that a participant recognizes ordinary income in the circumstances described above, your Company or the subsidiary for which the participant performs services will be entitled to a corresponding deduction provided that, among other things, the income meets the test of reasonableness, is an ordinary and necessary business expense, is not an excess parachute payment within the meaning of Section 280G of the Code and is not disallowed by the \$1 million limitation on certain executive compensation under Section 162(m) of the Code. In the case of grants of incentive stock options, your Company does not receive an income tax deduction, provided that the employee disposes of the shares after the required holding period.

Registration with the SEC

Your Company intends to file a Registration Statement on Form S-8 relating to the issuance of common shares under the Plan with the Securities and Exchange Commission pursuant to the Securities Act of 1933 (later referred to as the Securities Act), as amended, as soon as practicable after approval of the Plan by the Company's shareholders.

New Plan Benefits

Because grants under the 2015 Plan are discretionary, the benefits or amounts that may be received by or allocated to each participant are not known. However, our 2015 compensation program for our non-employee directors contemplates that non-employee directors will be awarded stock grants on a quarterly basis (referred to later in this proxy statement as the non-employee directors' equity retainer) with a value of \$33,750 per director per quarter (\$135,000 annually in the aggregate), of which two installments of \$33,750 will have been granted under your Company's 2007 Incentive Plan. If the 2015 Plan is approved, we intend for the remaining stock grants to be paid under the 2015 Plan. The following table sets forth what each of the non-employee directors will receive under the 2015 Plan for the remainder of 2015:

Name and Position	Dollar Value(\$)	Number of Shares of Common Stock(2)
Non-Executive Director Group ⁽¹⁾	\$ 67,500	1,926

(1) The dollar value and number of shares of common stock are presented on a per person basis. There are currently 14 non-employee directors that comprise the Non-Executive Director Group, two of whom will retire as of the date of the Meeting in accordance with the mandatory retirement age provisions of our Corporate Governance Policies.

(2) Reflects the number of shares to be awarded for the remainder of the year based on the closing price of \$35.06 on March 17, 2015. Actual stock grants for the remaining payments to be paid in 2015 will be based on average high and low prices at the time the grants are made.

Effectiveness and Vote Required

Approval of this proposal requires the affirmative vote of a majority of the votes cast. Under NYSE requirements for the approval of equity plans, abstentions will be counted and have the same effect as an "Against" vote and broker non-votes will have no effect.

Your Board Recommends That You Vote **For** **Item 4**.

Shareholder Proposals

A few shareholders have indicated their intention to present at the Meeting the following four proposals for consideration and action by the shareholders. **Your Board recommends that you vote AGAINST these shareholder proposals in Items 5 through 8 for the reasons noted in your Company's response following each shareholder proposal.**

Item 5 Report on Lobbying Expenditures

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The shareholder proposal requests that your Board authorize the preparation of a report, at reasonable expense, excluding proprietary information and updated annually, disclosing certain lobbying expenditures.

As described further in the 2015 Shareholder Proposals section of this proxy statement, preparation of reports beyond what is already produced would be a duplicative and onerous task and would divert important resources from alternate uses that your Company's Board and management deem to be in the best interests of your Company and its shareholders.

The proponent's full resolution and proposal and your Company's response to this proposal can be found in the 2015 Shareholder Proposals section of this proxy statement.

Your Board Recommends That You Vote **Against Item 5.**

32 **FirstEnergy Corp.** 2015 Proxy Statement

Item 6 Report on Carbon Dioxide Goals

The shareholder proposal requests that your Company create specific, quantitative, time bound carbon dioxide reduction goals to decrease your Company's corporate carbon dioxide emissions, and report by September 2015 on its plans to meet the carbon reduction goals your Company adopts.

As described further in the 2015 Shareholder Proposals section of this proxy statement, due to the nature of your Company's business, preparation of reports beyond what is already produced would be a duplicative and onerous task and would divert important resources from alternate uses that your Company's Board and management deem to be in the best interests of your Company and its shareholders.

The proponent's full resolution and proposal and your Company's response to this proposal can be found in the 2015 Shareholder Proposals section of this proxy statement.

Your Board Recommends That You Vote Against Item 6.

Item 7 Simple Majority Vote

The shareholder proposal requests that your Board (i) take the steps necessary so that each shareholder voting requirement in our Amended Articles of Incorporation and Amended Regulations that calls for a greater than simple majority vote be changed to require a majority of the votes cast for and against the proposal, or a simple majority in compliance with applicable laws and (ii) that your Board fully support this proposal topic and spend \$50,000 or more to solicit the support.

As described further in the 2015 Shareholder Proposals section of this proxy statement, your Board believes that retention of the limited supermajority voting requirements currently provided in your Company's governing documents for certain extraordinary matters provide shareholders with meaningful protections against actions that may not be in their best interests.

The proponent's full resolution and proposal and your Company's response to this proposal can be found in the 2015 Shareholder Proposals section of this proxy statement.

Your Board Recommends That You Vote Against Item 7.

Item 8 Proxy Access Regulation (By-Law)

The shareholder proposal requests that your Board adopt, and present for shareholder approval, a proxy access regulation (by-law) requiring your Company to include in proxy materials prepared for a shareholder meeting, at which directors are to be elected, specified information regarding any person nominated for election to your board by a shareholder or group that meet certain criteria and that your Company allow shareholders to vote on such nominee

on your Company's proxy card.

As described further in the 2015 Shareholder Proposals section of this proxy statement, your Board, including the Corporate Governance Committee, considered the advantages and disadvantages of providing proxy access rights to shareholders and believes that this proposal searches for a solution to a problem that does not exist at your Company. Furthermore, your Board and the Corporate Governance Committee believe that the terms of proxy access sought by the proposal are not only unnecessary, but that they would adversely affect your Company and are not in the best interests of all of our shareholders.

The proponent's full resolution and proposal and your Company's response to this proposal can be found in the 2015 Shareholder Proposals section of this proxy statement.

Your Board Recommends That You Vote **Against Item 8.**

33 FirstEnergy Corp. 2015 Proxy Statement

Review of Director Nominees

The Corporate Governance Committee, comprised entirely of independent directors, recommends Board candidates by identifying qualified individuals in a manner that is consistent with criteria approved by your Board. In consultation with the CEO, the Chairman of the Board or, as applicable, the Lead Independent Director and the full Board, the Corporate Governance Committee searches for, recruits, screens, interviews, and recommends prospective directors to provide an appropriate balance of knowledge, experience, and capability on your Board. Assessment of a prospective Board candidate includes, at a minimum, consideration of diversity; age; background and training; business or administrative experience and skills; dedication and commitment; business judgment; analytical skills; problem-solving abilities; and familiarity with the regulatory environment. In addition, the Corporate Governance Committee may consider such other attributes as it deems appropriate, all in the context of the perceived needs of your Board or applicable committee at that point in time.

At least annually the Corporate Governance Committee assesses the size and composition of your Board in light of the operating requirements of your Company and the current makeup of your Board in the context of the needs of your Board at a particular point in time. Each of the nominees brings a strong and unique background and skill set to your Board, giving your Board as a whole competence and experience in a wide variety of areas necessary to oversee the operations of your Company. In accordance with the Corporate Governance Committee charter, each current director contributes and each future director shall contribute knowledge, experience, or skill in at least one domain that is important to your Company. For example, our directors possess experience in one or more of the following: management or senior leadership position that demonstrates significant business or administrative experience and skills; accounting or finance; the electric utilities or nuclear power industry; or other significant and relevant areas deemed by the Corporate Governance Committee to be valuable to your Company.

The Corporate Governance Committee believes that well-assembled Boards consist of a diverse group of individuals who possess a variety of complementary skills and experiences. It considers this variety of complementary skills in the broader context of your Board's overall composition with a view toward constituting a Board that, as a body, possesses the appropriate skills, experience, attributes, and qualities required to successfully oversee your Company's operations. Your Board did not use a third party to assist with the identification and evaluation of potential nominees.

Neither the Corporate Governance Committee nor your Board has an established policy regarding the consideration of diversity in identifying director nominees. However, the Corporate Governance Committee recognizes that the racial, ethnic and gender diversity of your Board are an important part of its analysis as to whether your Board possesses a variety of complementary skills and experiences. The Corporate Governance Committee also considers differences in point of view, professional experience, education, and other individual skills, qualities, and attributes that contribute to the optimal functioning of your Board as a whole.

**Biographical Information and
Qualifications of Nominees for Election as Directors**

The following provides information about each director nominee, as of the date of this proxy statement. The information presented below includes each nominee's specific experiences, qualifications, attributes, and skills that led the Corporate Governance Committee and your Board to the conclusion that he/she should serve as a Director of your Company.

Paul T. Addison

Age 68

Director of your Company since 2003

Position, Principal Occupation and Business Experience: Retired in 2002 as managing director in the Utilities Department of Salomon Smith Barney (Citigroup), an investment banking and financial services firm.

Key Attributes, Experience and Skills: Mr. Addison received an M.B.A. in Finance and General Business Administration from the Harvard University Graduate School of Business. His career included positions of increasing responsibility in the investment banking and financial services sector, culminating as the managing director of the Utilities Department at Salomon Smith Barney (Citigroup). This wealth of experience in the financial services sector makes Mr. Addison a strong contributor to your Board, specifically and your Company generally.

Committees: Audit, Finance (Chair)

Michael J. Anderson

Age 63

Director of your Company since 2007

Position, Principal Occupation and Business Experience: Chairman of the board of directors and chief executive officer since 2009 of The Andersons, Inc., a diversified company with interests in the grain, ethanol, and plant nutrient sectors of U.S. agriculture, as well as in railcar leasing and repair, turf products production, and general merchandise retailing. He also served as president and chief executive officer of The Andersons, Inc. from 1999 to 2009.

Key Attributes, Experience and Skills: Mr. Anderson received an M.B.A. in Finance and Accounting from the Northwestern University Kellogg Graduate School of Management and was a Certified Public Accountant. He participated in the Harvard Advanced Management Program. Mr. Anderson was an auditor for Arthur Young & Co. In 1996, he became president and chief operating officer of The Andersons, Inc., and he is currently that company's chief executive officer, and chairman. The skills and attributes related to Mr. Anderson's experience in the accounting and executive management areas are invaluable assets for your

Board.

Committees: Corporate Governance (Chair), Finance

35 **FirstEnergy Corp.** 2015 Proxy Statement

Election of Directors (Continued)

William T. Cottle

Age 69

Director of your Company
since 2003

Position, Principal Occupation and Business Experience: Retired in 2003 as chairman of the board, president, and chief executive officer of STP Nuclear Operating Company, a nuclear operating company for the South Texas Project.

Key Attributes, Experience and Skills: Mr. Cottle has served as a consultant in the nuclear industry. He has extensive experience in the nuclear field and has held leadership positions at Entergy and Houston Lighting and Power, as well as with the Nuclear Regulatory Commission and the Tennessee Valley Authority. In addition, he previously served as chairman, president, and chief executive officer of STP Nuclear Operating Company. This nuclear industry experience is essential to your Board.

Committees: Corporate Governance, Nuclear (Chair)

Robert B. Heisler, Jr.

Age 66

Director of your Company since
2006 and from 1998 to 2004

Position, Principal Occupation and Business Experience: Retired in 2011 as Dean of the College of Business Administration and Graduate School of Management (a position held since 2008) of Kent State University. Special assistant for Community and Business Strategies to the president of Kent State University from September 2008 to October 2008 and from 2007 to June 2008. Interim vice president for Finance and Administration of Kent State University from June 2008 to September 2008. Retired in 2007 as chairman of the board (a position held since 2001) of KeyBank N.A., the flagship banking entity within KeyCorp. Chief executive officer of the McDonald Financial Group from 2004 to 2007 and executive vice president of KeyCorp from 1994 to 2007. He is a director of TFS Financial Corporation, The J. M. Smucker Company and Myers Industries, Inc.

Key Attributes, Experience and Skills: Mr. Heisler graduated Cum Laude from Harvard University and received an M.B.A. from Kent State University. He has extensive experience in the investment management and financial services sector, culminating in high-level positions at KeyBank N.A., including chairman of the board and chief executive officer. In addition, he brings administrative skills to your Board through his former role as Dean of the College of Business Administration and Graduate School of Management of Kent State University. Further, he has experience serving on other public company boards. This expertise in financial services

and administrative skills makes him a valuable member of your Board.

Committees: Audit, Compensation

36 **FirstEnergy Corp.** 2015 Proxy Statement

*Election of Directors (Continued)***Julia L. Johnson**

Age 52

Director of your Company
since 2011

Position, Principal Occupation and Business

Experience: President of NetCommunications, LLC, a national regulatory and public affairs firm focusing primarily on energy, telecommunications, and broadcast regulation, since 2000. She is a director of American Water Works Company, Inc., MasTec, Inc., and NorthWestern Corporation. Director of Allegheny Energy, Inc. (merged with your Company in 2011) from 2003 to 2011.

Key Attributes, Experience and Skills: Ms. Johnson received her law degree from the University of Florida College of Law after graduating from the University of Florida with a Bachelor of Science in business administration. She is a former chairman and commissioner of the Florida Public Service Commission, which provided her with valuable insight into the electric utility industry. In her current position as president of NetCommunications, LLC, she develops strategies for achieving objectives through advocacy directed at critical decision makers. She previously served as senior vice president of Communications and Marketing at Milcom Technologies and also has additional public company board experience. Ms. Johnson's extensive regulatory background, legal experience, and additional board experience qualify her to serve as a member of your Board.

Committees: Corporate Governance, Finance

Charles E. Jones

Age 59

Director of your Company since
2015

Position, Principal Occupation and Business

Experience: President and Chief Executive Officer of your Company since January 1, 2015. He was Executive Vice President and President, FirstEnergy Utilities from 2014 to 2015 and Senior Vice President and President, FirstEnergy Utilities from 2010 to 2011, and also served as President of your Company's utility subsidiaries from 2010 to 2015. He was also Senior Vice President of your Company's utility subsidiaries from 2009 to 2010. He also serves as a Director of many other subsidiaries of your Company, including FirstEnergy Solutions Corp.

Key Attributes, Experience and Skills: Mr. Jones received an undergraduate degree in electrical engineering from The University of Akron. He also attended the United States Naval Academy and was a member of the Institute of Electrical and Electronics Engineers. He completed the Reactor Technology Course for Utility Executives at the Massachusetts Institute of Technology and the Public Utility Executive Program at the University of Michigan. He has had an extensive, nearly forty-year career, at Ohio Edison Company and later FirstEnergy Corp., and has held various executive leadership positions, most recently Executive Vice President and President of FirstEnergy Utilities, and currently President and Chief Executive Officer. With this vast experience, Mr. Jones brings to your Board an extraordinary understanding of the inner workings of the public utilities industry in general, and FirstEnergy Corp., in particular.

*Election of Directors (Continued)***Ted J. Kleisner**

Age 70

Director of your Company
since 2011

Position, Principal Occupation and Business

Experience: Retired in 2013 as chairman (a position held since 2012) of Hershey Entertainment & Resorts Company, an entertainment and hospitality company. Chairman and chief executive officer from January to December 2012, president and chief executive officer from 2007 to 2012 and director from 1996 to 2013 of Hershey Entertainment & Resorts Company. President of CSX Hotels, Inc. (d/b/a The Greenbrier) from 1988 to 2006 and president and chief executive officer of The Greenbrier Resort & Club Management Company from 1988 to 2006. Director of Allegheny Energy, Inc. (merged with your Company in 2011) from 2001 to 2011.

Key Attributes, Experience and Skills: Mr. Kleisner graduated from the University of Denver with a Bachelor of Science in business administration. Mr. Kleisner has over 40 years of experience in management and executive leadership positions, including over 20 years of chief executive officer experience having served as president and chief executive officer of Hershey Entertainment & Resorts Company and The Greenbrier Resort & Club Management Company. He has more than 30 years of experience in the areas of labor relations, collective bargaining, and union contract negotiations, both in the U.S. and abroad. Additionally, he has participated in numerous business and real estate developments in the U.S., Europe, and Asia. His prior leadership and senior executive positions provide him with significant experience, both domestic and international, in developing and implementing corporate strategy and setting executive compensation benefits. Mr. Kleisner's

Donald T. Misheff

Age 58

Director of your Company since
2012

Position, Principal Occupation and Business

Experience: Retired in 2011 as managing partner (a position held since 2003) of the Northeast Ohio offices of Ernst & Young LLP, a public accounting firm. He is a director of TimkenSteel Corp. and Trinseo S.A. He is also a director of Aleris Corporation.

Key Attributes, Experience and Skills:

Mr. Misheff graduated from The University of Akron with a major in accounting and is a Certified Public Accountant. As the managing partner of the Northeast Ohio offices of Ernst & Young LLP until his retirement in 2011, he advised many of the region's largest companies on financial and corporate governance issues. He began his career with Ernst & Young LLP in 1978 as part of the audit staff and later joined the tax practice, specializing in accounting/financial reporting for income taxes, purchase accounting, and mergers and acquisitions. He has more than 30 years of experience performing, reviewing, and overseeing the audits of financial statements of a wide range of public companies. He also has served on numerous non-profit boards. Mr. Misheff's vast financial and corporate governance experience, together with his extensive service to community organizations and business development groups, make him a strong member of your Board.

Committees: Finance, Nuclear

executive leadership positions and additional board experience have prepared him to respond to a multitude of financial and operational challenges. Mr. Kleisner's vast business background and leadership skills make him well qualified to serve on your Board.

Committees: Compensation (Chair), Nuclear

*Election of Directors (Continued)***Ernest J. Novak, Jr.**

Age 70

Director of your Company

since 2004

Position, Principal Occupation and Business

Experience: Retired in 2003 as managing partner (a position held since 1998) of the Cleveland office of Ernst & Young LLP, a public accounting firm. He is a director of BorgWarner, Inc. and A. Schulman, Inc.

Key Attributes, Experience and Skills: Mr. Novak graduated from John Carroll University with a major in accounting. He received his Masters in Accountancy from Bowling Green State University and is a Certified Public Accountant. During his long and distinguished career at Ernst & Young LLP, he held various positions including coordinating partner and Area Industry Leader, before retiring after 17 years as the managing partner of various Ernst & Young LLP offices, most recently managing partner of the Cleveland Office. He has over 30 years of experience performing, reviewing, and overseeing the audits of financial statements of a wide range of public companies. Mr. Novak currently serves as chair of the audit committee of two other public companies. As a result of this extensive experience in the field of accounting and his broad financial expertise, Mr. Novak is your Company's Audit Committee Financial Expert and is a valuable member of your Board.

Committees: Audit (Chair), Finance

Christopher D. Pappas

Age 59

Director of your Company since 2011

Position, Principal Occupation and Business

Experience: President, chief executive officer and director of Trinseo S.A. (formerly Styron LLC), a producer of plastics, latex and rubber, since 2010. President and chief executive officer of NOVA Chemicals Corporation (Nova Chemicals), a producer of plastics and chemicals, in 2009. President and chief operating officer from 2008 to 2009, chief operating officer from 2006 to 2008, and senior vice president & president, Styrenics from 2000 to 2006 for Nova Chemicals. Within the past five years, he was also a director of Nova Chemicals. Director of Allegheny Energy, Inc. (merged with your Company in 2011) from 2008 to 2011.

Key Attributes, Experience and Skills: Mr. Pappas received an M.B.A. from the Wharton School, University of Pennsylvania and an undergraduate degree in Civil Engineering from the Georgia Institute of Technology. He served in various leadership capacities at NOVA Chemicals, Dow Chemical, and DuPont Dow Elastomers and has also served on other public company boards. His executive and board experience has equipped him with leadership skills and the knowledge of board processes and functions. Additionally, Mr. Pappas's general corporate decision-making and senior executive experience with a commodity-based business provides a useful background for understanding the operations of your Company. This experience qualifies him to serve as a member of your Board.

Committees: Compensation, Finance

39 **FirstEnergy Corp.** 2015 Proxy Statement

*Election of Directors (Continued)***Luis A. Reyes**

Age 63

Director of your Company
since 2013

Position, Principal Occupation and Business Experience: Retired in 2011 as a Regional Administrator (a position held since 2008) of the U. S. Nuclear Regulatory Commission (NRC). Executive Director of Operations of the NRC from 2004 to 2008 and has held various other positions with the NRC since 1978.

Key Attributes, Experience and Skills: Mr. Reyes has extensive experience in the nuclear field and has held senior leadership positions with the NRC. He joined the NRC in 1978 where he held progressively more responsible leadership roles before being named executive director of operations in 2004, where he managed the day-to-day operations of the agency. He also served as regional administrator for NRC Region II, overseeing all new commercial nuclear power plant construction in the country as well as operating plant inspections in the southeast United States. Mr. Reyes retired from the NRC in 2011 with 33 years of service. This nuclear industry experience is essential to your Board.

Committees: Corporate Governance, Nuclear

George M. Smart

Age 69

Director of your Company since
1997

Position, Principal Occupation and Business Experience: Lead Independent Director of the FirstEnergy Board of Directors effective January 1, 2015. Non-executive Chairman of the FirstEnergy Board of Directors from 2004 to 2014. Retired in 2004 as president (a position held since 2001) of Sonoco-Phoenix, Inc., a manufacturer of easy opening lids. He is a director of Ball Corporation. Director of Ohio Edison Company from 1988 to 1997.

Key Attributes, Experience and Skills: Mr. Smart received an M.B.A. from the Wharton School, University of Pennsylvania, with a major in Marketing. He served as the president and chief executive officer of Central States Can Co. from 1978 until 1993 and as chairman of the board and president of the Phoenix Packaging Corporation from 1993 until 2001. He retired as president of Sonoco Phoenix, Inc. in 2004. Over the past 25 years, Mr. Smart has been a director of and has served on various board committees of six public companies. This extensive corporate and CEO-level experience provides an excellent background for his current position as Lead Independent Director of your Board.

Committees: Audit, Corporate Governance

Election of Directors (Continued)

Dr. Jerry Sue Thornton

Age 68

Director of your Company

since 2015

Position, Principal Occupation and Business

Experience: Chief executive officer of Dream Catcher Educational Consulting, a consulting firm that provides coaching and professional development for newly selected college and university presidents. Retired President (a position held from 1992 to 2013) of Cuyahoga Community College. Upon her retirement, Cuyahoga Community College honored Dr. Thornton with the title of President Emeritus. She is a director of Applied Industrial Technologies, Inc. and RPM, Inc. She also served as a director of American Greetings Corporation from 2000 to 2013.

Key Attributes, Experience and Skills: Dr. Thornton has extensive executive management and board experience, including her board service for other public companies and her participation on numerous key board committees. She is a recognized leader in the Northeast Ohio community. Dr. Thornton's broad leadership and business skills, together with her extensive board service for public companies and community organizations, make her well qualified to serve on your Board.

Security Ownership of Management

The following table shows shares of common stock and common stock equivalents beneficially owned (as beneficial ownership is defined in Rule 13d-3 under the Exchange Act) as of March 17, 2015, by each director, the NEOs, and all directors and executive officers as a group.

Name	Class of Stock	Shares Beneficially Owned ⁽¹⁾	Percent of Class ⁽²⁾
Paul T. Addison	Common	100	*
Anthony J. Alexander	Common	882,924	*
Michael J. Anderson	Common	1,000	*
William T. Cottle	Common	5,240	*
Robert B. Heisler, Jr.	Common	3,352	*
Julia L. Johnson	Common	22,685	*
Charles E. Jones	Common	84,993	*
Ted J. Kleisner	Common	20,517	*
James H. Lash	Common	137,762	*
Donald T. Misheff	Common	0	*
Ernest J. Novak, Jr.	Common	300	*
Christopher D. Pappas	Common	16,446	*
James F. Pearson	Common	26,495	*
Catherine A. Rein	Common	10,672	*
Luis A. Reyes	Common	29	*
George M. Smart	Common	9,372	*
Wes M. Taylor	Common	2,705	*
Dr. Jerry Sue Thornton	Common	0	*
Leila L. Vespoli	Common	53,108	*
All Directors and Executive Officers as a Group			
(25 people)	Common	1,385,899	*(2)

(1) The amounts set forth in this column include (a) any shares with respect to which the executive officer or director may directly or indirectly have sole or shared voting or investment power, (b) stock options, and/or (c) shares that have been deferred as equivalent units under the Allegheny Energy, Inc. Non-Employee Director Stock Plan (later referred to as the AYE Director's Plan) and the Allegheny Energy, Inc. Amended and Restated Revised Plan for Deferral of Compensation of Directors (later referred to as the AYE DCD) which the executive officer or director has the right to acquire beneficial ownership within 60 days of March 17, 2015, and are as follows: Alexander 200,643 shares, Johnson 17,473 shares, Kleisner 9,178 shares, Lash 80,257 shares and all directors and executive officers as a group 307,552 shares. Unless otherwise noted, each individual or member of the group has sole voting and investment power with respect to the shares beneficially owned. The amount for Mr. Alexander includes 110,874 shares for two of his adult children and 406 shares in one son's FirstEnergy Corp. Savings Plan. Mr. Alexander disclaims beneficial ownership of such shares. The amount for Mr. Jones includes 8,474 shares in his wife's FirstEnergy Corp. Savings Plan, for which he has shared voting and investment power. The amount for Mr. Kleisner includes 11,339 shares in a trust account jointly held with his wife, for which he has shared voting and investment power.

(2) The percentage of shares beneficially owned by each director or executive officer, or by all directors and executive officers as a group, does not exceed one percent of the class.

42 **FirstEnergy Corp. 2015 Proxy Statement**

Security Ownership of Certain Beneficial Owners

The following table shows all persons of whom your Company is aware who may be deemed to be the beneficial owner (as beneficial ownership is defined in Rule 13d-3 under the Exchange Act) of more than five percent of shares of common stock of your Company.

Name and Address of Beneficial Owner	Shares Beneficially Owned	Percent of Common Shares Outstanding	Voting Power Number of Shares		Investment Power Number of Shares	
			Sole	Shared	Sole	Shared
T. Rowe Price Associates, Inc. (1) 100 E. Pratt Street Baltimore, MD 21202	43,936,379	10.4	12,913,446	0	43,904,429	0
Capital Research Global Investors (2) 333 South Hope Street Los Angeles, CA 90071	32,872,185	7.8	32,872,185	0	32,872,185	0
(Capital Research Global Investors disclaims beneficial ownership of these shares)						
State Street Corporation (3) State Street Financial Center, One Lincoln Street Boston, MA 02111	32,733,225	7.8	0	32,733,225	0	32,733,225
BlackRock Inc. (4) 55 East 52nd Street, New York, NY 10022	30,865,864	7.3	27,225,794	21,427	30,844,437	21,427
The Vanguard Group (5)	23,508,331	5.58	749,442	0	22,823,964	684,367

Explanation of Responses:

100 Vanguard Blvd.

Malvern, PA 19355

- (1) This information is given as of February 28, 2015 based solely on the most recently available Schedule 13G/A filed with the SEC on March 10, 2015.
- (2) This information is given as of December 31, 2014 based solely on the most recently available Schedule 13G/A filed with the SEC on February 13, 2015.
- (3) This information is given as of December 31, 2014 based solely on the most recently available Schedule 13G filed with the SEC on February 12, 2015.
- (4) This information is given as of December 31, 2014 based solely on the most recently available Schedule 13G/A filed with the SEC on January 26, 2015.
- (5) This information is given as of December 31, 2014 based solely on the most recently available Schedule 13G filed with the SEC on February 10, 2015.

Executive Compensation

Compensation Committee Report

The Compensation Committee (referred to in the Executive Compensation section as the Committee) reviewed and discussed the Compensation Discussion and Analysis (later referred to in the Executive Compensation section as the CD&A) with management and, based on such review and discussions, the Committee recommended to your Board that the CD&A be included (or incorporated by reference, as applicable) in your Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, and proxy statement.

Compensation Committee: Ted J. Kleisner (Chair), Robert B. Heisler, Jr., Christopher D. Pappas, Catherine A. Rein and Wes M. Taylor.

Compensation Discussion and Analysis

Executive Summary

Our vision is to be a leading regional energy provider, recognized for operational excellence, customer service and our commitment to safety; the choice for long-term growth, investment value and financial strength; and a Company driven by the leadership, skills, diversity, and character of our employees. The primary objectives of our executive compensation program are to attract, retain, and reward talented executives who we believe drive our success in the highly complex energy industry. Our executive compensation program is centered on a pay for performance philosophy that aligns executives' interests with your interests as shareholders.

After engaging with our top shareholders in 2013 and 2014 and making significant changes to our compensation plans and programs, we received over 92 percent support from our shareholders for our advisory vote to approve named executive officer (later referred to as NEO) compensation at our annual meeting in 2014. During 2014, we continued to benchmark our plans and programs to support direct alignment between pay and performance and with your Company's shareholders' interests.

The following tables highlight changes made to our compensation plans and programs:

2014 Changes	
Change	Impact
Eliminates the time-based portion of the performance-adjusted restricted stock units (later referred to as RSUs) from the Long-Term Incentive Program (later referred to as the LTIP) and increased the maximum payout of RSUs from 150% to 200%.	Eliminates a guaranteed payout of RSUs, resulting in a 100% performance-based LTIP design, and increasing the maximum payout from the LTIP to 200% to more closely align with market practice.
Revised the payout schedule of the RSUs to provide interpolation between levels of performance, rather than at levels of 50%, 100%, or 150%, without interpolation between levels.	Provides payout that is proportionate to actual performance results, with payments ranging from 0% to 200% of target.
Eliminated Operating earnings per share (later referred to as Operating EPS ⁽¹⁾) and Operational Linkage as performance measures for the RSUs and adopted two different financial performance measures for the RSUs.	Eliminates overlapping performance measures between the Short-Term Incentive Program (later referred to as the STIP) and LTIP, with the exception of the Safety performance measure, which is a key performance measure for your Company.
Eliminated opportunity to earn a 25% payout of performance shares where total shareholder return (later referred to as TSR) performance thresholds were not met but Operating EPS average over a 3-year period was at or above target.	Eliminates any payout of performance shares based on Operating EPS, reducing the overlapping performance measures between the STIP and LTIP.
Increased the threshold performance required to earn any payout of performance shares.	TSR performance must be at the 40 th percentile of the peer group for performance shares to pay at the threshold level of 50%. This is an increase from a 25% payout for 25 th percentile performance.
Reduced the stretch ⁽²⁾ potential payout of the financial performance measures in the STIP from 200% to 150% of target.	Equally weights financial and operational performance and eliminates an opportunity to achieve a payout greater than 150% of target.
Created a pool of funds for the STIP payout based on Operating EPS achieved in the plan year, which formulaically reduces the operational payouts, excluding Safety, if the payout as achieved is not supported by earnings.	The STIP payouts will be paid consistently from a pool of funds based solely on Operating earnings to ensure incentive payouts are aligned with Company Operating earnings.
Adopted a clawback policy.	Provides ability to recoup compensation in the event of certain restatements to our financial statements.
Formally closed the Supplemental Executive Retirement Plan (later referred to as the SERP) to new entrants.	Limits retirement benefits to exclude new executives.
In 2013, adopted a cash-balance pension plan formula for employees hired after January 1, 2014.	Aligns pension benefits with those of our peer companies and mitigates risk associated with funding future annuity payments.
Eliminated unvested performance-adjusted RSUs as eligible shares for executives to meet their share ownership requirements.	Increases actual share ownership by our executives and aligns the share ownership guidelines to the 100% performance-based LTIP design.

Explanation of Responses:

- (1) Operating EPS is a non-GAAP financial measure. Operating EPS is calculated using GAAP earnings per share and is adjusted for the per share impact of mark-to-market adjustments, regulatory charges, trust securities impairment, the impact of non-core asset sales/ impairments, merger accounting commodity contracts, plant deactivation costs, litigation resolution, retail repositioning charges, and loss on debt redemptions.
- (2) The term stretch is used internally and by management to reflect the performance levels associated with maximum achievement of a Key Performance Indicator (later referred to as KPI). The term maximum is used later in the Executive Compensation portion of this proxy statement to refer to such performance levels.

Your Board strongly believes that these changes, in conjunction with continued shareholder outreach, are in the best interests of shareholders and address the financial and operational concerns raised in previous shareholders' advisory vote results and ongoing shareholder outreach.

In 2015, based on a desire to create Company-wide focus on specific performance measures and to further align executive pay with Company objectives, your Committee approved additional changes as outlined below.

2015 Changes	
Change	Impact
Amended the Change in Control Severance Plan, effective January 1, 2016, to (i) provide that restrictions on the disclosure of confidential information and trade secrets by participants will run indefinitely; (ii) revise the definition of "Good Reason" to align more closely with market practice; (iii) limit continued health insurance coverage to two years, eliminate life insurance benefit enhancements and subsidized retiree health coverage; and (iv) implement other administrative revisions.	Aligns change in control benefits more closely with current market practice.
Redesigned the LTIP so that an executive's LTIP opportunity is comprised of performance-adjusted RSU awards with 2/3 payable in stock and 1/3 payable in cash. This eliminates the performance share component of the LTIP. Both the stock-based and cash-based RSU awards maintain the 2014 RSU design and performance measures, with a minimum payout of 0% and a maximum payout of 200% based on performance results at the end of the three-year performance period.	Provides line of sight goals for executives based upon current Company objectives that drive shareholder value, as shown below in the table titled "RSU Performance Index Measures." This design aligns our executives' interests with our long-term success through a 100% performance-based LTIP and encourages share ownership among our executives.
Maintained a pool of funds for the STIP based on Operating EPS achieved in the plan year. The RSU Index is comprised of the following performance measures for the 2015 LTIP awards:	Ensures STIP payouts are aligned with Company Operating earnings.

The following table highlights the performance measures within the RSU Index:

RSU Index Performance Measures			
	Safety	Funds from Operations (FFO) to Adjusted Debt Index	Capital Effectiveness Index
What does it measure?	This metric reflects your Company's overall safety performance. It measures the Occupational Safety and Health Administration (OSHA) incident rate per 100 employees.	This metric centers on generating cash flow during the performance period and debt management, measuring the annual cash flow generated by the business compared to its outstanding debt.	This metric measures the financial effectiveness of our investment in operational assets. It is a ratio of Adjusted EBITDA over Net Plant in Service, less nuclear fuel, plus Construction Work in Progress (CWIP).
Why is it important?	This operational metric is the number one priority of your Company. Each day, the main objective at your Company is ensuring that employees go home safely. The performance levels for this objective are set above the industry average, as we are constantly striving to be a top safety performer in our industry.	This financial metric focuses your Company on improving our cash position and balance sheet. This measure increases our executives' awareness of our financial position and improves the balance of spending with cash flow.	This financial metric motivates executives throughout your Company to focus on whether our assets are generating an appropriate return. Because our industry is not only capital intensive but highly regulated, capital effectiveness is critical, particularly as we continue our strategy of repositioning our asset mix and focusing on our regulated transmission and regulated distribution operations.
How does it impact shareholders?	We believe that the operational success of your Company directly affects financial success. This metric determines 1/3 of the LTIP payout for our executives. By using Safety as a performance metric in both the STIP and LTIP, we are maintaining a culture of safety throughout your Company. Although not impacting the result of this KPI, safe operation also goes beyond our	This metric is a measure of the creditworthiness of your Company, which is a focus of rating agencies. ⁽¹⁾ Also, the cash flows of your Company and the current debt levels have been an area of focus by our large investors during recent outreach efforts. As we strive to create value for our shareholders, this metric determines 1/3 of the LTIP payout for executives, creating a direct link between	Adjusted EBITDA has also been a focus of our large shareholders during recent engagements. By creating a direct line of sight for executives to balance the value of our investments with the earnings they produce, we are better able to create value for shareholders. The better our assets function, the more value they provide. As we strive to create value for our shareholders, this metric determines 1/3 of the LTIP

employees and affects our customers.	executive pay and shareholder value.	payout for executives, creating direct correlation between executive pay and shareholder value.
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(1) The FFO to Adjusted Debt Index is similar to a credit metric used by rating agencies as modified by the Company to exclude certain liabilities, the most significant of which is unfunded pension/OPEB liabilities.

The RSU Index performance measures support continued financial improvement throughout your Company and creates line of sight for all executives to enhance the Company-wide focus on the balance sheet and increasing total shareholder return. Annual review of all compensation plans and programs will continue to ensure that your Company's compensation programs are in alignment with market practice and in the best interest of our shareholders.

Named Executive Officers (NEOs)

For 2014, our NEOs and their respective titles were as follows:

Anthony J. Alexander, President and CEO

James F. Pearson, Senior Vice President and Chief Financial Officer (later referred to as our CFO)

Charles E. Jones, Executive Vice President and President, FirstEnergy Utilities

Leila L. Vespoli, Executive Vice President, Markets and Chief Legal Officer

James H. Lash, President, FirstEnergy Generation

Messrs. Alexander and Pearson are NEOs as a result of their positions as CEO and CFO, respectively, throughout 2014. Ms. Vespoli and Messrs. Jones and Lash were our three most highly compensated executive officers (other than our CEO and CFO) throughout 2014.

On December 16, 2014, your Board elected Mr. Alexander Executive Chairman of your Company, effective January 1, 2015. No compensation adjustments were provided to Mr. Alexander with his appointment to Executive Chairman. Mr. Alexander was succeeded as President and Chief Executive Officer of your Company by Mr. Jones, effective January 1, 2015. Mr. Jones was also elected to your Board. Effective with his election to President and Chief Executive Officer, Mr. Jones was provided a base salary increase from \$625,000 to \$1,100,000, a STIP target increase from 70% to 115% of base salary, and a LTIP target increase from 71% to 180% of base salary, in respect of cash-based RSUs, and 143% to 365% of base salary, in respect of stock-based RSUs, which is consistent with the LTIP changes in 2015.

On February 17, 2015, your Board determined that Mr. Alexander will be leaving your Company and conclude his service as Executive Chairman on April 30, 2015. As a result, Mr. Alexander will receive the benefits provided for under his existing employment agreement with your Company, dated March 20, 2012, including the vesting of the remaining portion of the restricted stock award granted pursuant to the agreement. Mr. Alexander also is entitled to receive a pro rata portion of his outstanding performance-adjusted RSU awards and performance share awards for the 2013-2015 and 2014-2016 cycles, subject to the achievement of the performance measures and in return for a complete release as provided in the award agreements. In lieu of Mr. Alexander's customary LTIP grant for 2015, your Board granted Mr. Alexander a mix of cash-based performance-adjusted RSU (1/3) and stock-based performance-adjusted RSUs (2/3), representing a small fraction (1/18th) of his customary LTIP award, which reflects the time he will remain with your Company during the awards' performance period. These awards will remain entirely at risk (and subject to upward/downward adjustment or forfeiture) based on the achievement of the performance measures tracked over a three-year period.

The compensation plan changes discussed earlier in the CD&A are reflected in the 2014 executive compensation program and create a pay mix that is significantly performance-based for all NEOs. The chart below highlights the 2014 target pay opportunity mix for Mr. Alexander, which, other than base salary, is entirely performance-based. Consistent with our compensation philosophy and weighting on performance-based components, a large portion of Mr. Alexander's compensation is comprised of performance-adjusted RSUs. This reflects our commitment to align CEO, and NEO, pay with Company objectives and increasing shareholder value.

Compensation Philosophy

We believe that the quality, skills, and dedication of our executive officers, including our NEOs, are critical elements in our ongoing ability to deliver positive operating results and enhance shareholder value. We generally target each of our NEOs' compensation opportunity at or near the revenue-regressed 50th percentile of our peer group of energy services and general industry companies (described below) and utilize a range of 80 to 120 percent of that revenue-regressed 50th percentile in order to foster retention of our NEOs and reflect each NEO's:

Individual performance,

Experience, and

Future potential to play an increased leadership role in your Company.

These factors are not weighted or part of a formula, but rather provide your Board with the latitude to make adjustments to compensation based on a combination of any or all of these factors.

Our incentive plans also provide the opportunity for our NEOs to achieve above-50th percentile compensation for strong corporate and individual performance. However, if financial or operational performance does not meet specific targets, our NEOs earn below-50th percentile compensation. As further described in this CD&A, a significant portion of our NEOs' actual compensation is based on corporate and business unit performance as defined by financial and operational KPIs directly linked to short-term and long-term results for key stakeholders, including shareholders and customers. The relevant business units utilized by your Board and the Committee for the purpose of determining KPIs in the context of NEO compensation correspond to our reportable segments: Regulated Distribution (our reporting segment that includes our utilities and is referred to throughout as FEU), Regulated Transmission (our reporting segment that includes our transmission business and is referred to throughout as FET), and Competitive Energy Services. Falling short, meeting, or exceeding our goals in these key areas is directly reflected in the actual compensation paid to our NEOs and other executives.

Our NEOs' total compensation package is comprised of the following elements:

Base salary: The base salary represents a fixed element of cash compensation payable throughout the year;

STIP: The 2014 STIP component of compensation is completely at-risk, with payout of cash based entirely on business performance. The KPIs measured under the 2014 STIP focus on Safety, Operating EPS, and additional business-unit specific goals related to operational reliability and efficiency, controlling operating and maintenance costs, and environmental responsibility. These awards are designed to reward the achievement of current Corporate and business-unit objectives. The STIP awards are prorated based upon employment service during the calendar year. The STIP KPIs are described in more detail below;

LTIP: The 2014 LTIP component of compensation is completely at-risk and consists of two components that are designed to reward the achievement of longer-term goals specifically linked to shareholder value: performance shares and performance-adjusted RSUs. Performance shares are earned when our three-year TSR is achieved at pre-established performance levels. Performance-adjusted RSUs are earned based on the achievement of KPIs tracked over a three-year period for Safety, Capital Effectiveness Index, and Funds from Operations (later referred to as FFO) to Adjusted Debt Index; see the section titled *RSU Index Performance Measures* for more information regarding these KPIs. Capital Effectiveness and FFO to Adjusted Debt Index are not utilized in any other incentive calculation, including the STIP. The LTIP awards are prorated based upon employment service during the applicable three-year cycle for performance shares or performance-adjusted RSUs;

Retirement benefits and limited perquisites;

Severance and change in control (later referred to as CIC) benefits; and

Discretionary awards granted from time to time for purposes of recruitment, retention, and special recognition, although none were granted to any NEO in 2014.

We review our compensation philosophy annually to ensure it continues to align with our goals and shareholder interests, as reflected in the results of our annual advisory vote on NEO compensation and our ongoing shareholder outreach efforts, and offers competitive levels of compensation. We also evaluate the vehicles we utilize to deliver compensation, including the percentage of compensation provided through performance-based components and the effectiveness of our compensation design and programs in the achievement of our business objectives. Additionally, we annually review and establish the KPIs tied to the performance-based components of compensation to support achievement of the strategic business objectives established in support of our vision.

We believe that shareholder value is impacted not only by financial measures but also by operational measures. Under our compensation design, the percentage of pay that is based on performance increases as executives' responsibilities increase. Thus, executives with greater responsibilities for the achievement of corporate performance targets are impacted more negatively if those goals are not achieved, and conversely receive a greater reward if those goals are met or exceeded. All of the 2014 financial and operational KPIs for our NEOs are described below.

Compensation Committee Role and Responsibility

The Committee is responsible for overseeing compensation and making recommendations to your Board for establishing appropriate base salary and incentive compensation for our executive officers, including our NEOs, in accordance with our compensation philosophy, while also aligning our executives' interests with Company and business unit performance, business strategies, and growth in shareholder value. The Committee is further responsible for administering our compensation plans in a manner consistent with these objectives. In this process, the Committee evaluates information provided by Meridian Compensation Partners, LLC (later referred to as Meridian) and our CEO,

as discussed below. The Committee reviews the mix and level of compensation by component individually and in the aggregate. The Committee, using tally sheets and accumulated wealth summaries (as discussed later in the CD&A) also reviews current and previously awarded but unvested compensation.

With respect to our CEO's compensation, the Committee also annually:

Reviews, determines, and recommends to the Board your Company's goals and objectives with respect to CEO compensation, and

Makes compensation recommendations to your Board for its approval based upon the CEO's performance evaluation, competitive compensation benchmarking data (provided by Meridian), and desire to retain the CEO.

Consultant

As noted above, the Committee employed Meridian, an independent compensation consultant, at your Company's expense. Meridian reports directly to the Committee. The Committee obtained and considered representations from Meridian that they were independent consultants and as to the absence of any conflicts of interest. In the representations provided to the Committee, Meridian affirmed the following:

Meridian (including its affiliates) does not provide other consulting services to your Company. Meridian's services are limited to providing advice and information solely on executive and director compensation and related corporate governance matters;

The amount of fees paid by your Company during the 12-month period ending on December 31, 2014, represents less than 2 percent of Meridian's total annual revenues for calendar year 2014;

Meridian maintains a Code of Business Conduct and Ethics Policy and Insider Trading and Stock Ownership Policy designed to prevent conflicts of interest. Annually, each partner and employee of Meridian is required to certify his or her compliance with each of the foregoing policies;

No Meridian partner or employee who serves the Committee has any business or personal relationship with any member of the Committee or executive officer of your Company. Meridian policies expressly prohibit a Meridian partner or employee from serving the Committee if such relationships exist; and

No Meridian partner or employee who serves the Committee or any immediate family member of such partner, consultant or employee owns any shares of stock of your Company. Meridian policies expressly prohibit such share ownership.

Consistent with NYSE rules, the Committee has the sole authority to retain and dismiss the consultant and to approve the consultant's fees. Meridian provides advice, independent of management, to the Committee with respect to executive and director compensation and general corporate governance matters. The Committee relies on Meridian's expertise in benchmarking and familiarity with competitive compensation practices in the energy services and general industry sectors. In 2014, the Committee met with Meridian without management present in an executive session after each regularly scheduled Committee meeting. The Committee engages the consultant to provide an annual review of executive compensation practices of companies in our peer group, including a benchmarking analysis of base salary and short- and long-term incentive targets of the companies with which we compete for executive talent. In addition, the Committee may, from time to time, request advice from Meridian concerning the design, communication, and implementation of our incentive compensation plans and other programs. The services provided by Meridian to the Committee in 2014 and as of the date of this proxy statement in 2015 include:

Reviewing our compensation philosophy, including the alignment of our executive compensation practices with our compensation philosophy and assessing potential changes to address trends in market practice and

shareholder expectations;

Benchmarking and analysis of competitive compensation practices for executives and directors within our industry and peer group;

Reviewing the description of our executive compensation practices in our annual proxy statement in light of SEC requirements and apprising the Committee of its recommendations and necessary changes;

Reviewing share ownership guidelines;

Reviewing LTIP plan design;

Reviewing CIC benefits to ensure alignment with our compensation philosophy and competitive practice;

Calculating quarterly TSR relative to the companies in the Edison Electric Institute (later referred to as EEI) Index described in the Performance Share section of this proxy statement. This group of companies is used to measure our performance over a three-year performance period for the performance share component of the LTIP only; and

Informing the Committee of legislative and regulatory changes, market trends, and current issues with respect to executive compensation.

Benchmarking

The Committee uses competitive benchmarking data to evaluate compensation practices and develop compensation recommendations for each of the NEOs. In 2014, at the Committee's request and consistent with past practices, Meridian accumulated benchmark compensation data from our peer group, an equally weighted blend of 21 U.S.-based publicly traded energy services companies and 57 U.S.-based publicly traded general industry companies. The general industry peer group includes companies with annual revenues between \$8 and \$30 billion that your Company competes with for talent and excludes companies and industries whose compensation or business models vastly differ from utilities, such as financial services, health care, retail, franchise, media, and companies which are internationally headquartered. In selecting the peer companies, the availability of data when benchmarking both compensation and benefits is also considered. Also, a few select companies outside of the revenue scope were included based on their close geographic proximity to your Company. Both peer groups were reviewed and revised in 2013, which resulted in the removal of two energy services peer companies due to merger activity and the removal of twenty general industry companies that had exceeded the appropriate revenue scope or were no longer publicly traded. Your Committee replaced these general industry companies with six publicly traded companies that fall within \$8 and \$30 billion in annual revenue. As a result of these changes, your Company was positioned at approximately the 50th percentile of this peer group by 2013 revenue. The 50th percentile annual revenue of the energy services and general industry peer groups were \$11.1 billion and \$16.7 billion, respectively. There were no changes to the peer groups during 2014. The current energy services and general industry peer company lists are included in Appendix B.

Accumulated benchmark data was based on compensation levels as of January 1, 2014. Meridian size-adjusted the benchmark data using regression analysis to determine market values of compensation that relate more closely to our revenue size and the discussions of such data below reflect this adjustment. Regression analysis in this context is a statistical technique used to estimate market compensation levels based on the relationship between compensation and revenue size of the underlying peer companies.

The Committee evaluated base salary, short- and long-term target incentive opportunities and total target compensation for each NEO against the 50th percentile compensation levels provided to similar executives at our peer companies. Based on the competitive data provided by the consultant, total compensation for our NEOs, in the aggregate was approximately 2 percent below the revenue-regressed 50th percentile of our peer group in 2014.

Compensation decisions made by the Committee regarding the individual components of compensation are considered in the aggregate and adjustments to the amounts of base salary, STIP, and LTIP incentive targets are made concurrently to achieve the target total compensation level. The percentage of total compensation allocated to each component in 2014 (base salary, STIP, and LTIP) is determined by the Committee and consistent with the compensation mix used by the companies in our peer group. The mix of compensation components is used to provide the NEOs with opportunities to earn compensation through a variety of vehicles, both fixed and performance-based. The mix is designed to facilitate the retention of talented executives, recognize the achievement of short-term goals, reward long-term results, and align executive compensation with shareholder interests.

Role of Executive Officers, including the Chief Executive Officer, in Determining Compensation

The CEO typically makes recommendations to the Committee with respect to the compensation of the NEOs (other than himself) and other executives including those identified as insiders under Section 16 of the

Exchange Act. The CEO possesses insight regarding individual performance, degree of experience, future promotion potential, and our intentions in retaining particular senior executives. In all cases, the CEO's recommendations are presented to the Committee for review based on the competitive benchmarking data provided by Meridian. The Committee may, however, elect to modify or disregard the CEO's recommendations, and the Committee and Board are responsible for establishing the compensation of the NEOs and certain other senior executives.

In 2014, after review and discussion with the CEO, the Committee recommended and your Board approved increases to the base salaries of the NEOs, except for Mr. Alexander. The Committee also recommended and your Board approved an increase to Mr. Pearson's short- and long-term incentive target opportunities toward the revenue-regressed 50th percentile. No other incentive compensation opportunity increases were provided to any NEO in 2014.

Neither the CEO nor any other NEO makes recommendations for setting his or her own compensation. The recommendation of the CEO's compensation is determined in Committee meetings during an executive session with only Meridian and the Committee members present and presented to the independent members of your Board for approval.

The CEO, the other NEOs, and our other senior executives review and evaluate recommended revisions to our compensation programs, policies, and KPIs for your Company. Because of their extensive familiarity with our business and corporate culture, these executives are in the best position to consider programs and policies, and create KPIs that will engage and challenge employees and provide effective incentives to produce outstanding financial and operating results for your Company and our shareholders. Additionally, these executives are the most appropriate individuals to recommend KPIs to the Committee and Board for approval based on their experience and knowledge of our business financial and operational objectives.

Tally Sheets and Accumulated Wealth

In the first quarter of each year, the Committee is provided with a comprehensive analysis and summary of all components of total compensation for the NEOs, including base salary, health and welfare benefits, current year STIP and LTIP grants, earnings on deferred compensation, Company matching contributions to the Savings Plan, financial and tax planning benefits, limited personal use of your Company's aircraft, if applicable, and STIP and LTIP payouts (actual and projected, as appropriate) for the current year as well as under several termination scenarios (i.e., voluntary resignation, retirement, involuntary separation, termination following a CIC, death, and termination for cause). The primary purpose of these tally sheets is to summarize the individual elements of each NEO's compensation and the estimated value of compensation that would be received by the NEO in the event of a termination of employment to enable the Committee to determine whether total compensation provided to each NEO and potential termination payouts are appropriate.

The Committee also reviews a report that provides a historical summary of accumulated wealth for each NEO. The report shows granted and realized compensation by component: base salary, STIP and LTIP payouts and unvested grants, realized values of exercised options, and the value of discretionary awards.

Based on its review of the tally sheets and summary of accumulated wealth report, the Committee determined that the total compensation provided (and, in the case of termination scenarios, the potential payouts) is appropriate and consistent with our compensation philosophy. Accordingly, in 2014, the Committee did not make any adjustments to our executive compensation or programs in light of the review of these reports.

Compensation Mix

The following charts represent the target annual compensation opportunity mix provided to our CEO and all other NEOs, in the aggregate and individually, under our annual compensation plans in 2014.

Total Compensation Opportunity at Target

The following chart represents the total target compensation opportunities provided to our NEOs through their base salaries and under our annual and long-term compensation plans in 2014. Each NEO's total compensation opportunity represents target amounts that may be earned over one and three year performance periods. The STIP target represents the target opportunity that an NEO would earn if target performance was achieved during the 2014 plan year. Similarly, the LTIP target for performance shares and performance-adjusted RSUs represents that target opportunity that an NEO would earn if target performance was achieved over the three-year performance period beginning on January 1, 2014. For purposes of this illustration, LTIP target amounts are based on the value of our shares on the date of grant. Actual amounts earned by each NEO under the STIP may be adjusted downward to 0% or upward to 150% of target opportunities for superior performance. Similarly, actual amounts earned by each NEO under the LTIP may be adjusted downward to 0% or upward to 200% of target opportunities for superior performance. In the case of the STIP, the awards earned by each NEO in 2014 were formulaically reduced based on the 2014 plan design described later in the CD&A.

	LTIP Target				Total Compensation Opportunity at Target
	Base Salary	STIP Target	Performance Shares	Performance- Adjusted RSUs	
Anthony J. Alexander	\$ 1,340,000	\$ 1,742,000	\$ 2,532,600	\$ 5,159,000	\$ 10,773,600
James F. Pearson	\$ 508,333	\$ 450,636	\$ 465,000	\$ 935,000	\$ 2,358,969
Charles E. Jones	\$ 608,333	\$ 437,500	\$ 426,000	\$ 858,000	\$ 2,329,833
Leila L. Vespoli	\$ 691,667	\$ 564,000	\$ 445,250	\$ 911,050	\$ 2,611,967
James H. Lash	\$ 555,000	\$ 395,000	\$ 324,500	\$ 654,500	\$ 1,929,000

Realized Compensation

We provide this alternative view of compensation paid to the NEOs as a supplement to, not as a substitute for, the Summary Compensation Table (later referred to as SCT) that appears on page 70 because the realized compensation view reflects the compensation provided to our NEOs in 2014 under our STIP and the 2012-2014 cycles of our LTIP, and demonstrates the performance-based structure of our executive compensation program. In 2014 our NEOs were paid only a portion of the total compensation opportunity provided under our STIP and LTIP based on performance during 2012 through 2014, as follows:

	Base Salary	STIP	Performance Shares	Performance- Adjusted RSUs	Total Compensation
Anthony J. Alexander	\$1,340,000	\$1,392,222	\$0	\$4,651,704	\$7,383,926
James F. Pearson	\$507,212	\$361,356	\$0	\$179,270	\$1,047,838
Charles E. Jones	\$607,212	\$344,700	\$0	\$773,656	\$1,725,568
Leila L. Vespoli	\$690,769	\$407,044	\$0	\$821,490	\$1,919,303
James H. Lash	\$554,327	\$266,978	\$0	\$590,160	\$1,411,465

On December 31, 2014, 57,419 shares (including dividends) of the restricted stock grant originally provided to Mr. Alexander in conjunction with the execution of his employment agreement with your Company vested, which is not reflected in the charts above or below. The following chart represents Mr. Alexander's realized compensation by component: base salary, STIP, and LTIP for the past three years.

Base Salary

The NEOs are each paid a base salary to provide a fixed amount of cash compensation. Competitive data is used as the foundation for setting compensation levels and in determining any base salary adjustment. Consideration is given to individual performance and experience, historical compensation adjustments, and the tenure of the NEO. The Committee and your Board annually review the CEO's base salary. The CEO, the Committee, and your Board annually review each of the other NEO's base salaries. Meridian provides the Committee with the competitive benchmarking data at the revenue-regressed 50th percentile of our peer group for each NEO's position in January of each year. However, in 2014 the annual compensation review process for base salary was delayed until July 2014. Following that review, and the Committee's recommendation, your Board approved increases to base salaries effective September 1, 2014 as follows: Mr. Pearson from \$500,000 to \$525,000; Mr. Jones from \$600,000 to \$625,000; Ms. Vespoli from \$685,000 to \$705,000; and Mr. Lash from \$550,000 to \$565,000. No increase was provided to Mr. Alexander because his base salary was competitive with the revenue-regressed 50th percentile. The 2014 base salary compensation adjustments in the aggregate for our NEOs was slightly below the 50th percentile at 98 percent of the revenue-regressed 50th percentile consistent with our compensation philosophy. While the competitive data is used as a foundation for setting compensation levels, consideration in determining the base salary adjustments was given to individual performance and experience, historical compensation adjustments and the tenure of the NEO.

The increases for Mr. Jones and Ms. Vespoli were based on merit as well as their increased scope of work when moved into their then current positions in January 2014, for which they did not receive additional compensation until the September 1, 2014 increase. The increases for Mr. Pearson and Mr. Lash were based on merit and were also designed to move their base salaries toward the revenue-regressed 50th percentile of the competitive base salary data.

Short-Term Incentive Program (STIP)

The STIP provides annual cash awards to executives whose contributions support the achievement of our identified financial and operational KPIs. STIP awards are granted as cash awards pursuant to the terms and conditions of our 2007 Incentive Plan. The STIP KPIs are developed in accordance with the performance measures identified in the 2007 Incentive Plan as approved by shareholders. The STIP supports our compensation philosophy by linking KPIs to business strategy and objectives. As such, executive awards are directly connected to KPIs associated with Company and business unit success.

The Committee administers the STIP with respect to the NEOs and annually reviews their STIP target opportunity levels, which are expressed as a percentage of base salary. In February of each year, the Committee reviews and based on competitive market data recommends to your Board STIP target opportunity levels for our NEOs. The STIP targets are set at or near the revenue-regressed 50th percentile target opportunity of our peer group. NEOs have the potential to achieve STIP payouts above the target opportunity for superior Company performance. However, the STIP payout will be zero if Company performance is below threshold. As an executive's responsibility increases, a greater percentage of his or her annual incentive is linked to our Company's financial performance, rather than operational business unit performance. Executives are evaluated based on KPIs applicable to your Company and their responsibilities within our organization.

In 2014, the overall STIP design was modified as follows:

Operating EPS was established as the only financial performance measure in the STIP to increase the focus broadly throughout your Company and to eliminate overlapping goals between the STIP and the LTIP;

The weighting for Operating EPS at maximum was reduced from 200 percent to 150 percent, the same as the maximum weighting for operational goals; and

A pool of funds available for the STIP payout is based upon the Operating EPS result (after accounting for the cost of the STIP payout) as follows:

Operating EPS ⁽¹⁾ Achievement Level	STIP Pool of Funds
Less than \$2.45	No STIP payout
\$2.45 - \$2.54	Up to \$80 million
\$2.55 - \$2.64	\$100 million
\$2.65 - \$2.70	\$130 million
\$2.71 - \$2.75	\$160 million
\$2.76 - \$2.84	\$180 million
\$2.85 or greater	No Pool Limit; Paid as Earned

- (1) Operating EPS is a non-GAAP financial measure. Operating EPS is calculated using GAAP earnings per share and adjusting for the per share impact of certain items, which for 2014 included mark-to-market adjustments, regulatory charges, trust securities impairment, the impact of non-core asset sales/ impairments, merger accounting commodity contracts, plant deactivation costs, litigation resolution, retail repositioning charges, and loss on debt redemptions.

If the STIP pool of funds available, determined in accordance with the scale provided above, is not sufficient to pay the full STIP as earned, the operational KPIs, excluding Safety, are reduced as follows:

- For operational KPIs meeting threshold but less than target, the payout amount is reduced to meet the funding level identified above. The maximum reduction for these KPIs is 25%; however, if the reduction is not sufficient to reduce the total STIP payout to equal the available pool of funds, then,
- For operational KPIs at or above target, the payout is reduced to meet the funding level identified above. The maximum reduction for these KPIs is 10%; however, if this reduction is not sufficient to reduce the total STIP payout to equal the available pool of funds, then,
- A uniform proration is applied to the operational KPIs earned under the STIP, excluding Safety, to an amount equal to the available pool of funds.

In February 2014, the Committee reviewed the market data and at the Committee's recommendation, your Board approved an increase to Mr. Pearson's STIP target from 80 percent to 85 percent of his base salary effective March 3, 2014, in conjunction with the December 31, 2013 retirement of the Executive VP, Finance & Strategy which elevated Mr. Pearson's reporting relationship directly to the CEO, and in order to better align Mr. Pearson's target with the revenue-regressed 50th percentile opportunity for the CFO position within our peer group. As previously disclosed, the annual compensation review was delayed to July 2014. At that time, the Committee reviewed the market data and, at the Committee's recommendation, your Board further approved an increase to Mr. Pearson's STIP target from 85 percent to 90 percent of his base salary effective September 1, 2014, in order to align his target with the 2014 revenue-regressed 50th percentile opportunity for the CFO position within our peer group. Your Board did not make any changes to the STIP target incentive opportunities for any other NEO in 2014. The STIP target opportunity for the NEOs, excluding Mr. Pearson, are as follows: Mr. Alexander at 130 percent, Mr. Jones at 70 percent, Ms. Vespoli at 80 percent, and Mr. Lash at 70 percent, each of which is at or near the revenue-regressed 50th percentile for their respective positions.

As described in more detail in the section titled 2014 KPI Weightings below, the NEOs may earn payments that are below their target opportunities for levels of achievement that are below the target performance goals, but exceed

threshold performance goals, as well as payments that are higher than their target opportunities for levels of achievement that exceed the target performance goals. The Committee may use negative discretion to make downward adjustments to amounts paid to the NEOs, either individually or collectively, under the STIP. The Committee may not, however, make upward adjustments that would result in payments that are higher than those the Committee had originally approved. Based upon the 2014 year-end Operating EPS result of \$2.56, the pool of funds available for the STIP payout was \$100 million. Since the pool of funds available was insufficient to pay the full STIP as earned, the STIP payout based on operational KPIs, excluding Safety, was reduced. Only the factors described above drove the reduction of NEO STIP awards. The average payout for the NEOs was 76 percent of their target awards.

2014 Key Performance Indicator (KPI) Weightings

The weightings of financial and operational KPIs are determined by the Committee and approved by your Board at the beginning of each year. The weightings for each NEO are specifically determined to correspond to the responsibility of each NEO for the particular KPIs based on his or her role within the organization. As previously disclosed, the second financial goal, FFO to Adjusted Debt Index, was removed from the STIP in 2014 to focus on driving Operating EPS and to eliminate overlapping goals with the LTIP. Additionally, the maximum potential for financial KPIs was also reduced from 200 percent to 150 percent in 2014. This change results in a range for the total STIP award from 50 percent of target for performance at threshold to 150 percent of target for performance at maximum. In 2014, the KPI weightings for the NEOs were:

	Alexander	Pearson	Jones	Vespoli	Lash
Financial Target Operating EPS⁽¹⁾	80%	70%	70%	70%	60%
Operational Target	20%	30%	30%	30%	40%
Safety ⁽²⁾	10%	10%		10%	
Operational Linkage ⁽³⁾	10%	20%		10%	
CES Operating Earnings ⁽⁴⁾				10%	10%
FEU Safety ⁽²⁾			10%		
T&D Reliability Index ⁽⁵⁾			10%		
FEU/FET Operating Earnings ⁽⁶⁾			10%		
Generation Performance Index ⁽⁷⁾					10%
INPO Index ⁽⁸⁾					10%
Nuclear Safety ⁽²⁾					5%
Fossil Safety ⁽²⁾					5%

- (1) Operating EPS is a non-GAAP financial measure. Operating EPS is calculated using GAAP earnings per share and is adjusted for the per share impact of certain special items, which in 2014 included mark-to-market adjustments, regulatory charges, trust securities impairment, the impact of non-core asset sales/ impairments, merger accounting commodity contracts, plant deactivation costs, litigation resolution, retail repositioning charges, and loss on debt redemptions.
- (2) Performance as measured by the Occupational Safety and Health Administration (later referred to as OSHA) Incident Rate; for FEU, see note (6) below.
- (3) Eight key operating metrics: FEU/FET Operating Earnings (see note (6) below); CES Operating Earnings (see note (4) below); System Average Interruption Duration Index (later referred to as SAIDI); Transmission Outage Frequency (later referred to as TOF); May-September Fossil Supercritical Equivalent Availability (later referred to as EA); Nuclear Forced Loss Rate (later referred to as FLR); the Institute of Nuclear Power Operations (later referred to as INPO) Index; and Environmental Excursions. Metrics are measured by points awarded for attaining a specified level of performance for each component based on year-to-date performance. All components are weighted equally.
- (4) CES Operating Earnings is a non-GAAP financial measure. For KPI purposes, the aggregate net income of your Company's Competitive Energy Services reporting segment is adjusted for the impact of certain special items, which for 2014 included mark-to-market adjustments, regulatory charges, trust securities impairment, the impact of non-core asset sales/ impairments, merger accounting commodity contracts, plant deactivation costs, retail repositioning charges, and loss on debt redemptions.
- (5) Measured by points awarded for attaining a specified level of performance for transmission and distribution reliability based on year-to-date performance. The two measures are SAIDI and TOF. The components are weighted equally.

- (6) FEU/FET Operating Earnings is a non-GAAP financial measure. The terms FEU and FET are used internally and by management to refer to your Company's Regulated Distribution and Regulated Transmission reporting segments, respectively. For KPI purposes, the aggregate net income of those reporting segments is adjusted for the impact of certain special items, which for 2014 included pension and OPEB mark-to-market adjustments, regulatory charges and trust securities impairment.
- (7) Measured by points awarded for attaining a specified level of performance for each component based on year-to-date performance. The three measures are FLR, EA, and Environmental Excursions. The components are weighted equally.
- (8) Performance as measured by 12 indicators used by INPO.

Financial Measures

Financial performance is the most heavily weighted measure in determining STIP payouts for our NEOs as illustrated in the chart above. The Committee selected Operating EPS as the only financial KPI for 2014 because it impacts shareholder value and aligns executive compensation with shareholder interests. Operating EPS is used as a measure because increases in Operating EPS indicate growth of the business and a corresponding increase in

the value of our shareholders' investment. Additionally, Operating EPS provides a consistent and comparable measure of performance of your Company's business to help shareholders understand performance trends. Operating EPS excludes special items as described in note (1) above and is a non-GAAP financial measure. The use of only one financial KPI also increases the focus broadly throughout your Company on Operating EPS and eliminates overlapping goals between the STIP and LTIP.

Safety

Safety performance for your Company and each business unit is measured by the OSHA incident rate and is a KPI for all of our employees. Safety is a core value and is tied to our STIP and LTIP because of its importance and potential to impact our employees and other stakeholders, as described in the section titled "RSU Index Performance Measures." The Safety KPI tracks the number of OSHA reportable incidents in 2014 per 100 employees. Performance at maximum level is established at top-decile performance based on the 2012 EEI Health & Safety Survey. Corporate Safety performance at target is established at the midpoint of the top-quartile performance based on the EEI 2012 Health & Safety Survey and the 2013 KPI target. Business unit Safety performance at target is established at top-quartile performance based on the EEI 2012 Health & Safety Survey. Threshold is the equivalent OSHA rate for all EEI companies participating in the survey. In the event of a fatality (other than certain no-fault fatalities) of an employee within the business unit of an NEO, neither the NEO nor the CEO will be paid a Safety award for the applicable year regardless of the OSHA incident rate.

Operational Measures

Operational Linkage is based on the eight operational KPIs referred to in the table above and each component is weighted equally. Operational KPIs include FEU/FET Operating Earnings, CES Operating Earnings, average total duration of distribution outage minutes (SAIDI), average number of transmission outages (TOF), the amount of supercritical fossil generation that was not available from May through September versus the amount of time a generation unit was requested to be operating (EA), unplanned nuclear energy losses (FLR), INPO Index, and environmental excursions. CES Operating Earnings is a non-GAAP financial measure representing revenues less operating and non-operating expenses and adjusted for special items as described in footnote (4) above. Also, to continue to meet reliability standards, the Transmission & Distribution (later referred to as T&D) Reliability Index was first established in 2010. The T&D Reliability Index includes SAIDI and TOF. FEU/FET Operating Earnings is a non-GAAP financial measure representing revenues less operating and non-operating expenses and adjusted for special items as described in footnote (6) above. The Generation Performance Index includes FLR, EA, and environmental excursion. The environmental excursions KPI measures fossil and nuclear environmental issues, related to air emissions, water discharges, and unauthorized releases. The INPO Index measures nuclear performance based on twelve nuclear performance indicators as designated by INPO.

Threshold, target, and maximum levels are established for KPIs based on earnings growth aspirations and achieving continuous improvement in operational performance. STIP awards are not paid if threshold Operating EPS performance is not achieved. Awards for specific goals are not paid unless threshold performance is achieved. Maximum performance levels are designed to encourage superior performance. In 2014, the threshold, target, maximum, and actual KPI results for the NEOs were:

	Threshold	Target	Maximum	Actual Result	Result
Financial					
Operating EPS ⁽¹⁾	\$ 2.45	\$ 2.65	\$ 2.85	\$ 2.56	Above Threshold
Safety/Operational					
Safety	1.48	0.96	0.70	0.97	Above Threshold
Operational Linkage	3.00	6.00	10.00	6.69	Above Target
CES Operating Earnings ⁽²⁾ (\$ millions)	\$ 147	\$ 176	\$ 205	\$ 99	Below Threshold
FEU Safety	2.01	1.35	1.06	1.47	Above Threshold
T&D Reliability Index	1.00	2.00	2.75	2.56	Above Target
FEU/FET Operating Earnings ⁽³⁾ (\$ millions)	\$ 995	\$ 1,050	\$ 1,105	\$ 1,035	Above Threshold
Generation Performance Index	1.00	2.50	4.25	3.27	Above Target
INPO Index	81.8	84.3	86.8	80.1	Below Threshold
Nuclear Safety	0.28	0.18	0.11	0.20	Above Threshold
Fossil Safety	1.50	0.96	0.66	0.47	Above Maximum

(1) Operating EPS is a non-GAAP financial measure. A description of the method of calculating Operating EPS is provided on page 59 above.

(2) CES Operating Earnings is a non-GAAP financial measure. A description of the method of calculating CES Operating Earnings is provided on page 59 above.

(3) FEU/FET Operating Earnings is a non-GAAP financial measure. A description of the method of calculating FEU/FET Operating Earnings is provided on page 59 above.

In February 2015, based on actual 2014 KPI results and the reduced STIP payout for our NEOs, the Committee recommended and the independent members of your Board approved Mr. Alexander's 2014 STIP award of \$1,392,222. The remaining NEOs' 2014 awards were approved as follows: Mr. Pearson \$361,356; Mr. Jones \$344,700; Ms. Vespoli \$407,044; and Mr. Lash \$266,978. As discussed previously, based on the 2014 year-end Operating EPS of \$2.56, the pool of funds for the STIP payout was \$100 million. The Operational KPI awards were formulaically reduced as the pool of funds was insufficient to pay the full STIP as earned. The average reduced payout for the NEOs was 76 percent of their target awards. The following table depicts the value of each NEO's target STIP award compared to the actual reduced STIP award paid for 2014 results.

	2014 STIP Target	2014 STIP Actual	Payout as a % of
	Award	Award	Target
Anthony J. Alexander	\$1,742,000	\$1,392,222	80%
James F. Pearson	\$450,636	\$361,356	80%
Charles E. Jones	\$437,500	\$344,700	79%
Leila L. Vespoli	\$564,000	\$407,044	72%
James H. Lash	\$395,000	\$266,978	68%

Long-Term Incentive Program (LTIP)

Under our LTIP, the Committee granted to our NEOs equity-based compensation in the form of performance-adjusted RSUs and performance shares, pursuant to our 2007 Incentive Plan. These grants were designed to reward executives for the achievement of Company goals that are linked to increasing long-term shareholder value over a three-year period. The three-year performance period also encourages retention because awards are prorated or forfeited if an executive leaves or retires prior to the end of the performance period, as shown in the 2014 Post-Termination Compensation and Benefits table later in this proxy statement. In February of each year, the Committee reviews and recommends LTIP target opportunity levels for our NEOs to your Board, which are based on competitive market data. The LTIP targets are set at or near the revenue-regressed 50th percentile target opportunity of our peer group. NEOs have the potential to achieve LTIP payouts above the target opportunity for superior performance. Target opportunities are expressed as a percentage of base salary and are determined by competitive benchmarking data, which accounts for the differences among the NEOs and from prior years.

Based on the Committee's review of the competitive market data and its recommendation, your Board increased the LTIP target incentive for Mr. Pearson from 178 percent to 280 percent of base salary effective with the 2014 grant. This increase was provided to Mr. Pearson to move his target toward the revenue-regressed 50th percentile opportunity for the CFO position within our peer group. No LTIP adjustments were provided to any other NEO in 2014.

When allocating total compensation for the NEOs, the largest proportion of total compensation was allocated to LTIP targets to ensure executive and shareholder interests are aligned by linking payouts to KPIs that directly impact long-term shareholder value. Also, as described below, the LTIP is designed to encourage sustained performance levels. Additionally, because performance shares and RSUs are denominated in shares of our common stock, their value reflects changes in our stock price, further aligning our NEOs' interests with the long-term interests of shareholders. To emphasize stock ownership, 2/3 of the annual LTIP awards are granted in the form of performance-adjusted RSUs payable in stock.

Performance Shares

Performance shares, which were a component of our LTIP in 2014, provide the NEOs and our other executives with the opportunity to receive awards based on our TSR over a three-year period relative to the TSRs of the companies in the EEI Index, which measures TSR for approximately 50 public electric utility companies. The EEI Index represents a larger group of energy companies than the energy services peer group we use for benchmarking total compensation, allowing us to compare our performance to the performance of the broader

industry. TSR is the total return of one share of common stock to an investor (share appreciation plus dividends) and assumes that an investment is made at the beginning of the three-year period and all dividends are reinvested throughout the entire three-year period. TSR is used to encourage the NEOs to develop and implement business strategies that will allow our TSR to outperform that of the broader energy industry over time and to reward executives when TSR goals are achieved.

2014-2016 Cycle

For the 2014 grant of performance shares, as a result of outreach to our top shareholders in 2013 and 2014, we eliminated the opportunity to achieve a 25 percent payout for the achievement of either the TSR threshold or the three-year average Operating EPS target. The threshold for TSR performance was increased to the 40th percentile of the EEI Index companies, which will result in a payout of 50 percent of the performance shares if achieved and no payment if the threshold is not achieved. A target payout of performance shares remains at 100 percent for 50th percentile performance. In addition, the performance level for attaining a payout of 150 percent was reduced from the 70th percentile to the 60th percentile. The maximum payout of performance shares remains at 200 percent for 90th percentile performance. These changes reduced the overlapping goals between the STIP and the LTIP, and increase the threshold performance required for any payout of the performance share awards.

2012-2014 Cycle

In 2011, we modified the performance share program to provide an additional opportunity to achieve a payout in the event our performance falls below the 25th percentile, which we maintained as part of the 2012-2014 cycle. If your Company's three-year Operating EPS actual performance result meets or exceeds the average of the three-year target level set for Operating EPS, participants would receive the minimum payout of 25 percent. This additional opportunity provides executives the ability to achieve a minimal payout in the event strategic business decisions or uncontrollable market conditions hinder stock price performance relative to the peer companies in the EEI Index.

Performance shares for the 2012-2014 performance cycle were granted in 2012. For that performance cycle, our TSR relative to the TSR of the EEI Index companies ranked below the 25th percentile (i.e., the threshold goal). Additionally, as discussed below, the average Operating EPS result over the three-year period was below the average Operating EPS target levels over the three-year period; therefore, there were no payouts with respect to performance shares for the 2012-2014 cycle.

Performance-Adjusted Restricted Stock Units (RSUs)

Performance-adjusted RSUs, which are also a component of our LTIP, are designed to focus participants on key financial and operational measures that drive our success and further align executive compensation with company and shareholder interests.

2014 - 2016 Cycle

Beginning with the 2014 grants of performance-adjusted RSUs, the KPIs were modified to replace Operating EPS and Operational Linkage with Capital Effectiveness a measure of the financial effectiveness of our investment in operational assets and FFO to Adjusted Debt Index a measure of our ability to generate cash flow during the year and manage debt; see the section titled RSU Index Performance Measures for more information regarding these KPIs. This change eliminates the overlap between two of the three KPIs in the STIP and LTIP. Safety was retained as a KPI for performance-adjusted RSUs, as your Board and management, with support of shareholders as determined through shareholder engagements, strongly believe it should be a factor in both incentive compensation programs. These key metrics are independent and equally weighted.

Also, as a result of outreach to our top shareholders in 2013 and 2014, the 50 percent minimum RSU payout was eliminated beginning with the 2014 grant. Payouts now range from 0 to 200 percent of units granted, interpolated based on the actual achievement. Threshold performance is set at the 40th percentile and must be achieved for the three year performance period for any payment of RSUs. Target performance is set at the 50th percentile and

must be achieved for 100 percent payout of units granted, and a payout at 150 percent of units granted is awarded for achievement of 60th percentile performance. Maximum payout of RSUs at 200 percent of units granted is awarded if 90th percentile performance is achieved during the performance period.

2012 2014 Cycle

The KPIs, the achievement of which will enable participants to earn greater than the minimum, are Operating EPS, Safety, and Operational Linkage. These key metrics, which focus on sustainability of performance measures, are independent and equally weighted. The actual number of shares issued at payout ranges from a minimum of 50 percent to a maximum of 150 percent of the units granted. The minimum payout amount serves as a retention tool and provides another means of achieving compensation for our executives at or near the revenue-regressed 50th percentile of our peer group. If FirstEnergy's average annual performance meets or exceeds the targets on all three measures, 50 percent more shares will be awarded at the end of the three-year performance cycle. If FirstEnergy's average annual performance is below target on all three measures, 50 percent fewer shares will be awarded at the end of the three-year performance cycle. If FirstEnergy's average annual performance meets or exceeds target on two of the measures but falls short of target on the other, then the number of shares originally granted will be awarded at the end of the three-year performance cycle.

The target and actual results for the 2012-2014 performance-adjusted RSU cycle were:

	2012		2013		2014		Average		Result
	Target	Result	Target	Result	Target	Result	Target	Result	
Operating EPS ⁽¹⁾	\$ 3.45	\$ 3.34	\$ 3.00	\$ 3.03 ⁽³⁾	\$ 2.65	\$ 2.56	\$ 3.03	\$ 2.98	Below Target
Safety ⁽²⁾	1.00	0.97	0.99	0.97	0.96	0.97	0.98	0.97	Above Target
Operational Linkage	6.00	8.72	6.00	8.05	6.00	6.69	6.00	7.82	Above Target

(1) Operating EPS is a non-GAAP financial measure. In addition to the adjustments described on page 59 above to calculate Operating EPS in a given year, per share impact adjustments were made for merger transaction/integration costs and income tax legislative changes in 2012.

(2) In contrast to the other KPIs, with respect to Safety, the lower the result, the better the performance.

(3) Reflects Operating EPS of \$3.04 as announced on February 25, 2014 less the \$0.01 reduction for KPI purposes. For the three-year cycle starting in 2012, your Company achieved above target-level performance on two of the measures, but fell short of target on one measure. Since the average of the actual performance exceeded the average target performance on two measures, but not one, the initial grants made in 2012 plus all dividend equivalent units accrued were paid at 100 percent of units granted. In March 2015, the performance-adjusted RSUs granted in 2012 were paid in shares of our common stock as follows: Mr. Alexander 134,287 shares; Mr. Pearson 5,175 shares; Mr. Jones 22,334 shares; Ms. Vespoli 23,715 shares; and Mr. Lash 17,037 shares. The Committee may not adjust awards upward. The Committee retains the discretion to adjust awards downward, either on a formula or discretionary basis or a combination of the two, as the Committee determines.

Timing of Long-Term Incentive Program Grants (LTIP)

Grants of performance shares and performance-adjusted RSUs are typically approved at the regularly scheduled February Committee and Board meetings after target levels are evaluated and determined considering the competitive

data and prior-year Company performance. Performance shares have a January 1 effective date. We average high and low stock prices over a full month in computing grants and awards of performance shares in an attempt to minimize stock price volatility that might otherwise distort grant or payout amounts if we looked only at a single computation date, such as, for example, the grant date or the last or first trading day of a relevant year or month. The grant date for performance-adjusted RSUs is typically on or about March 1. We use the average of the high and low prices of our common stock as of the date of grant for awarding the performance-adjusted RSUs. Any equity grants awarded in proximity to an earnings announcement or other market event are coincidental.

The Grants of Plan-Based Awards table provides the amount of performance shares and performance-adjusted RSUs granted to each NEO in 2014 based on the percentage of base salary provided earlier in the CD&A. Additional details regarding the 2014-2016 LTIP grants are provided in the narrative following the Grants of Plan-Based Awards table.

Retirement Benefits

We offer retirement benefits to all of our NEOs through our qualified and nonqualified supplemental plans under the FirstEnergy Corp. Pension Plan and the Executive Deferred Compensation Plan (later referred to as the EDCP), respectively. The qualified plan benefit has historically been based on earnings, length of service, and age at retirement and is considered a defined benefit plan under the Internal Revenue Code (later referred to as IRC). The qualified plan is subject to applicable federal and plan limits. The nonqualified supplemental plan has similarities to the qualified plan, but is designed to provide a comparable benefit to executives without the restriction of federal and plan limits and as a method to provide a competitive retirement benefit.

In 2013, a cash-balance pension formula under the FirstEnergy Corp. Pension Plan was approved for all newly hired employees as of January 1, 2014. Under this plan, an eligible employee receives credits to their retirement accounts based on employee compensation, age and years of service. The cash-balance plan design aligns your Company's retirement benefits with current market practices and mitigates your Company's risk associated with funding future annuity payments. In conjunction with the new cash-balance plan design and consistent with industry practice, your Company adopted a new nonqualified supplemental plan, which will provide a comparable benefit to eligible executives hired after January 1, 2014, but without the restriction of federal and plan limits that apply under the qualified pension plan.

Additionally, Mr. Alexander, Mr. Jones, and Ms. Vespoli participate in the SERP. Mr. Pearson and Mr. Lash are not participants in the SERP. Historically, participation in the SERP was provided to certain key executives as part of the integrated compensation program intended to attract, motivate, and retain top executives who are in positions to make significant contributions to our operations and profitability for the benefit of our customers and shareholders. Given Mr. Alexander's age and length of service with your Company, the SERP provides no additional retirement benefits. In January 2014, the SERP was formally closed to new entrants in order to align our executive retirement benefits with current market practices. Retirement benefits for the NEOs are further discussed in the narrative section following the Pension Benefits table later in this proxy statement.

Executive Deferred Compensation Plan (EDCP)

Executives, including the NEOs, may also elect to defer a portion of their compensation into the EDCP. The EDCP offers executives the opportunity to accumulate assets, both cash and Company common stock, on a tax-favored basis. The EDCP is part of an integrated executive compensation program to attract, retain, and motivate key executives who are in positions to make significant contributions to our operations and our profitability. Deferrals may be made to the EDCP retirement account or stock account.

Interest earnings on deferrals into the deferred compensation cash accounts of executives are provided as an incentive for executives to defer base salary and short-term incentive awards. The interest rate in 2014 was 7.42 percent for amounts deferred prior to 2013, and 5.42 percent for amounts deferred in 2013 and 2014. This difference in interest rate reflected the change in 2013 from Moody's Corporate Long-Term Bond Yield Index rate plus three percentage points, to Moody's Corporate Long-Term Bond Yield Index rate plus one percentage point. The interest rate is 5.54 percent for amounts deferred in 2015. Any above-market interest earnings are included in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column of the SCT. The EDCP is discussed in more detail in the narrative section following the Nonqualified Deferred Compensation table later in this proxy statement.

Personal Benefits and Perquisites

Explanation of Responses:

In 2014, our NEOs were able to use the corporate aircraft for limited personal use as described below. In 2014, Mr. Alexander was required to use our corporate aircraft for all personal and business travel. Effective with his promotion to CEO, at Mr. Jones' request and with Board concurrence, Mr. Jones is authorized to use either

commercial carrier or our corporate aircraft for any business or personal travel at his discretion. With CEO approval, other executives including the NEOs, may from time to time, use our corporate aircraft for personal travel. We have a written policy that sets forth guidelines regarding the personal use of the corporate aircraft by executive officers and other employees.

Additionally, in 2013, the Committee eliminated Company paid-financial planning and tax preparation services for all NEOs, other than Mr. Alexander.

The Committee believes these perquisites are reasonable, competitive, and consistent with our overall compensation philosophy.

Clawback Policy

In 2014, in response to feedback received during our shareholder outreach program, a clawback policy was approved by the Committee that covers all current or former employees who are deemed to be insiders for purposes of Section 16 of the Exchange Act in the event your Company is required to file a financial restatement due to material noncompliance, regardless of misconduct. This policy allows for recoupment of all incentive-based compensation granted or earned after January 1, 2014, and grants authority to your Board and/or Committee to seek repayment from executives, reduce the amount otherwise payable under another company benefit plan as allowed by law, withhold future incentive compensation, or a combination of these actions.

Share Ownership Guidelines and Prohibitions on Hedging and Pledging Shares

We believe it is critical that the interests of executives and shareholders are clearly aligned. Therefore, the Committee has adopted stock ownership guidelines that are intended to promote meaningful stock ownership by our executives. These guidelines specify the value of Company shares that our executives must accumulate within five years of becoming an executive officer of your Company. Each NEO is required to retain all Company shares earned under equity grants until the NEO meets his or her share ownership guidelines. Share ownership levels are calculated quarterly. The specific share ownership guidelines are based on a multiple of an executive officer's base salary, with the higher multiples applicable to the executives having the highest levels of responsibility.

During the 2014 annual review of the share ownership guidelines, the Committee approved the following changes to share ownership guidelines as follows: Mr. Pearson from three times to four times base salary based on his position as CFO and Mr. Jones from three times to four times base salary based on his promotion to Executive Vice President. The share ownership multiples for the remaining NEOs in 2014 were as follows: Mr. Alexander: six times base salary; Ms. Vespoli: four times base salary; and Mr. Lash: three times base salary. As of December 31, 2014, Mr. Alexander's share ownership was at approximately 16 times base salary. Beginning January 1, 2015 Mr. Jones's share ownership guidelines were increased from four times to six times based on his promotion to CEO. Additionally, to be consistent with an entirely performance-based LTIP design, the Committee approved excluding unvested performance-adjusted RSUs as eligible shares for executives to meet their share ownership requirements.

For 2014 and 2015, the following directly and indirectly held shares were and will be included in determining whether a NEO met his/her ownership guidelines:

Shares directly or jointly owned in certificate form or in a stock investment plan,

Shares owned through the Savings Plan,

Shares held in brokerage accounts, and

Units held in the EDCP.

As of December 31, 2014, Mr. Alexander and Mr. Lash have met their share ownership requirements. Mr. Pearson and Mr. Jones have not met their share ownership requirements based on their increased

requirements in their new positions. Mr. Pearson has until January 20, 2019 to meet his share ownership requirement. Mr. Jones has until January 1, 2020 to meet his share ownership requirement. Ms. Vespoli has not met her share ownership requirements based on the elimination of unvested performance-adjusted RSUs as eligible shares and the recent fluctuation in Company stock price. Ms. Vespoli has until March 4, 2017, approximately three years from the date the Committee approved the revisions to the ownership guidelines, to meet her share ownership requirements. Although the Committee established share ownership guidelines for executives, such equity ownership typically does not impact the establishment of compensation levels. The Committee does review previously granted awards, both vested and unvested, that are still outstanding on a regular basis. In addition, the Insider Trading Policy prohibits our directors and executive officers from pledging shares and hedging their economic exposure arising from their ownership of our common stock.

Severance Benefits upon an Involuntary Separation

Consistent with competitive practice, in the event of an involuntary separation, the CEO's and Executive Chairman's severance benefits, if any, would be determined by the Committee and approved by your Board. However, under the terms of his concluded service, Mr. Alexander will not receive any payments under the Severance Plan. The other NEOs are covered in the event of an involuntary separation under the FirstEnergy Corp. Executive Severance Benefits Plan (later referred to as the Severance Plan) when business conditions require the closing of a facility, corporate restructuring, a reduction in workforce, or job elimination. Benefits under the Severance Plan are also offered if an executive rejects a job assignment that would result in a material reduction in current base salary, would require the executive to make a material relocation from his or her current residence for reasons related to the new job, or would result in a material change in the executive's daily commute from the executive's current residence to a new reporting location. Any reassignment which results in the distance from the executive's current residence to his or her new reporting location being at least 50 miles farther than the distance from the executive's current residence to his or her previous reporting location is considered material. The Severance Plan provides three weeks' base pay for each full year of service with a minimum benefit of 52 weeks of base salary and a maximum benefit of 104 weeks of base salary. Additionally, executives who elect continuation of health care for the severance period will be provided this benefit at active employee rates. Executives must pay taxes on any continuation of health care value in excess of what employees with the same level of service would receive under the FirstEnergy Employee Severance Benefits Plan.

Change In Control (CIC)

The NEOs are provided benefits under the FirstEnergy Corp. Change in Control Severance Plan (later referred to as the CIC Severance Plan) through December 31, 2015. CIC severance benefits are provided to ensure that certain executives are free from personal distractions in the context of a potential change in corporate control, when your Board needs the objective assessment and advice of these executives to determine whether a potential business combination is in our best interests and those of our shareholders. The CIC Severance Plan provides the payment of severance benefits if the individual's employment with us or our subsidiaries was terminated under specified circumstances within two years after a CIC of your Company. However, it is our practice to require a qualifying termination following a CIC prior to the vesting of LTIP awards (double trigger) and we do not provide any excise tax gross-ups on CIC benefits. Circumstances defining a CIC are explained in the Potential Post-Employment Payments section later in this proxy statement. A detailed representation of the termination benefits provided under a CIC scenario as of December 31, 2014, is provided in the Post-Termination Compensation and Benefits table later in this proxy statement.

Typically, your Board reviews the terms of the CIC Severance Plan in the fourth quarter of each year and votes to extend or not extend the CIC Severance Plan for an additional year. However, in 2013 your Board decided to study current additional market trends in relation to CIC severance benefits and to determine what changes, if any, were necessary before extending the CIC Severance Plan through December 31, 2015. Therefore, the review period was extended by your Board to a date no later than April 30, 2014. In April 2014, it was determined that the severance

benefits provided under the CIC Severance Plan were generally consistent with market practice and the CIC Severance Plan was extended through December 31, 2015. In December 2014, your Board conducted

their annual review of the CIC Severance Plan and extended the CIC Severance Plan through December 31, 2016 with revisions effective January 1, 2016. These revisions further align our CIC Severance Plan with market practice and are as follows:

Revised the restrictions on the disclosure of confidential information and trade secrets by participants to provide that they will continue indefinitely;

Eliminated a diminution of a participant's budget as a Good Reason event;

Eliminated a diminution of a supervisor's authority as a Good Reason event, while revising the Good Reason event relating to a diminution of the participant's authority to include a diminution in the participant's reporting relationship;

Revised certain administrative provisions to: (i) allow the Committee to amend the CIC Severance Plan mid-term without a fifty-one percent (51%) participant consent unless the change would materially and adversely affect the participants' rights under the CIC Severance Plan; and (ii) allow the Board to conduct its annual review of the CIC Severance Plan at any time during the year rather than only in the fourth quarter at a regular meeting;

Limited continued health insurance coverage to two years; and

Eliminated life insurance benefit enhancements and subsidized retiree health coverage.

Impact of Tax Requirements on Compensation

The Committee is responsible for addressing pay issues associated with Section 162(m) of the IRC which limits the tax deduction to \$1 million for certain compensation paid to the NEOs (other than the CFO). The Committee and your Board attempt to qualify executive compensation as tax deductible to the fullest extent feasible and where we believe it is in our best interest and the best interest of our shareholders. However, we do not permit this tax provision to distort the effective development and execution of our compensation program. Thus, the Committee is permitted to and will continue to exercise discretion in those instances where satisfaction of tax law requirements for obtaining the deduction is not in the best interest of your Company. In addition, because of the uncertainties associated with the application and interpretation of Section 162(m) and the regulations issued thereunder, there can be no assurance that compensation intended to satisfy the requirements for deductibility under Section 162(m) will in fact be deductible.

Risk Assessment of Compensation Programs

Management conducted an assessment of the risks associated with our compensation policies, practices, and programs for employees, paying particularly close attention to those programs that allow for variable payouts where an employee may potentially be able to influence payout factors in those programs. The Committee reviewed Management's assessment and concurred with its conclusions. Based on this assessment, the Committee concluded that the risks associated with our compensation policies and practices are unlikely to have a material adverse effect on your Company.

The Committee and Management designed our compensation programs to incent employees while carefully considering our shareholders' concerns and supporting our pay for performance compensation philosophy which aligns our executives' interests with the long-term interests of our shareholders without encouraging excessive risk taking. In this regard, our compensation structure contains various features intended to mitigate excessive risk taking. These features include, among others:

The mix of compensation among base salary, and short- and long-term incentive programs is not overly weighted toward short-term incentives, and thus, does not encourage excessive risk taking;
Our annual incentive compensation is based on multiple, diversified performance metrics, including financial, safety/operational, and business unit measures that are consistent with our long-term goals;
Our long-term incentive compensation in 2014 consisted of performance shares and performance-adjusted RSUs which include components that are paid based on results over a multi-year performance period and vest over a three-year period, thus emphasizing the achievement of performance over time;

The Committee oversees our compensation policies and practices and is responsible for reviewing, approving and/or recommending for approval by your Board, where necessary, executive compensation, including annual incentive compensation plans applicable to senior management employees and other compensation plans, as appropriate; and

Our executives are required to own a specified level of shares in order to comply with share ownership guidelines, encouraging a long-term focus on enhancing shareholder value.

Additionally, our Chief Risk Officer participated in the discussion with senior management regarding the establishment of goals and their weightings and measurements for our short- and long-term incentive compensation programs and the 2014 performance results. The Chief Risk Officer provided his view to the Committee that:

The measurement of 2014 performance results were conducted in accordance with prescribed methodologies and preclude any beneficiary from controlling the calculation;

Proposed goals would not create inappropriate incentives or inadvertently encourage willingness to embrace risk exposures other than those we encounter in the normal course of our business;

By avoiding individually based goals or goals applicable only to a small group of employees, the risk of encouraging inappropriate behavior is greatly mitigated; and

There are adequate controls in place so that the beneficiary of any incentive payout cannot unilaterally control the measurement methodology.

For additional information regarding your Company's risk management process and your Board's role in risk oversight, see the related discussion in the Corporate Governance and Board of Directors Information section of this proxy statement.

Compensation Tables

Summary Compensation Table

The following table summarizes the total compensation paid to or earned by each of our NEOs for the fiscal years ended December 31, 2014, 2013, and 2012.

Name and Principal Position	Year	Salary (\$)	Stock Awards (\$)(2)	Non-Equity Incentive Plan Compensation (\$)(3)	Change in Pension Value and Non-qualified Deferred Compensation Earnings (\$)(4)	All Other Compensation (\$)(5)	Total (\$)
Anthony J. Alexander Executive Chairman ⁽¹⁾	2014	\$ 1,340,000	\$ 8,083,018	\$ 1,392,222	\$ 4,673,313	\$ 74,977	\$ 15,563,530
(former President & CEO)	2013	\$ 1,340,000	\$ 8,415,252	\$ 1,857,641	\$ 60,795	\$ 46,170	\$ 11,719,858
	2012	\$ 1,340,000	\$ 17,466,956	\$ 1,005,796	\$ 3,448,771	\$ 49,306	\$ 23,310,829
James F. Pearson SVP & CFO	2014	\$ 507,212	\$ 1,471,545	\$ 361,356	\$ 1,995,585	\$ 5,791	\$ 4,341,489
	2013	\$ 494,172	\$ 974,091	\$ 436,754	\$ 272,846	\$ 5,650	\$ 2,183,513
Charles E. Jones President & CEO ⁽¹⁾	2014	\$ 607,212	\$ 1,349,559	\$ 344,700	\$ 2,549,362	\$ 5,767	\$ 4,856,600
(former EVP & President, FEU)	2013	\$ 600,000	\$ 1,405,368	\$ 449,309	\$ 3,995	\$ 6,918	\$ 2,465,590
	2012	\$ 587,308	\$ 1,362,340	\$ 273,298	\$ 1,635,983	\$ 9,416	\$ 3,868,345
Leila L. Vespoli EVP, Market & Chief Legal Officer	2014	\$ 690,769	\$ 1,425,272	\$ 407,044	\$ 3,210,711	\$ 15,969	\$ 5,749,765
	2013	\$ 685,000	\$ 1,483,770	\$ 598,352	\$ 33,123	\$ 8,450	\$ 2,808,695
	2012	\$ 658,558	\$ 1,438,699	\$ 403,684	\$ 1,809,466	\$ 29,186	\$ 4,339,594
James H. Lash President, FE Generation	2014	\$ 554,327	\$ 1,029,014	\$ 266,978	\$ 1,172,363	\$ 5,767	\$ 3,028,449
	2013	\$ 550,000	\$ 1,071,437	\$ 379,723	\$ 20,268	\$ 6,627	\$ 2,028,055
	2012	\$ 532,253	\$ 1,038,658	\$ 298,114	\$ 1,086,325	\$ 10,475	\$ 2,965,825

(1) Mr. Alexander was named Executive Chairman effective January 1, 2015. Mr. Jones was named President and CEO effective January 1, 2015.

(2) The amounts set forth in the Stock Awards column represent grants provided under the Plan at the aggregate grant date fair value calculated in accordance with FASB ASC Topic 718 Stock Compensation and based on target payout. The assumptions used in determining values for the 2014 fiscal year are reflected in Note 4 to the Combined Notes to the Consolidated Financial Statements of the Company's Annual Report on Form 10-K filed with the SEC on February 17, 2015. The grant date fair value at maximum for each of the NEOs is as follows: Alexander: \$16,166,036; Pearson: \$2,943,090; Jones: \$2,699,116; Vespoli: \$2,850,544; and Lash: \$2,058,028. These awards are not payable to the executive until the vesting date or other qualifying event shown in the 2014 Post-Termination Compensation and Benefits table described later in this proxy statement.

- (3) The amounts set forth in the Non-Equity Incentive Plan Compensation column were earned under the STIP in the year presented and paid in the first quarter of the following year. The 2014 STIP awards were reduced formulaically due to Company performance as described in the CD&A section of this proxy statement.
- (4) The amounts set forth in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column reflect the aggregate increase in actuarial value to the executive officer of all defined benefit and actuarial plans (including supplemental plans) accrued during the year and above-market earnings on nonqualified deferred compensation. The change in values for the pension plans are as follows: Alexander: \$4,599,773; Pearson: \$1,970,338; Jones: \$2,544,530; Vespoli: \$3,170,644; and Lash: \$1,147,190. The change in pension value is heavily dependent on the discount rate and mortality assumptions and does not represent the actual value of the change in pension benefit accrued by the NEO during the year. The formula used to determine the above market earnings equals (2014 total interest x {difference between 120 percent of the Applicable Federal Rate for long-term rates (AFR) and the plan rate} divided by the plan rate). The above market earnings on nonqualified deferred compensation are as follows: Alexander: \$73,540; Pearson: \$25,247; Jones: \$4,832; Vespoli: \$40,067; and Lash: \$25,173.
- (5) The amounts set forth in the All Other Compensation column include compensation not required to be included in any other column. This includes matching Company common stock contributions under the Savings Plan for all of the NEOs of \$5,200 each.
- In addition, certain executives are eligible to receive limited perquisites. In 2014, the NEOs were provided: (1) financial planning and tax preparation services for Alexander of \$11,440; (2) charitable matching contributions for Vespoli; (3) premiums for the group personal excess liability and life insurance for all NEOs; and (4) personal use of the corporate aircraft for Alexander and Vespoli.

Of the All Other Compensation column amounts, \$57,759 is included for Mr. Alexander and \$8,678 for Ms. Vespoli related to their personal use of the corporate aircraft. Your Board required Mr. Alexander to use the corporate aircraft for all travel in 2014. The value of the personal use of the corporate aircraft is calculated based on the aggregate variable operating costs to your Company, including fuel costs, trip-related maintenance, universal weather-monitoring costs, on-board catering, landing/ramp fees, and other miscellaneous variable costs. Fixed costs which do not change based on usage, such as pilots' salaries, the amortized costs of the aircraft, and the cost of maintenance not related to trips are excluded. Executive officers' spouses and immediate family members may accompany executives on Company aircraft using unoccupied space on flights that were already scheduled, and your Company incurs no aggregate incremental cost in connection with such use. Unless otherwise quantified in footnote 5, the amount attributable to each perquisite or benefit for each NEO does not exceed the greater of \$25,000 or 10 percent of the total amount of perquisites received by such NEO.

Grants of Plan-Based Awards in Fiscal Year 2014

The following table summarizes the stock awards granted to our NEOs during 2014 as well as threshold, target, and maximum amounts payable under the STIP.

Name	Grant/Payout Type	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)			Grant Date Fair Value of Stock and Option Awards (\$)(3)
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	
Anthony J. Alexander	Short-Term Incentive Program		\$ 871,000	\$ 1,742,000	\$ 2,613,000				
	Performance-Adjusted RSUs	2/17/2014 ⁽⁴⁾				86,351	172,701	345,402	\$ 5,320,918
	Performance Shares	2/17/2014 ⁽⁴⁾				40,920	81,840	163,680	\$ 2,762,100
James F. Pearson	Short-Term Incentive Program		\$ 225,319	\$ 450,636	\$ 675,955				
	Performance-Adjusted RSUs	2/17/2014 ⁽⁴⁾				15,651	31,301	62,602	\$ 964,384
	Performance Shares	2/17/2014 ⁽⁴⁾				7,514	15,027	30,054	\$ 507,161
Charles E. Jones	Short-Term Incentive Program		\$ 218,750	\$ 437,500	\$ 656,250				
	Performance-Adjusted RSUs	2/17/2014 ⁽⁴⁾				14,362	28,723	57,446	\$ 884,956
	Performance Shares	2/17/2014 ⁽⁴⁾				6,883	13,766	27,532	\$ 464,603
Deila L. Respoli	Short-Term Incentive Program		\$ 282,000	\$ 564,000	\$ 846,000				
	Performance-Adjusted RSUs	2/17/2014 ⁽⁴⁾				15,249	30,498	60,996	\$ 939,643
	Performance Shares	2/17/2014 ⁽⁴⁾				7,195	14,389	28,778	\$ 485,629
James H. Ash	Short-Term Incentive Program		\$ 197,751	\$ 395,500	\$ 593,251				
	Performance-Adjusted RSUs	2/17/2014 ⁽⁴⁾				10,956	21,911	43,822	\$ 675,078
	Performance Shares	2/17/2014 ⁽⁴⁾				5,244	10,487	20,974	\$ 353,936

(1) The amounts set forth in the Estimated Future Payouts Under Non-Equity Incentive Plan Awards columns reflect the potential payouts for each named officer under the STIP based upon the achievement of KPIs described in the CD&A. The NEOs' 2014 STIP awards were reduced formulaically to 76% of target, on average, and are reported in the Non-Equity Incentive Plan Compensation column of the SCT.

(2) The amounts set forth in the Estimated Future Payouts Under Equity Incentive Plan Awards columns reflect the threshold, target, and maximum payouts for each NEO under the LTIP based upon the achievement of the performance measures described in the CD&A and reported in the Stock Awards column of the SCT.

(3) The grant date fair market value was computed in accordance with FASB ASC Topic 718. The Performance-Adjusted RSUs component is valued at the average of the high/low stock price of \$30.81 on February 28, 2014 and the Performance Share component is valued at the fair market closing stock price of \$33.75 on April 30, 2014.

(4) The dates set forth in the Grant Date column for these awards represent the date your Board took action to grant the awards. The effective grant date for the Performance-Adjusted RSUs is March 1, 2014 and for the Performance Shares is January 1, 2014.

The following chart summarizes the details of the annual LTIP grants for the 2014-2016 cycle:

	Performance-Adjusted Restricted Stock Units	
	Performance Shares	(RSUs)
Weighting	33%	67%
Granted	Annually	Annually
Grant Date	Typically in early March, effective the first of each year	Typically in early March, effective on the date of grant
Grant Price	Average high and low stock price for the month of December in the year preceding the grant date	Average high and low stock price on the grant date
Performance Period	3 years, cliff vest on December 31	3 years, cliff vest on March 1
Performance Measure	TSR ranking compared to the companies in the EEI Index	Capital Effectiveness Index, Funds from Operations to Adjusted Debt Index, Safety
Threshold Payout	50%, TSR at the 40th percentile	50%, Performance at 40th percentile
Target Payout	100%, TSR at the 50th percentile	100%, Performance at the 50th percentile
Maximum Payout	200%, TSR at or above the 90th percentile	200%, Performance at the 90th percentile
Settled	Cash	Stock
Dividend Equivalent Units	Reinvested based on the average high and low stock price on the payable date, subject to same restrictions as initial grant	Reinvested based on the average high and low stock price on the payable date, subject to same restrictions as initial grant
Payout	Average high and low stock price for the month of December in the last year of the performance period	Average high and low stock price on the vest date

Performance Shares

Performance shares are described earlier in the CD&A and are a component of our LTIP. Performance share awards are generally paid in cash. If the performance factors are met, the grants will be paid between February 15 and March 15 in the year following the third and final year of the performance period. In addition, in certain circumstances, the NEO may elect to defer performance shares into the EDCP and such deferral may be settled in stock.

On December 31, 2014, the performance period ended for the performance shares granted in 2012. As previously stated, threshold TSR performance was not achieved, nor did the three year average of Operating EPS exceed target performance resulting in no payout of the 2012-2014 cycles of performance shares. The performance period will end for performance shares granted in 2013 and 2014 on December 31, 2015 and December 31, 2016, respectively. Performance shares are treated as a liability for accounting purposes and are valued in accordance with FASB ASC Topic 718. The 2014-2016 performance share grant date fair value is \$33.75.

Performance-Adjusted Restricted Stock Units (RSUs)

Performance-adjusted RSUs are described earlier in the CD&A and are a component of our LTIP. Performance-adjusted RSUs are paid in the form of common stock. The amount of common stock the executive receives upon vesting may be increased or decreased depending on the actual results of the performance factors.

On March 5, 2015, the period of restriction ended for the performance-adjusted RSUs granted in 2012. As previously stated, above target performance was achieved on two of the performance measures, and less than target performance was achieved on one performance measure, resulting in a target payout for this grant. The period of restriction for performance-adjusted RSUs granted in 2013 and 2014 will end on March 1, 2016, and March 1, 2017, respectively, although performance is measured through December 31 of the year prior to vesting. Performance-adjusted RSUs are treated as a fixed expense for accounting purposes and are valued in accordance with FASB ASC Topic 718. The fair market value share price is \$30.81 for performance-adjusted RSU grants awarded on March 1, 2014.

Employment Agreements

We enter into employment agreements with our executives in special circumstances, primarily for recruiting and retention purposes. As discussed in the 2013 Proxy Statement, in March 2012, we entered into an employment agreement with Mr. Alexander (later referred to as the Alexander Agreement).

The term of the Alexander Agreement was through April 30, 2016, unless employment is terminated earlier by either party. The Alexander Agreement sets forth that Mr. Alexander would be provided an annual base salary and participate in the STIP and LTIP consistent with your Company's compensation philosophy. The Alexander Agreement further provided a restricted stock award of 200,000 shares, 25 percent of which vested on December 31, 2013 and an additional 25 percent which vested on December 31, 2014. The Restricted Stock Award would vest in full if the Alexander Agreement were terminated 1) voluntarily by Mr. Alexander if his total compensation opportunity is reduced below the level established for 2012 (unless the reduction applies generally to Company senior executives); 2) by the Board without Cause; or 3) in the event of his death or Disability. If the Alexander Agreement were terminated by the Board for Cause, or voluntarily by Mr. Alexander, at any time prior to any vesting date (except as described above), then the unvested portion of the Restricted Stock Award would be forfeited.

On February 17, 2015, your Board determined that Mr. Alexander will be leaving your Company and conclude his service as Executive Chairman on April 30, 2015. Effective with this determination, the remaining shares of restricted stock granted pursuant to the Alexander Agreement will vest. In addition, as provided in the Alexander Agreement, Mr. Alexander will continue to receive his base salary during his time of service and he will receive a prorated STIP to reflect the date of his departure, subject to the achievement of performance targets. In addition, he was granted a prorated LTIP in February 2015 consisting of performance-adjusted RSUs that will require him to remain employed with your Company through April 30, 2015 and, consistent with our performance-adjusted RSU awards, will remain entirely at risk (and subject to upward/downward adjustment or forfeiture) based on the achievement of the performance goals tracked over a three-year period.

Under the Alexander Agreement, Mr. Alexander has agreed that any incentive-based compensation that he may receive, within the meaning of the federal securities laws, will be subject to clawback by your Company in the manner required by such laws and applicable regulations to be issued from time to time, and as implemented by your Board or the Committee. In addition, Mr. Alexander is subject to certain noncompetition and nonsolicitation obligations for 24 months following the employment period identified in the Alexander Agreement.

Outstanding Equity Awards at Fiscal Year-End 2014

The following table summarizes the outstanding equity award holdings of our NEOs as of December 31, 2014.

Name	Option Awards				Stock Awards				Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Yet Vested	
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Yet Vested (#)	Grant Type	Market Value of Shares or Units of Stock That Have Not Yet Vested (\$)	Equity Incentive Awards: Number of Shares, Units or Other Rights That Have Not Yet Vested (#)		
Anthony J. Alexander	200,643		\$ 37.75	2/25/2021	114,838	RS	\$ 4,477,534	199,395	2012 Performance-Adjusted RSUs	\$ 7,774,411
								206,961	2013 Performance-Adjusted RSUs	\$ 8,069,409
								345,402	2014 Performance-Adjusted RSUs	\$ 13,467,224
								16,892	2013 PS	\$ 658,619
								40,920	2014 PS	\$ 1,595,471
James F. Pearson								8,783	2012 Performance-Adjusted RSUs	\$ 342,449
								23,871	2013 Performance-Adjusted RSUs	\$ 930,730
								62,600	2014 Performance-Adjusted RSUs	\$ 2,440,774
								1,968	2013 PS	\$ 76,732
								7,513	2014 PS	\$ 292,932
Charles E. Jones		80,257	\$ 37.75	2/25/2021	38,675	RS	\$ 1,507,938	33,162	2012 Performance-Adjusted RSUs	\$ 1,292,986
								34,421	2013 Performance-Adjusted RSUs	\$ 1,342,075
								57,446	2014 Performance-Adjusted RSUs	\$ 2,239,820
								2,841	2013 PS	\$ 110,771
								6,883	2014 PS	\$ 268,368
Leila L. Vespoli		120,386	\$ 37.75	2/25/2021	38,674	RS	\$ 1,507,899	35,213	2012 Performance-Adjusted RSUs	\$ 1,372,955
								36,549		\$ 1,425,046

Explanation of Responses:

121

				2013 Performance- Adjusted RSUs	2014 Performance- Adjusted RSUs	2013 PS	2014 PS
				60,996	\$ 2,378,234		
				2,970		\$ 115,800	
				7,194		\$ 280,494	
James H. Lash	80,257	\$ 37.75	2/25/2021	25,298	\$ 986,369		
				26,256	\$ 1,023,721		
				43,822	\$ 1,708,620		
				2,164		\$ 84,374	
				5,243		\$ 204,425	

(1) The stock option awards set forth in the Number of Securities Underlying Unexercised Options Unexercisable column are described in the CD&A and Grants of Plan-Based Awards narrative section of this proxy statement. Vesting dates are as follows: Mr. Jones (December 31, 2015); Ms. Vespoli (December 31, 2016); and Mr. Lash (March 1, 2015).

(2) The number of shares set forth in both the Number of Shares or Units of Stock that have not yet Vested and the Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that have not yet Vested columns include all dividends earned and reinvested through December 31, 2014.

(3) The restricted stock (RS) awards set forth in the Grant Type column are described in the CD&A and Grants of Plan-Based Awards narrative section of this proxy statement. Vesting dates are as follows for the RS awards- Mr. Alexander (December 31, 2015); Mr. Jones and Ms. Vespoli (March 1, 2015).

(4) The values set forth in both the Market Value of Shares or Units of Stock that have not vested and the Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that have not yet Vested columns are determined by multiplying the number of shares or units by our common stock closing price of \$38.99 on December 31, 2014.

(5) The number of shares or units set forth in the Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that have not yet Vested column is based on maximum performance at 150% for 2012 and 2013 performance-adjusted RSUs, maximum performance at 200% for 2014 performance-adjusted RSUs, threshold performance at 25% for 2013 performance shares (PS), and threshold performance at 50% for 2014 performance shares (PS).

(6) The awards set forth in the Grant Type column are described in the CD&A and Grants of Plan-Based Awards narrative section of this proxy statement. The vesting dates are as follows: 2012 performance-adjusted RSU (March 5, 2015); 2013 performance-adjusted RSU (March 1, 2016); 2014 performance-adjusted RSU (March 1, 2017); 2013 performance shares (PS) (December 31, 2015); and 2014 performance shares (PS) (December 31, 2016).

Option Exercises and Stock Vested in 2014

The following table summarizes the options exercised and vesting of stock awards held by our NEOs during 2014.

Name	Number of Shares Acquired on Vesting (#)(1)	Award Type	Value Realized on Vesting \$(2)
Anthony J. Alexander	127,819	2011 Performance-Adjusted RSUs	\$ 3,913,818
	57,419	Restricted Stock	\$ 2,238,767
James F. Pearson	5,887	2011 Performance-Adjusted RSUs	\$ 180,260
Charles E. Jones	22,922	2011 Performance-Adjusted RSUs	\$ 701,872
Leila L. Vespoli	24,840	2011 Performance-Adjusted RSUs	\$ 760,601
James H. Lash	19,738	2011 Performance-Adjusted RSUs	\$ 604,378

(1) The number of shares set forth in the Number of Shares Acquired on Vesting column reflect the number of 2011 performance-adjusted RSUs which vested on March 4, 2014, and the restricted stock which vested for Mr. Alexander on December 31, 2014, in conjunction with the Alexander Agreement. The number of shares include dividend equivalent units earned and reinvested through the vesting date.

(2) The amounts set forth in the Value Realized on Vesting column are based on the closing stock price on the vesting date (\$30.62 for 2011 performance-adjusted RSUs and \$38.99 for restricted stock) multiplied by the number of shares vested. The performance-adjusted RSUs were paid at target.

Post-Employment Compensation**Pension Benefits as of December 31, 2014**

The following table provides information regarding the pension benefits of our NEOs as of December 31, 2014.

Name(1)	Plan Name	Number of Years of Credited Service (#)	Present Value of Accumulated Benefit (\$)(1)	Payments During Last Fiscal Year (\$)
Anthony J. Alexander	Qualified Plan	42	\$ 2,133,397	\$ 0
	Nonqualified (Supplemental) Plan		\$ 31,618,191	\$ 0
	Supplemental Executive Retirement Plan		\$ 0	\$ 0
	Total		\$ 33,751,588	\$ 0
James F. Pearson	Qualified Plan	38	\$ 2,131,889	\$ 0
	Nonqualified (Supplemental) Plan		\$ 3,767,836	\$ 0
	Supplemental Executive Retirement Plan		\$ 0	\$ 0
	Total		\$ 5,899,725	\$ 0
Charles E. Jones	Qualified Plan	36	\$ 1,986,540	\$ 0
	Nonqualified (Supplemental) Plan		\$ 7,183,687	\$ 0
	Supplemental Executive Retirement Plan		\$ 492,226	\$ 0
	Total		\$ 9,662,453	\$ 0
Leila L. Vespoli	Qualified Plan	30	\$ 1,607,198	\$ 0
	Nonqualified (Supplemental) Plan		\$ 7,276,170	\$ 0
	Supplemental Executive Retirement Plan		\$ 1,269,296	\$ 0
	Total		\$ 10,152,664	\$ 0
James H. Lash	Qualified Plan	25	\$ 1,519,351	\$ 0
	Nonqualified (Supplemental) Plan		\$ 3,983,168	\$ 0
	Supplemental Executive Retirement Plan		\$ 0	\$ 0
	Total		\$ 5,502,519	\$ 0

(1) The amounts set forth in the Present Value of Accumulated Benefit column are determined as of December 31, 2014, using the following assumptions: December 31, 2014 discount rate of 4.25%, the RP-2000 Combined Healthy Mortality Table and retirement at the earliest unreduced age.

Pension Benefits**Qualified and Nonqualified Plans**

We offer a qualified and nonqualified (supplemental) plan to provide retirement benefits to all of our NEOs. We pay the entire cost of these plans. Retirement benefits from the qualified plan provided under the FirstEnergy Corp. Master Pension Plan (later referred to as the Pension Plan) are calculated using pensionable earnings up to the applicable

federal and plan limits. As described earlier in the CD&A, the Pension Plan was amended to provide a cash-balance formula for all employees hired or rehired on or after January 1, 2014. In conjunction with the new cash-balance formula, your Company adopted a new nonqualified supplemental plan, which will provide a benefit, based upon the cash-balance formula, to eligible executives hired or rehired on or after January 1, 2014, but without the restriction of federal and plan limits that apply under the qualified pension plan.

The supplemental plan provided under the EDCP provides a benefit based upon the formula used in the qualified plan but is calculated using all pensionable earnings without the restrictions of federal and plan limits. The retirement benefit from the qualified and nonqualified plans provided to our NEOs is the greater benefit determined using the following two formulas:

1. **Career Earnings Benefit Formula:** A fixed (2.125 percent) factor is applied to the executive's total career earnings to determine the accrued (age 65) career earnings benefit. Pensionable earnings under the career earnings formula generally include base earnings, annual incentive awards, and other similar compensation.
2. **Adjusted Highest Average Monthly Base Earnings Benefit Formula:** The benefit is equal to the sum of A and B where A is the highest average monthly base earnings (later referred to as HAMBE) times the sum of:
 - 1.58 percent times the first 20 years of benefit service,
 - 1.18 percent times the next 10 years of benefit service,
 - 0.78 percent times the next 5 years of benefit service, and
 - 1.10 percent times each year of benefit service in excess of 35 years.

and B is an amount equal to 0.32 percent times number of years of service (up to 35 years) times the difference between the HAMBE and the lesser of 150 percent of covered compensation or the Social Security Wage Base, except that B cannot be less than zero (0).

The HAMBE for the qualified plan are the highest 48 consecutive months of base earnings the executive had in the 120 months immediately preceding retirement or other termination of employment. Pensionable earnings under the qualified plan HAMBE formula generally include base earnings and deferred compensation after 2004. The pensionable earnings under the nonqualified plan HAMBE formula are the same as the qualified plan described above except that deferred compensation excluded under the qualified plan, annual incentive awards that are paid or deferred, other awards, and accrued unused vacation paid at termination are included. Covered compensation represents the average (without indexing) Social Security Taxable Wage Base in effect for each calendar year during the 35-year period that ends when the executive reaches the Social Security normal retirement age.

Under the Pension Plan, normal retirement is at age 65 and the completion of five years of eligibility service. The earliest retirement is at age 55 if the employee has at least 10 years of eligibility service. Mr. Alexander, Mr. Pearson, and Mr. Lash are currently eligible for an unreduced pension benefit. Mr. Jones and Ms. Vespoli are currently eligible for a reduced pension benefit based on the Early Retirement Reduction Table below. The earliest retirement age without reduction for the qualified plan is age 60.

Early Retirement Reduction Table

If payment begins at age...	The benefit is multiplied by
60 and up	100%
59	88%
58	84%
57	80%
56	75%
55	70%

The accrued benefits vest upon the completion of five years of service. The benefits generally are payable in the case of a married executive in the form of a qualified spouse 50 percent joint and survivor annuity or in the case of an unmarried executive in the form of a single life annuity. The unmarried executives can designate a non-spouse beneficiary to receive up to a 100 percent joint and survivor annuity depending upon the non-spousal beneficiary's age. For the married executive, there also is an option to receive the benefit as a joint and survivor annuity with or without a pop-up provision or a period certain annuity. The annuity provides a reduced monthly

benefit, payable to the NEO until death. If a joint and survivor annuity is chosen, the NEO's named beneficiary will receive 25 percent, 50 percent, 75 percent, or 100 percent of the NEO's benefit based on the NEO's and the beneficiary's ages and the percentage to be continued after the NEO's death. Under the pop-up provisions, the monthly payment to the NEO pops-up to the single life annuity amount if the beneficiary predeceases the NEO. The period certain annuity provides a reduced benefit for the life of the NEO and continues the benefit to the named beneficiary for a guaranteed period if the NEO's death occurs before the end of the 5, 10 or 15 year period, as elected. No further payments are made if the NEO's death occurs after the end of the period.

Supplemental Executive Retirement Plan (SERP)

In addition to the qualified and nonqualified plans, certain NEOs may receive an additional nonqualified benefit from the SERP. Currently, only five active employees are eligible for a SERP calculation upon retirement, and no new participants have been provided eligibility since 2001. In 2014, the Committee formally closed the SERP to new entrants.

Mr. Alexander, Mr. Jones, and Ms. Vespoli are participants in the SERP. Mr. Pearson and Mr. Lash are not participants in the SERP. The NEOs who are participants in the SERP, or the NEO's surviving spouse, are eligible to receive a supplemental benefit after termination of employment due to retirement, death, disability, or involuntary separation. Whether or not a supplemental benefit under the SERP will be paid is determined in accordance with, and shall be non-forfeitable, upon the date the NEO terminates employment under the conditions described in the following sections:

Retirement Benefit

An eligible NEO who retires on or after age 55 and who has completed 10 years of service will be entitled to receive, commencing at retirement, a monthly supplemental retirement benefit under the SERP equal to (a) 65 percent of the average of the highest 12 consecutive full months of base salary earnings paid to the NEO in the 120 consecutive full months prior to termination of employment, including any salary deferred into the EDCP or the Savings Plan, but excluding any incentive payments, or (b) 55 percent of the average of the highest 36 consecutive full months of base salary earnings and annual incentive awards paid to the NEO in the 120 consecutive full months prior to termination of employment, including any salary deferred into the EDCP and Savings Plan, whichever is greater, multiplied by the number of months of service the executive has completed after having completed 10 years of service, up to a maximum of 60 months, divided by 60, less:

1. The monthly primary Social Security benefit to which the executive may be entitled upon retirement (or the projected age 62 benefit if retirement occurs prior to age 62), irrespective of whether the executive actually receives such benefit at the time of retirement, and
2. The monthly retirement income benefit to which the executive may be entitled upon retirement under the Pension Plan and EDCP, calculated based on the NEO's marital status at the time of such retirement as follows:

In the case of a married NEO in the form of a 50 percent joint and survivor annuity.

In the case of an unmarried NEO, in the form of a single life annuity.

For a NEO who retires prior to attaining age 65, the net dollar amount above shall be reduced further by one-fourth of 1 percent for each month the commencement of benefits under the SERP precedes the month the executive attains age 65.

Death Benefit

If a married NEO dies, 50 percent of the NEO's supplemental retirement benefit actuarially adjusted for the NEO's and spouse's ages will be paid to the NEO's surviving spouse. In general, payment will begin the first of the month following the later of the date the NEO would have attained age 55 or death and continue for the remainder of the surviving spouse's life. If the NEO had at least 10 years of eligibility service before January 1, 2009, the payment will begin on the first day of the month following the NEO's death. For a NEO who dies prior

to attaining age 65, the benefit shall be reduced further by one-fourth of 1 percent for each month the commencement precedes the NEO's attainment of age 65, with a maximum reduction of 30 percent.

Disability Benefit

A NEO terminating employment due to a disability may be entitled to receive a monthly supplemental retirement benefit under the SERP. If applicable, SERP payments will commence on the first of the month following the NEO's attaining age 60 if the disability termination occurs before age 55. If the disability termination occurs on or after the NEO attains age 55, applicable SERP payments will begin the first of the month following termination. The retirement benefit will equal the greater of 65% of the NEO's base salary earnings as set forth in (a) of the *Retirement Benefit* section above, or 55% of the NEO's base salary earnings plus their annual incentive awards as set forth in (b) of the *Retirement Benefit* section above. That amount will be reduced by disability benefits the NEO receives from Social Security, the FirstEnergy Corp. Master Pension Plan and the FirstEnergy Corp. Long Term Disability Plan. The disability benefit continues until the NEO attains age 65 or dies, whichever occurs first. Upon attaining age 65, benefits are calculated as described in the *Retirement Benefit* section above. In the event of death, benefits are calculated as described in the *Death Benefit* section above.

Nonqualified Deferred Compensation as of December 31, 2014

The following table summarizes nonqualified deferred compensation earned, contributed by, or on behalf of our NEOs during 2014.

Name	Registrant				
	Executive Contributions in last FYE \$(1)	Contributions in last FYE \$(2)	Aggregate Earnings in last FYE \$(3)	Aggregate Withdrawals/ Distributions \$(4)	Aggregate Balance at last FYE \$(5)
Anthony J. Alexander	\$ 0	\$ 0	\$ 833,651	\$ 0	\$ 8,767,434
James F. Pearson	\$ 218,714	\$ 0	\$ 144,611	(\$ 46,125)	\$ 2,142,590
Charles E. Jones	\$ 0	\$ 0	\$ 103,114	\$ 0	\$ 831,555
Leila L. Vespoli	\$ 0	\$ 0	\$ 426,593	\$ 0	\$ 4,630,898
James H. Lash	\$ 0	\$ 0	\$ 284,301	\$ 0	\$ 2,949,082

(1) The amount set forth in the Executive Contributions in last FYE column for Mr. Pearson includes the deferral of (i) 2014 base salary in the amount of \$101,462; (ii) 2013 STIP deferred in 2014 in the amount \$109,189; and (iii) 2011 Performance Shares deferred in 2014 in the amount of \$8,063. The base salary amount is also included in the Salary column of the current year Summary Compensation Table.

(2) There were no registrant contributions made in 2014.

(3) The amounts set forth in the Aggregate Earnings in last FYE column include above-market earnings which have been reported in the Summary Compensation Table as follows: Mr. Alexander: \$73,540; Mr. Pearson: \$25,247; Mr. Jones: \$4,832; Ms. Vespoli: \$40,067; and Mr. Lash: \$25,173. The compounded annual rate of return on pre-2014 retirement accounts was 7.42%, and 5.42% on the post-2013 retirement accounts. The compounded annual rate of return on stock accounts was 23.17%, which includes dividends.

(4) The amounts set forth in the Aggregate Withdrawals/Distributions column include amounts distributed to Mr. Pearson in accordance with his specified distribution elections.

(5) The amounts set forth in the Aggregate Balance at last FYE column include amounts reported in the Summary Compensation Table in prior years.

Executive Deferred Compensation Plan (EDCP)

The EDCP is a nonqualified defined contribution plan which provides for the voluntary deferral of compensation. Our NEOs may defer up to 50 percent of base salary, up to 100 percent of STIP awards, and up to 100 percent of LTIP awards.

Two investment options are available under the EDCP. NEOs may direct deferrals of base salary and STIP awards to an annual cash retirement account, which accrues interest. The interest rate changes annually and is based upon the Moody's Corporate Long-Term Bond Yield Index rate (later referred to as Moody's). In 2014, the interest rate was based on the Moody's rate plus one percentage point (5.42 percent) for accounts after 2013 and Moody's plus three percentage points (7.42 percent) for accounts prior to 2013. NEOs may direct deferrals of STIP awards and performance share and performance-adjusted RSU LTIP awards to an annual stock account. The stock accounts are tracked in stock units and accrue additional stock units based upon the payment of dividends. The stock accounts are valued at the fair market value of our common stock. Payments made with respect to any dividend equivalent units

that accrue after January 21, 2014 will be paid in cash. Effective February 23, 2015, all future contributions to stock accounts directed from performance share awards will be paid in cash upon the end of the three-year deferral period.

Until the plan year beginning January 1, 2011 we provided a 20 percent incentive match on contributions to the stock account, which was calculated by multiplying the value of the amount deferred by 20 percent and dividing the result by the average closing market price for the month of February of the applicable year. The NEO's contribution and additional dividend units are vested immediately; the 20 percent incentive match and additional dividend equivalent units thereon vest at the end of a three-year period and are subject to forfeiture prior to the conclusion of that vesting period.

The 20 percent incentive match provided in 2011 vested on March 1, 2014. At the end of the vesting period, the executive's initial deferral and the vested 20 percent incentive match was paid out in a lump sum or further deferred into the retirement stock account, to be paid at separation from service.

NEOs may elect to receive distributions from the cash retirement accounts in any combination of lump sum payment and/or monthly installment payments for up to 25 years. Differing distribution elections may be made for retirement, disability, and pre-retirement death. In the event of involuntary separation prior to retirement eligibility, the accounts accrued prior to January 1, 2005, may be paid in a single lump sum payment or in three annual installments. Accounts accrued after January 1, 2005, are paid in a single lump sum payment. Payments may not commence until separation from service. Amounts that were vested as of December 31, 2004, are available for an in-service withdrawal of the full account, subject to a 10 percent penalty. There is no in-service withdrawal option for retirement accounts accrued after January 1, 2005.

Generally, stock account distributions are made in a lump sum payment in the form of our common stock at the end of the three-year period following the initial deferral, unless further deferred. If further deferred until termination or retirement (or for future deferrals, if termination occurs prior to the end of the initial three-year period, regardless of age at termination), the account will be converted to cash, based upon the fair market value of the account at termination, and the balance will be rolled over to the corresponding annual retirement account for distribution in lump sum or monthly installments as elected under the retirement account.

Potential Post-Employment Payments

2014 Post-Termination Compensation and Benefits

The following table summarizes the compensation and benefits that would be payable to our NEOs in the event of a termination or following a change in control absent a termination as of December 31, 2014.

	Termination Without Cause						
	Retirement (1)	Involuntary Separation (Other Than For Cause)	or for Good Reason During Two-Year Period Following a Change In Control	Following a Change In Control a Termination	Voluntary Termination (Pre-retirement Eligible) (1)	Death (1)	Disability (1)
Base Salary	Accrued through date of retirement	Accrued through date of termination	Accrued through date of change in control termination	Accrued through date of change in control	Accrued through date of termination	Accrued through date of qualifying event	Accrued through date of qualifying event
Severance Pay	n/a	3 weeks of pay for every full year of service (capped at a maximum of 104 weeks), including the current year, calculated using base	2.99 times the sum of base salary plus target annual STIP of which a portion is payable in consideration for the non-competition clause ⁽³⁾	n/a	n/a	n/a	n/a

salary at

the time of
severance⁽²⁾

Banked Vacation	Paid in a lump sum and valued based on 12/31/2008 base salary	Paid in a lump sum and valued based on 12/31/2008 base salary	Paid in a lump sum and valued based on 12/31/2008 base salary	Eligible for a lump sum payment at termination based on 12/31/2008 base salary	Paid in a lump sum and valued based on 12/31/2008 base salary	Paid in a lump sum and valued based on 12/31/2008 base salary	Paid in a lump sum and valued based on 12/31/2008 base salary
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	Termination Without Cause						
	Retirement (1)	Involuntary Separation For Cause (Other Than Change In Control)	or for Good Reason During Two-Year Period Following a Change In Control	Following a Change In Control a Termination	Voluntary Termination (Pre-retirement) Eligible (1)	Death (1)	Disability (1)
Health and Wellness Benefits	Retiree/spouse health and wellness provided through 2015	Provided at active employee rates for severance period ⁽⁴⁾	Based on the terms of the CIC Severance Plan ⁽⁵⁾	Provided at active employee rates for the length of employment	Forfeited	Survivor health and wellness provided as eligible	Health and wellness provided as eligible
STIP Award	Issued a prorated award based on full months of service	Issued a prorated award based on full months of service	Issued a prorated award at target based on full months of service	Eligible for a full or prorated award based on full months of service	Issued a prorated award based on full months of service	Issued a prorated award based on full months of service	Issued a prorated award based on full months of service
Performance -Adjusted RSUs	Issued a prorated award based on full months of service	Issued a prorated award based on full months of service ⁽⁶⁾	Issued 100% of shares and all dividends earned	Eligible for an award based on future employment through the vesting date	Forfeited	Issued a prorated award based on full months of service	Issued a prorated award based on full months of service
Performance Shares	Issued a prorated award based on full months of service	Issued a prorated award based on full months of service ⁽⁶⁾	Issued 100% of shares and all dividends earned	Eligible for an award based on future employment through the vesting date	Forfeited	Issued a prorated award based on full months of service	Issued a prorated award based on full months of service
Restricted Stock	Forfeited	Forfeited or vest, as described below ⁽⁷⁾	Issued 100% of shares and all dividends earned	Eligible for an award based on future employment through the vesting date or vest, as described below ⁽⁸⁾	Forfeited	Issued 100% of shares and all dividends earned	Issued 100% of shares and all dividends earned
Unvested Stock	Forfeited	Vest on a prorated basis	Fully vest and must be	Eligible for an award based	Forfeited	Vest on a prorated	Vest on a prorated

Options

<p>and must be exercised within 5 years of the date of termination or date of expiration, whichever occurs earlier</p>	<p>exercised within 5 years of the date of termination or the date of expiration, whichever occurs earlier</p>	<p>on future employment through the vesting date</p>	<p>basis and must be exercised within one year of termination</p>	<p>basis and must be exercised within one year of termination</p>
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	Termination Without Cause						
	Retirement (1)	Involuntary or for Good Reason Separation (Other Than For Cause)	During Two-Year Change In Control	Following a Change In Control a Termination	Voluntary Termination (Pre-retirement Eligible) (1)	Death (1)	Disability (1)
Vested EDCP	Payable as elected	Payable as elected	Payable as elected	Payable upon termination	Payable in a lump sum upon termination	Payable to survivor as elected	Payable as elected
Additional Age	n/a	n/a	Three years	n/a	n/a	n/a	n/a
and Service for Pension, EDCP & Benefits							
Reimburse Code	No	No	No	n/a	No	No	No
Section 280G							

- 1) Benefits provided in these scenarios are provided to all employees on the same terms, if applicable.
- 2) Under the terms of his departure, Mr. Alexander will not receive severance payments under the Executive Severance Plan.
- 3) The NEOs were all participants in the CIC Severance Plan in 2014.
- 4) Active employee health and wellness benefits are provided under the Severance Plan for the severance period, which is equal to three weeks for every year of service, including the current year (52 week minimum and 104 week maximum).
- 5) All NEOs are eligible for retirement and would receive retiree health and wellness benefits irrespective of a change in control.
- 6) Under the terms of his departure, Mr. Alexander will receive a pro rata portion of his outstanding performance-adjusted RSU awards and performance share awards, subject to the achievement of the performance targets and in return for a complete release as provided in the award agreements.
- 7) Under the terms of Mr. Alexander's employment agreement, the restricted stock award granted to Mr. Alexander fully vests. All other NEOs' restricted stock outstanding awards would have been forfeited upon an involuntary separation (other than for cause).
- 8) The CIC Severance Plan, initially adopted in 2011, requires a qualifying termination following a CIC prior to the vesting of LTIP awards. The restricted stock awards granted to Mr. Jones and Ms. Vespoli in 2005, prior to the

adoption of our current CIC Severance Plan, were structured to fully vest upon a change in control, but the remaining shares vested on March 1, 2015, in accordance with the vesting provisions of the award. Under the terms of Mr. Alexander's employment agreement, the restricted stock award granted to Mr. Alexander continues to vest according to its original terms following a change in control without a subsequent termination of employment. The remaining NEOs had no outstanding restricted stock as of December 31, 2014.

The potential post-employment payments discussed below disclose the estimated payments and benefits payable to the NEOs upon certain triggering events representing the enhanced or accelerated value of payments and benefits and do not include previously-earned and vested amounts payable to the NEOs regardless of the applicable triggering event that have been accrued but not yet paid. The post-termination benefit calculations are based on the following assumptions:

The amounts disclosed are estimates of the amounts which would be paid out to the NEOs based on the triggering event. The actual amounts can be determined only at the time of payment.

The amounts disclosed do not include benefits provided under the qualified plan, nonqualified supplemental plan and SERP as described in the Pension Benefits section and shown in the Pension Benefits table (at the earliest commencement date without reduction) earlier in this proxy statement, unless expressly noted.

The amounts disclosed do not include compensation previously earned and deferred into the EDCP. The year-end account balances of the NEOs in the EDCP are set forth in the Nonqualified Deferred

Compensation table earlier in this proxy statement. These amounts are payable to the NEO based on the distribution elections made by the NEO at the time the deferral was elected.

December 31, 2014, is the last day of employment.

All employees, including the NEOs, are eligible for a full year payout based on actual performance under the STIP if they are employed on December 31, 2014. The 2014 STIP amounts are provided in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table. The 2014 STIP awards for our NEOs were reduced as described earlier in this proxy statement.

The LTIP and Other Equity Awards table below includes stock options, performance shares, performance-adjusted RSUs, and restricted stock.

The closing common stock price on December 31, 2014, the last trading day of the year (\$38.99), is applied to value stock options, performance shares, performance-adjusted RSUs, and restricted stock.

Actual performance is utilized for the 2012-2014 performance shares and performance-adjusted RSUs. Target payout is assumed for the 2013-2015 and 2014-2016 performance shares and performance-adjusted RSUs.

Health care amounts are not provided in most cases since they are available to all employees under the same circumstances.

Retirement/Voluntary Termination

In the event of an NEO's retirement or voluntary termination as of December 31, 2014, the NEOs would be provided vested outstanding equity awards as described in the 2014 Post-Termination Compensation and Benefits table above and quantified in the LTIP and Other Equity Awards table below.

The present value of the Qualified Plan, Nonqualified Supplemental Plan, and SERP benefits as shown in the Pension Benefits table reflects commencement of retirement benefits at the NEOs' earliest age necessary to receive pension benefits without reduction. Messrs. Alexander, Pearson, and Lash have reached the age and service requirements needed to receive pension benefits without reduction. Mr. Jones and Ms. Vespoli do not meet the age requirement needed to receive pension benefits without reduction; however they are entitled to accrued and vested Qualified Plan, Nonqualified Supplemental Plan, and SERP benefits as shown in the Pension Benefits table. If Mr. Jones or Ms. Vespoli commence their reduced pension benefits immediately upon termination, the present value of the pension benefits without reduction increases for Mr. Jones by \$341,647 and for Ms. Vespoli by \$2,038,657.

Involuntary Separation

In the event of an involuntary separation, the CEO's and Executive Chairman's severance benefits, if any, would be determined by the Committee and approved by your Board. However, under the terms of his concluded service, Mr. Alexander will not receive any payments under the Severance Plan. The other NEOs are covered under the Severance Plan. For the purposes of the discussion below, which relate to 2014, it is assumed that Mr. Alexander would receive the same level of benefits provided under the Severance Plan, as the other NEOs. Under the Severance

Plan, executives are offered severance benefits if involuntarily separated when business conditions require the closing of a facility, corporate restructuring, a reduction in workforce, or job elimination. Severance is also offered if an executive rejects a job assignment that would result in a material reduction in current base pay; contains a requirement that the executive must make a material relocation from his or her current residence for reasons related to the new job; or results in a material change in the executive's daily commute from the executive's current residence to a new reporting location. Any reassignment which results in the distance from the executive's current residence to his or her new reporting location being at least 50 miles farther than the distance from the executive's current residence to his or her previous reporting location is considered material. The Severance Plan provides three weeks of base pay for each full year of service with a minimum of 52 weeks and a maximum severance benefit of 104 weeks of base pay. In the event of a December 31, 2014 involuntary separation, severance pay would be provided as follows: Mr. Alexander \$2,680,000; Mr. Pearson \$1,050,000; Mr. Jones \$1,250,000; Ms. Vespoli \$1,220,193; and Mr. Lash

\$814,904. Additionally, the increase in the present value of the benefits under the Qualified Plan, Nonqualified Supplemental Plan, and SERP for Mr. Jones is \$341,647 and for Ms. Vespoli is \$2,038,657. Each of the NEOs would also be provided prorated vesting for certain outstanding equity as described in the 2014 Post-Termination Compensation and Benefits table and quantified in the LTIP and Other Equity Awards table.

Termination Following a Change in Control

As described above, the NEOs were participants in the CIC Severance Plan in 2014. Under the CIC Severance Plan, certain enhanced benefits would be provided in the event of a termination without cause or for good reason within two years following a CIC. In general, it is our customary practice to require a double trigger for acceleration of the vesting of equity awards in the event of a change of control rather than providing for accelerated vesting solely upon a change of control. In the event a NEO accepts benefits under the CIC Severance Plan, the NEO would be prohibited for two years from working for or with competing entities after receiving severance benefits pursuant to the CIC Severance Plan, and would be prohibited from disclosing trade secrets or other confidential information indefinitely.

Generally, pursuant to the CIC Severance Plan, a CIC is deemed to occur:

- (1) If any person acquires 25 percent or more of our voting securities (excluding acquisitions (i) directly from us, (ii) by us, (iii) by certain employee benefit plans, and (iv) pursuant to a transaction meeting the requirements of item (3) below, or
- (2) If a majority of our directors as of the date of the agreement are replaced (other than in specified circumstances), or
- (3) The consummation of a Major Corporate Event (defined to include reorganizations and certain asset sales) unless, following such transaction:
 - (a) The same person or persons who owned our voting securities prior to the transaction own more than 60 percent of our voting securities prior to the transaction,
 - (b) No person or entity (with certain exceptions) owns 25 percent or more of our voting securities, and
 - (c) At least a majority of the directors resulting from the transaction were directors at the time of the execution of the agreement providing for such transaction, or
- (4) If our shareholders approve a complete liquidation or dissolution.

For a complete CIC definition see the CIC Severance Plan. The CIC severance benefits are triggered only if the individual is terminated without cause or resigns for good reason within two years following a CIC. Good reason is defined as a material change, following a CIC, inconsistent with the individual's previous job duties or compensation. We do not gross up equity or cash awards to cover the tax obligations for executives.

In the event of a December 31, 2014 qualifying termination following a CIC, compensation in an amount equal to 2.99 multiplied by the sum of the amount of annual base salary plus the target annual STIP amount in the year during which the date of termination occurs, whether or not fully paid, will be provided as follows: Mr. Alexander \$9,215,180; Mr. Pearson \$2,917,152; Mr. Jones \$3,176,876; Ms. Vespoli \$3,794,310; and Mr. Lash \$2,871,895. Additionally, the increase in the present value of the benefits under the Nonqualified Supplemental Plan and SERP based on the terms of the CIC Severance Plan, as applicable would provide three additional years of age and service quantified as follows: Mr. Alexander \$1,677,423; Mr. Pearson \$325,458; Mr. Jones \$606,983; Ms. Vespoli \$2,958,265; and Mr. Lash \$402,199. Each of the NEOs would also be provided additional accelerated vesting following a termination for certain outstanding equity as described in the 2014 Post-Termination Compensation and Benefits table above and quantified in the LTIP and Other Equity Awards table below. Excise tax and gross-up provisions are not provided under the CIC Severance Plan.

Death & Disability

In the event of an NEO's death or Disability (as defined in the applicable plan documents) as of December 31, 2014, each of the NEOs would also be provided additional accelerated vesting for certain outstanding equity as described in the 2014 Post-Termination Compensation and Benefits table above and quantified in the LTIP and Other Equity Awards table below.