

Before
The Ohio Senate
Energy and Public Utilities Committee
Testimony on Substitute House Bill 6
(Version I_133_1512-1)

Presented by Michael Haugh

On Behalf of the
Office of the Ohio Consumers' Counsel

June 29, 2019

Hello Chair Wilson, Vice Chair McColley, Ranking Member Williams and members of the Committee. Thank you for this opportunity to testify. My name is Michael Haugh. I am testifying as a consultant on behalf of the Ohio Consumers' Counsel, after formerly serving as OCC's assistant analytical director. OCC is the state's representative of over four million residential utility consumers. I have previously testified for OCC in opposition to House Bill 6.

OCC appreciates the consumer protections in the Senate changes to the Substitute Bill that was released on June 26th. But fundamentally the bill remains a bailout of aging nuclear power plants, at public expense, for bankrupt FirstEnergy Solutions and its big Wall Street creditors. And the bill enables a continued bailout of the 1950's OVEC coal power plants, at public expense, for big utilities and their investors. (Lines 1271-1272).

Even in its improved form, the bill will transfer about a billion dollars in above-market charges from Ohio families and businesses to FirstEnergy Solutions' investors. That is bad. The bill similarly will allow the continued bailout of the two OVEC coal plants, at a total consumer cost of about \$300 million after the end of the utility rate plans where the PUCO ordered the current

subsidies. That is also bad. Those two coal plants include the Clifty Creek plant that is out of state in Madison Indiana. Given the bill's approach of subsidies instead of competitive markets, the Ohio Consumers' Counsel continues to oppose the bill and the utility subsidy culture that it reflects.

Attachment 1 is testimony last session from the Industrial Energy Consumers that explains the fallacies of subsidizing the OVEC coal plants. I do appreciate the Senate's truth in ratemaking where the bill no longer describes the OVEC plants as a "national security resource," which they are not.

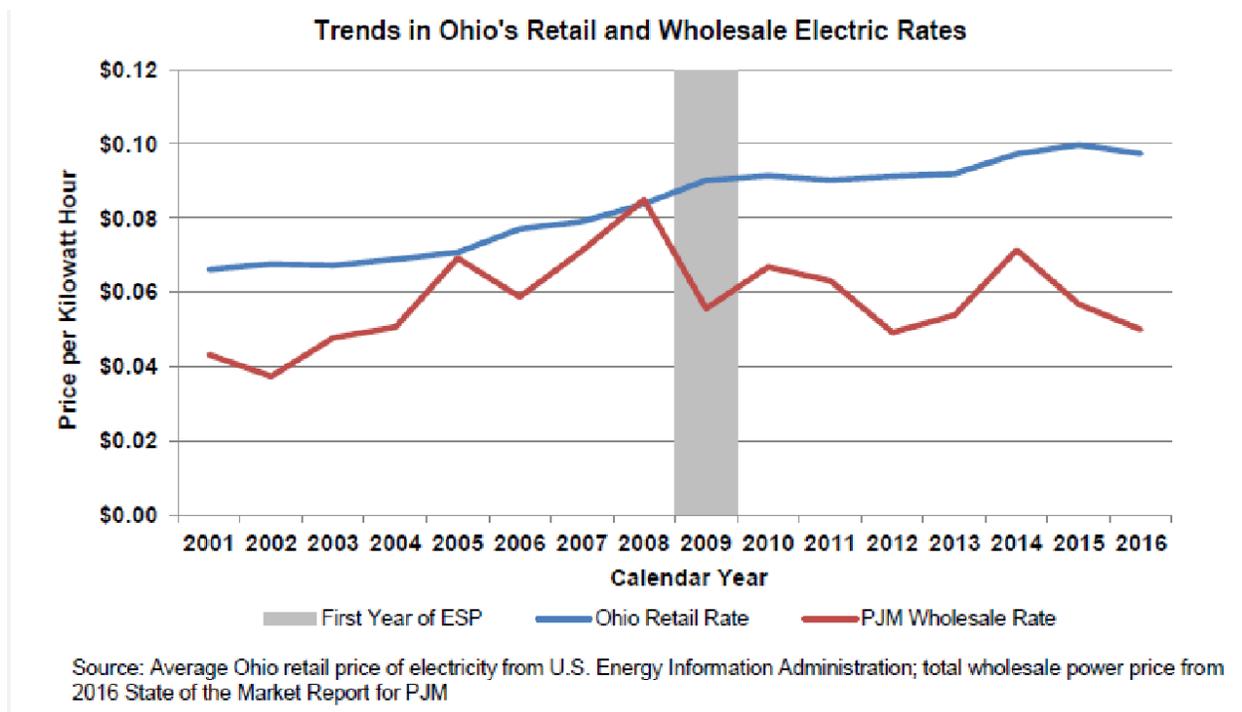
I also appreciate the Senate's removal of the language requiring electric consumers of AEP, Duke and DP&L to subsidize the former share of bankrupt FirstEnergy Solutions for the OVEC coal plants' losses. But past experience reflects that the PUCO likely will allow utilities this additional OVEC coal subsidy at public expense even without a law. So for consumer protection, the bill should end these coal subsidies now or at least no later than when the current PUCO subsidy orders expire.

All these aging power plants that the General Assembly will subsidize with public money are the outdated technologies of the old energy economy. Worse, the subsidies will roll up (not roll out) the welcome mat for investment in the new energy economy in Ohio, which includes the synergistic use of some of the world's lowest priced natural gas right here in Ohio. Investors in the competitive power plants of the future should be welcomed in Ohio. They are the future job creators and technology innovators, who will not be attracted to a business climate in Ohio where their competitors get subsidized with corporate welfare at public expense.

Importantly, the competitive markets that the bill undermines have provided low-cost power to Ohio families and businesses. Low electric prices encourage business investment and job creation.

Ohio should not be picking winners and losers by providing subsidies to power plants that cannot compete in the wholesale energy markets. The subsidy approach is contrary to the competitive vision of Ohio's 1999 electric deregulation law, and we commend that legislative vision for its consumer protection.

A graph (from page 2 of a Legislative Service Commission Fiscal Note for H.B. 247 (132nd General Assembly)) depicts my concerns.



The LSC graph shows a decrease in PJM wholesale electric rates since 2008. That should be good for consumers. But the LSC graph shows a rise in Ohio retail electric prices since 2009. That is bad for consumers. LSC explained that “the lack of correlation between wholesale and

retail prices emerges around calendar year 2009, which is the same year that Ohio's utilities began operating under ESPs." It was Ohio's 2008 energy law (S.B. 221) that created electric security plans with their government intrusion into competitive markets and subsidies at consumer expense. Here we go again with H.B. 6.

One of the Senate's improvements is to the woefully inadequate audit provision. (Lines 309 to 343) I commend the new audit provisions on lines 309-343 that provide some consumer protections. What is happening here is deregulated FirstEnergy Solutions and its future Wall Street owners are being given access to monopoly customers for subsidies akin to treating FES like a monopoly utility (which it is not). The result for customers is asymmetrical and unfair. Customers are paying subsidies to FirstEnergy Solutions, but without the protections of regulation that would otherwise come with imposing such charges on monopoly customers. A prime example of this missing regulation is the section of the bill that exempts the PUCO audit from the statute for hearings – R.C. Chapter 4903. (Lines 344 - 345) That is unfair and wrong for consumers paying the charges. It should be corrected with a fair and open process at the PUCO, using a typical regulatory framework that gives interested parties a voice in the process. Attachment 3 to my testimony is OCC's recommended amendment to the bill for customer protection through a fair and open audit process that includes due process protections of notice and a hearing.

Furthermore, auditors should be given an effective standard to audit against, which the bill still lacks. An effective standard would be a simple standard that power plants will not be subsidized at public expense if their revenues are meeting their operational expenses. That standard should also be added to the bill. Already the Senate has heard testimony with the controversy over whether the power plants are or will be profitable, with new information that the plants will be

profitable without subsidies. Experience – such as with the disastrous ratemaking for consumers in 2008’s Senate Bill 221 – shows that consumers do not fare well (they fare poorly) with ambiguity for alleged consumer protections in ratemaking law.

Further, lines 125-132 state the Ohio Air Quality Development Authority “may decertify a qualifying resource” if the owner no longer requires payments. That language should be strengthened by requiring the OAQDA to decertify the resource (power plant) if the audit finds that the plant’s operational costs are being met though all revenues it receives.

Yesterday evening FirstEnergy Solutions filed its monthly operating report with the Bankruptcy Court, for May 2019. The report is Attachment 4. The report includes a profit and loss statement for each of FES’s legal entities that are in bankruptcy. Page 2 of the report, on the line labeled “Operating Margin,” shows a positive operating margin for FES’ nuclear generation businesses. FES’s nuclear generation business consists of two companies: FirstEnergy Nuclear Generation (FENG) and FirstEnergy Nuclear Operating Company (FENOC). According to the report, FENG had a positive operating margin of \$18.4 million in May and, since the bankruptcy filing, FENG had a cumulative positive operating margin of \$55.3 million. FENOC had a positive operating margin of \$1.8 million in May and a cumulative operating loss of only \$5.4 million since the bankruptcy filing. When you combine the results of FENG and FENOC, the figures show that FES’s nuclear operations have produced a positive operating margin of almost \$50 million since the bankruptcy filing in spring 2018. In fact, based on the financials, the nuclear business appears to be the only part of FES’s businesses that has had positive operating margins since it filed for bankruptcy. We do note that the information is aggregated between the Ohio and Pennsylvania nuclear plants. In any event, the Senate should carefully assess this information, which seems to be a factor weighing against subsidizing the nuclear plants.

We have appreciated what we understand is an intention by the Senate to remove extraneous issues from the bill. One extra issue that has not been removed from the bill (but should be) is subsidies for big industrial corporations at the expense of Bob and Betty Buckeye and other customers.

In this regard, lines 620 - 625 would provide a subsidy for “trade-exposed industrial manufacturers.” For these large industrial customers, the bill requires the PUCO to “attempt to minimize electric rates to the maximum amount possible,” when ruling on a so-called “reasonable arrangement.” The PUCO already has the authority to determine rate making without a statute requiring it to “maximize” a subsidy for some customers. Every dollar that the utility does not collect from the industrial customer for its “minimized” electric rates will be a dollar charged by the utility for subsidies from other customers. The subsidies for “trade-exposed industrial manufacturers” have nothing to do with bailouts for nuclear and coal plants. And these subsidies are contrary to the House’s theme that the bill should save money for consumers. The issue should be removed from the bill and considered in a stand-alone bill, if needed. As we have testified, subsidies are contagious, and there has been a line forming at the Statehouse by those who want subsidies. The line for subsidies should be closed. The provision should be removed.

The Senate’s improvements, while appreciated, don’t save the bill from itself – it’s still a bailout of uneconomic power plants subsidized by captive customers. Nonetheless, I would like to identify a few other Senate improvements in this Substitute Bill. The removal of the decoupling provision protects consumers from utilities needlessly charging customers for reduced usage. The elimination of shared savings (utility profits) after 2020 in the utilities’ energy efficiency programs has been long needed, as OCC has advocated. (Line 1113). This limitation on utility profiteering (so-called shared savings) from their energy efficiency programs is protective of

consumers. Ohio law should not allow FirstEnergy, AEP, DP&L, and Duke to charge consumers for any profits on their energy efficiency programs.

Further, Lines 1326-1329 are a change to prevent non-participating customers from having to pay subsidies for on-site renewable projects. Although this type of project could and should be provided by the competitive market, it is appreciated that residential customers will not be paying subsidies for these projects.

Last week was a real bad week, that should have been a good week, for two million consumers of FirstEnergy. They succeeded in a Supreme Court decision to overturn the PUCO's misuse of the 2008 energy law. The PUCO had granted a subsidy to FirstEnergy of about a half-billion dollars from consumers for a so-called "distribution modernization rider" (that the PUCO didn't require FirstEnergy to spend on distribution modernization). The connection to H.B. 6 is that it was a subsidy and the subsidy was for credit support that would relate in part to the troubled finances of the ultimately bankrupt FirstEnergy Solutions. It should have been a good week for consumers with the end of the charge. But it was a bad week for consumers with the Court's decision that FirstEnergy can keep the improper charges without a refund of nearly a half-billion dollars to Ohio families and businesses.

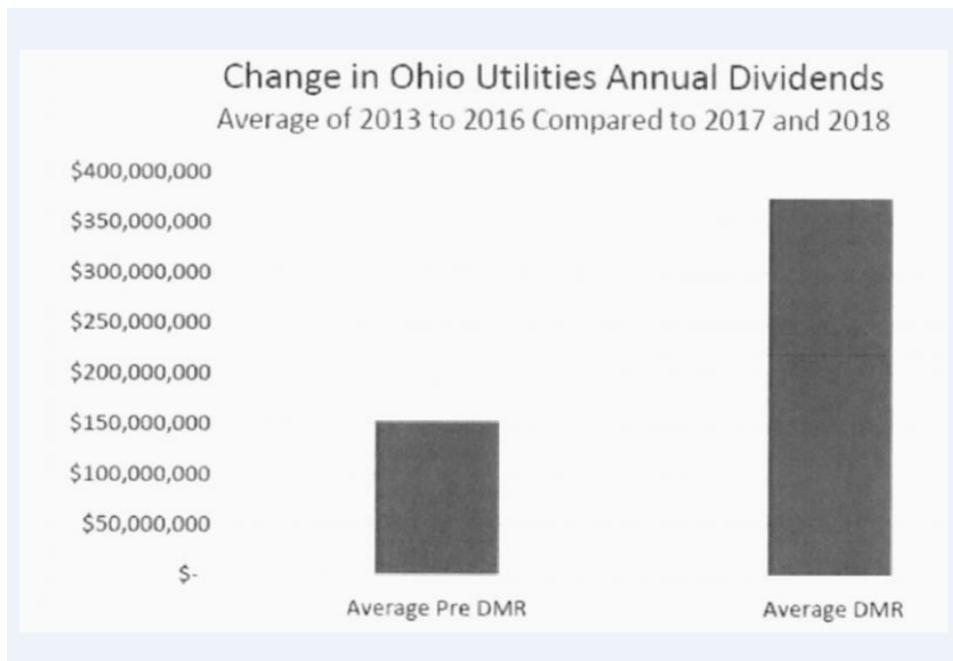
One way to bring more of the needed balance for consumers to this bill is to fix the problem of consumers being denied refunds, which the Court previously stated can be solved by the General Assembly. In other words, this bill should be amended to enable refunds when any legal authority such as the Court, FERC or the PUCO later finds charges to be improper.

Further, a consultant audit released this month by the PUCO, regarding the same FirstEnergy distribution modernization rider, is revealing for House Bill 6 regarding what can happen with

subsidies. According to the auditor, during the time the distribution modernization rider was being collected from customers, dividends paid by the FirstEnergy utilities to their parent “increased considerably” (averaging \$375 million) compared to the dividends prior to the rider (averaging just \$152 million). So the subsidy is transferring wealth from Ohioans to investors. See PUCO Case No. 17-2474-EL-RDR, Oxford Advisors Compliance Review, Mid-term Report at p. 12 (June 14, 2019):

<http://dis.puc.state.oh.us/TiffToPDF/A1001001A19F14B63203J01876.pdf>

Here is one of the PUCO auditor’s charts showing the correlation between consumers’ subsidy payments to FirstEnergy and FirstEnergy transferring consumer wealth to its investor/owner:



We recommend that FirstEnergy, its affiliates and future former affiliates like FES make money based on their achievements in the market and not through government-imposed hand-outs from Ohio families and businesses.

In this regard, attached is OCC's "Subsidy Scorecard" (Attachment 2). The Scorecard shows the billions of dollars that FirstEnergy and the other Ohio electric utilities have charged consumers for subsidies since the 1999 Ohio deregulation law.

And, for balance for consumers, I recommend other protections. Those include removing the FirstEnergy profit protection from the budget bill (H.B. 166). Or, even better, delete the word "significantly" from the 2008 law, as in "significantly excessive earnings," so that consumers would be protected from paying any excessive profits. The profit issue could also be solved by eliminating electric security plans or at least improving their worst piece parts such as removing the allowance of a utility "veto" of a PUCO order that modifies its security plan; fixing the profits issue as described above; and fixing the "more favorable" than a market rate offer standard to prohibit use of qualitative factors for the PUCO's judging of utility proposals for electric security plans.

OCC appreciates the opportunity to testify at this hearing. We have endeavored to be helpful for your important deliberations, within the tight timelines for analysis of the new substitute bill released on June 26.

In conclusion, the Substitute Bill is a better bill than the House version but it should be judged on its fundamental policy to subsidize power plants in a state that has (or had) a vision for deregulated competitive markets. By that standard, the bill is bad for consumers. Instead of the invisible hand of the market, there continues to be the heavy hand of government in the market. That should have ended after 1999 and it should at least end now. I urge you to vote against Substitute House Bill 6.

Thank you for this opportunity to testify.

Senate Bill 155

Senate Public Utilities Committee

Prepared Statement of Sam Randazzo General Counsel Industrial Energy Users-Ohio

June 8, 2017

Mr. Chairman, Ranking Member Williams, Members of the Senate Public Utilities Committee, I am Sam Randazzo. I am here today in my capacity as General Counsel for the Industrial Energy Users-Ohio ("IEU-Ohio"). IEU-Ohio is a trade association that was created more than 25 years ago to help Ohio businesses address issues affecting the price and availability of energy. I have included a list of IEU-Ohio's members in Appendix A, attached to my testimony.

The purpose of my testimony is to discuss Senate Bill 155 ("SB 155") as it has been presented to the Committee by Senator Terhar and share some suggestions with this Committee that may be useful as you develop a final version of the legislation. My perspective on this topic is that of a person who has walked the Ohio energy beat for most of the time since the Ohio Valley Electric Corporation ("OVEC") began operating its generating plants in Ohio and Indiana.

Attachment B to my testimony contains a number of questions and answers which I have prepared to provide you with: (1) information on the history of the OVEC, a public utility subject to the jurisdiction of the Public Utilities Commission of Ohio ("PUCO"); (2) information on the wholesale relationship between OVEC's Indiana, Kentucky and Ohio operations and the electric distribution utilities ("EDU") that seem to support the current version of SB 155; and, (3) information that indicates the potential for the current version of SB 155 to give these EDUs the right to privatize the reward and socialize the risk associated with their for-profit business relationship with OVEC, which would have

ended long ago but for their voluntary election to twice extend a contract (the Inter-Company Power Agreement or “ICPA”) which now runs into June 2040 as a result of extensions in 2004 and again in 2011. These extensions of the ICPA occurred well after the federal government pulled out of the nuclear enrichment project in Piketon, Ohio and well after Ohio and the federal government established laws and regulations calling for the electric generation business to be competitive, devoid of “captive customers” and stand on its own in the marketplace.

The current version of SB 155 would socialize the business and financial risks which these for-profit EDUs elected to sign up for (and twice extend) by requiring retail customers having no connection to or responsibility for OVEC to pay the EDUs the difference between the OVEC-related costs the EDUs incur because of the ICPA and the revenue they would obtain by selling their share of the OVEC electricity production at a market-based price (this difference is the “above-market OVEC costs”).

After profiting from their chosen relationship with OVEC for many decades and extending the life of this profit opportunity, these EDUs now want customers to step into their EDU shoes because, as is the case with a lot of older coal and nuclear generating plants, the OVEC generating plants in Ohio and Indiana are not as competitive as they once were.

SB 155 will not make the OVEC generating plants more competitive; it just transfers to customers, and away from the EDUs or their affiliates, the financial responsibility for the challenges the OVEC plants are facing.

Now, if you have heard me testify previously, you know that I could drone on for hours and provide you with mountains of “geeky” information in support of the position on the current version of SB 155 that I have just summarized. But the purpose of my testimony today is not to “pile on” or “beat a dead horse”.

Rather, I will use the balance of my testimony to offer some suggestions on how SB 155 could be improved and made fairer to customers while establishing a framework that would incentivize OVEC, OVEC's shareholders and the Sponsoring Companies¹ to develop and implement actions to address the underlying problems with the OVEC generating plants in Indiana and Ohio.

The suggestions are presented in order based on preference; the first suggestion is the most preferred.

The suggestions assume that any enabling legislation would end any previously authorized mechanism for OVEC-related costs that has been approved by the PUCO.

Suggestion 1 – Leverage the PUCO's Accounting Authority

As I have already mentioned, OVEC is a public utility (a one-customer public utility) subject to the PUCO's jurisdiction. Among other things, the PUCO supervises the accounting practices of public utilities and can authorize public utilities to adopt accounting practices dealing with the matching of expenses and revenue. More specifically, the PUCO can authorize a public utility to defer recognition of an expense (regulatory asset) or revenue (regulatory liability). This accounting authority provides a means of stretching out or phasing in the recognition of expenses and revenue so as to avoid abrupt or uneven impacts in a particular time period that would otherwise control but for the use of deferral accounting. In some cases, the PUCO has already authorized EDUs to defer OVEC-related costs.

The OVEC-related costs that show up at the EDUs originate at OVEC. So, this suggestion calls for the PUCO to permit OVEC to defer above-market costs and then amortize the deferred costs through the application of OVEC's dividends and any gain on the sale of electricity produced by the OVEC generating plants in Ohio and Indiana, the operation of OVEC's transmission assets and retail sales OVEC either makes or

¹ The Sponsoring Companies are identified in Appendix B.

arranges for its remaining customer. Since OVEC is a public utility subject to the jurisdiction of the PUCO, OVEC can request this accounting treatment from the PUCO under current law; **no legislation is required to implement this suggestion.**

This suggestion, if implemented, would avoid the above-market **or below-market** OVEC-related costs hitting the books of the EDUs so that their earnings are not affected by their OVEC relationship.

This suggestion, if implemented, would not tag innocent-bystander-customers with the above-market OVEC-related costs and would not give them the benefit of below-market OVEC-related costs.

This suggestion, if implemented, would continue to place responsibility for addressing OVEC-related challenges with OVEC's shareholders and the Sponsoring Companies including the EDUs that support the current version of SB 155. Based on a report issued by Moody's Investment Service which I discuss in Appendix B to my testimony, it appears that OVEC's shareholder and the Sponsoring Companies have started a process to "modernize" the various OVEC-related agreements. I strongly recommend that you not do anything in SB 155 that weakens the incentives that OVEC's shareholder and the "Sponsoring Companies" currently have to proactively identify and remedy problems that may negatively affect OVEC's going-forward viability. Among other things, these problems include a highly leveraged capital structure (mostly debt capital) and relatively high interest rates for the debt. Some of the older debt is maturing and as this debt matures, OVEC should be able to reduce its weighted average cost of debt and thereby reduce its "fixed costs".

Suggestion 2 – Make Any OVEC-Related Retail Charge Bypassable

The electric generation business is a competitive business in Ohio and as a result of the regulatory structure that has been put in place at the federal level. This Ohio and federal structure gives customers the right to select their generation supplier (a

Competitive Retail Electric Services or “CRES” provider). If a customer obtains generation supply from a CRES provider, the cost of the generation supply available from the EDU (the default supplier) is avoided (bypassable) by the customer.

This suggestion, if implemented, would make any OVEC-related charge approved by the PUCO fully avoidable by customers.

This suggestion, if implemented, would continue to place some responsibility for addressing OVEC-related challenges with OVEC’s shareholders and the Sponsoring Companies including the EDUs that support the current version of SB 155.

Suggestion 3 – Cap Any OVEC-Related Retail Non-Bypassable Charge and Sunset the Burden Transferred to Customers

Over objections, the PUCO has approved riders for the recovery of OVEC-related costs. The current OVEC-related rider for AEP-Ohio (also known as Ohio Power Company) costs a “typical” residential customer (1000 kilowatt hours per month) about \$2.50 per month. To illustrate how this suggestion might work, I will use this \$2.50 per month amount.

Under this suggestion, a non-bypassable charge capped at no more than \$2.50 per customer per month would be established and the non-bypassability feature would end (sunset) by no later than December 31, 2023. The above-market OVEC-related costs (exclusive of any return on equity) that hit an EDU’s books would be deferred with the capped non-bypassable charge used to amortize the resulting regulatory asset (exclusive of any return on equity). The actual charge per month could be less than \$2.50 if the actual net OVEC-related deferred costs could be amortized through a lesser charge but never greater than \$2.50 per month. Any OVEC-related above-market costs remaining on the books of the EDUs as of December 31, 2023 would be subject to amortization exclusively through the application of any dividends received from OVEC and any gain made on the sale of the OVEC generation supply in the wholesale market.

This suggestion, if implemented, would limit and make any non-bypassable OVEC-related charge approved by the PUCO certain and predictable for customers. Beyond a “transition period”, the innocent-bystander customers would be off the hook for the above-market OVEC-related costs which hit the EDUs books as a result of their decision to extend the ICPA.

This suggestion, if implemented, would continue to place some responsibility for addressing OVEC-related challenges with OVEC’s shareholders and the “Sponsoring Companies” including the EDUs that support the current version of SB 155.

Thank you for the opportunity to share information and our perspective on the current version of SB 155 with you. I hope my testimony, the information and the suggestions are useful.

In my remaining time, I will do my best to answer any questions.

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Appendix A

IEU-OHIO'S MEMBER COMPANIES

Abbott Nutrition	John Carroll University
Airgas, Inc.	Kent Elastomer Products, Inc.
AMAC Enterprises, Inc.	Kent State University
American Greetings Corporation	Kraton Polymers U.S. LLC
American Manufacturing Inc.	Landmark Plastic Corporation
Anheuser-Busch Companies, Inc.	Lincoln Electric Company
Appvion, Inc.	Marathon Petroleum Company
Area Aggregates, LLC	Mar-Bal Incorporated
ASHTA Chemicals Inc.	McGean-Rohco, Inc.
Ashtabula Rubber Co.	Mercury Plastics, Inc.
Aurora Plastics, Inc.	MetalTek International
Automation Plastics Corporation	MICA
Avalon Precision Casting Company, LLC	Miceli Dairy Products, Inc.
Avon Lake Regional Water	Milliron Iron & Metal, Inc.
Barberton Steel Industries	Mondeléz International
Bescast, Inc.	Neff-Perkins Company
Burton Rubber Processing	Norman Noble, Inc.
BWX Technologies, Inc.	Ohio Star Forge Co.
ClarkDietrich Building Systems	P.H. Glatfelter Co.
Cleveland Cavaliers	Paulo Products Company
Cleveland Indians	Plastipak Packaging Inc.
Cleveland Museum of Natural History	Pressure Technology, Inc.
Cobra Plastics, Inc.	Quaker City Castings
Component Repair Technologies, Inc.	Quintus Landlord LLC
Cristal USA Inc.	Rothenbuhler Cheesemakers, Inc.
DRS Industries Inc.	RTS Companies, Inc.
Duramax Marine, LLC	Saint Gobain Companies
Energizer Manufacturing, Inc.	Sajar Plastics, LLC
Eramet Marietta Inc.	Salem-Republic Rubber Company
Falcon Foundry Company	Sauder Woodworking Co.
Federal Metal Company, The	Tate & Lyle Americas, Inc.
Ferriot, Inc.	TimkenSteel Corporation
Flambeau, Inc.	Toledo Refining Company, LLC
Glen-Gery Corporation	Tri-Cast Ltd.
Globe Metallurgical, Inc.	Trilogy Plastics
GoldKey Processing, Inc.	U. S. Steel Seamless Tubular Operations, LLC
Independent Franchises DBA McDonald's	U.S. Casting Company, Inc.
Iten Industries	University of Akron
J.H. Routh Packing Company	USG Corporation
Jack Thistledown Racino	Vallourec Star
Jacobson Manufacturing LLC	Viking Forge Corporation
Jet Rubber Company	Welded Tubes, Inc.

Statement of Sam Randazzo Appendix B

Senate Bill 155

Ohio Valley Electric Corporation Q & A

Q 1. What is the Ohio Valley Electric Corporation (“OVEC”) and who owns OVEC?

A. OVEC is an Ohio corporation which owns and operates facilities for the generation, transmission and sale of electric power and energy in Ohio and owns and operates facilities for the transmission of electric power and energy in Kentucky. It was organized by ten participating companies which are all owners of OVEC’s capital stock to supply, with fifteen Sponsoring Companies, the entire power requirements of the gaseous diffusion plant near Portsmouth, Ohio. The gaseous diffusion plant was originally owned and operated by the United States Atomic Energy Commission until January 19, 1975 and from that date until September 30, 1977 by the United States Energy Research and Development Administration which, under the Energy Reorganization Act of 1974, succeeded to certain functions of the Atomic Energy Commission, and thereafter by the United States Department of Energy (“DOE”).²

Below are additional descriptions of OVEC and its wholly owned subsidiary, Indiana-Kentucky Electric Corporation that are taken from documents generated by OVEC.

Ohio Valley Electric Corporation (OVEC) and its wholly owned subsidiary, Indiana-Kentucky Electric Corporation (IKEC), ..., were organized on October 1, 1952. The Companies were formed by investor-owned utilities furnishing electric service in the Ohio River Valley area and their parent holding companies for the purpose of providing the large electric power requirements projected for the uranium enrichment facilities then under construction by the Atomic Energy Commission (AEC) near Portsmouth, Ohio.

OVEC’s Kyger Creek Plant at Cheshire, Ohio, and IKEC’s Clifty Creek Plant at Madison, Indiana, have nameplate generating capacities of 1,086,300 and 1,303,560 kilowatts, respectively. These two generating stations, both of which began operation in 1955, are connected by a network of 705 circuit miles of 345,000- volt transmission lines. These lines also interconnect with the major power transmission networks of several of the utilities serving the area.

² PUCO Case No. 01-482-EL-AIS, OVEC’s Application and Statement, pages 1 and 2
[http://dis.puc.state.oh.us/TiffToPdf/CA_2IN\\$ F1PBG7N .pdf](http://dis.puc.state.oh.us/TiffToPdf/CA_2IN$ F1PBG7N .pdf)

The current Shareholders and their respective percentages of equity in OVEC are:

Allegheny Energy, Inc.	3.50% ³
American Gas & Electric Company, Inc. [holding company – now AEP]	39.17%
Buckeye Power Generating, LLC	18.00%
The Dayton Power and Light Company	4.90%
Duke Energy Ohio, Inc.	9.00%
Kentucky Utilities Company	2.50%
Louisville Gas and Electric Company	5.63%
Ohio Edison Company	.85%
Ohio Power Company [Columbus Southern]	4.30%
Peninsula Generation Cooperative	6.65%
Southern Indiana Gas and Electric Company	1.50%
The Toledo Edison Company	4.00%

These investor-owned utilities and affiliates of generation and transmission rural electric cooperatives comprise the Sponsoring Companies and currently share the OVEC power participation benefits and requirements in the following percentages:

Allegheny Energy Supply Company LLC ⁴	3.01%
Appalachian Power Company	15.69%
Buckeye Power Generating, LLC	8.00%
The Dayton Power and Light Company	4.90%
Duke Energy Ohio, Inc.	9.00%
FirstEnergy Solutions Corp.	4.85%
Indiana Michigan Power Company	7.85%
Kentucky Utilities Company	2.50%
Louisville Gas and Electric Company	5.63%
Monongahela Power Company	.49%
Ohio Power Company	19.93%
Peninsula Generation Cooperative	6.65%
Southern Indiana Gas and Electric Company	1.50% ⁵

³ Contrary to suggestions that the current owners are “stuck” with their OVEC positions, Allegheny Energy Inc. (“Allegheny”) sold (prior to the acquisition by FirstEnergy Corp. and in 2004) a portion of its equity OVEC position (9%) to Buckeye Power Inc. (“Buckeye”). Buckeye paid \$102 million in cash and assumed approximately \$37 million in debt. See <https://www.sec.gov/divisions/investment/opur/filing/35-27897.htm> (last visited June 1, 2017). Allegheny Energy Inc. (“Allegheny”) was acquired by FirstEnergy Corp. in 2011 and Allegheny’s remaining OVEC equity position was acquired as part of that transaction. https://www.firstenergycorp.com/content/fecorp/about/company_history.html.

⁴ As a result of electric restructuring legislation in Ohio, Pennsylvania and Maryland, Allegheny transferred ownership or control over the generating assets of its utility operating companies providing service in these states to Allegheny Energy Supply LLC which was subsequently acquired by FirstEnergy Corp. when FirstEnergy Corp. acquired Allegheny. In a similar fashion, FirstEnergy Solutions became a Sponsoring Company. Had Duke Energy Ohio, The Dayton Power and Light Company and Ohio Power complained with Ohio law and transferred their OVEC positions to another affiliated but unregulated entity (as FirstEnergy and Allegheny did) or to an unaffiliated entity (as Allegheny did), they would not today retain any OVEC-related obligations.

⁵ <https://www.ovec.com/OVECHistory.pdf>

OVEC was formed by fifteen sponsoring companies, all public electric utility companies, for the sole purpose of supplying the United States Atomic Energy Commission, currently the Department of Energy (DOE), with all the electrical energy needed for the operation of its uranium enrichment plant located near Portsmouth, Ohio. The large amount of energy required for the process of uranium enrichment, however, is beyond the capacity of OVEC alone. To ensure that it could meet its obligations under the power agreement with the DOE, OVEC entered separate power agreements with IKEC and the fifteen sponsoring companies.

According to the IKEC-OVEC power agreement, the entire output of power IKEC generates is sold to OVEC. Under OVEC's power agreement with the fifteen sponsoring companies, the companies sell electricity to OVEC when the demands of the DOE exceed the amount OVEC can generate and purchase from IKEC. Additionally, the agreement permits the sponsoring companies to purchase surplus electricity from OVEC, when the demands of the DOE fall below the total amount OVEC can generate and purchase from IKEC.⁶

On July 1, 1993, the uranium enrichment processing responsibilities of the United States Government were transferred from the Department of Energy (DOE) to the United States Enrichment Corporation (USEC). At that time, USEC was a wholly owned government corporation and an agency and instrumentality of the United States of America. OVEC modified the DOE Power Agreement in 1993 to permit the DOE to resell the OVEC power to USEC. On July 28, 1998, USEC became a publicly held company through the transfer of the federal government's ownership in USEC to the private sector. On September 29, 2000, the DOE notified OVEC that the DOE Power Agreement would terminate no later than April 30, 2003. Also, the DOE notified OVEC that the DOE entitlement to power would reduce to specified levels until reaching zero on August 31, 2001. On September 1, 2001, the Sponsoring Companies became entitled to 100% of the Companies' generating capacity under the terms of the ICPA.⁷

⁶ <http://law.justia.com/cases/indiana/tax-court/1992/02t10-9104-ta-00014-2.html>

⁷ OVEC 2004 FERC Form 1, page 123.1
<https://www.ovec.com/OVECFERC/OVEC2004FERCForm1Annual.pdf>

The Sponsoring Companies purchase power from OVEC according to the terms of the Inter-Company Power Agreement (ICPA").⁸

Q 2. Why is the percentage of equity ownership different than the percentages reflecting the Sponsoring Companies' participation benefits and obligations?

A. This is the result of the age of the OVEC structure, changes that have taken place over the last 60 plus years and internal decisions made within the various holding company structures. For example, the holding company American Electric Power ("AEP") did not exist until 1958. The predecessor holding company, American Gas & Electric Company ("AG&E") originally held the common equity shares in OVEC and had 39.17% of the total common equity. This occurred when AG&E was headquartered in New York City. When it came time to develop the benefits and obligations shares, it appears that AEP (the holding company) pushed down the benefits and obligations to affiliated operating companies.

Also, when the OVEC structure was put together, Columbus Southern Power Company was not owned by AEP. AEP's acquisition of Columbus Southern Power Company was not completed until 1983 and this is when AEP moved its corporate headquarters to Columbus, Ohio.⁹

In any event, the equity ownership shares as well as the relative shares of benefits and obligations established for the "Sponsoring Companies" are all the result of voluntary subscriptions and contracts that have been modified repeatedly since the 1950s.

Q 3. There have been claims that the OVEC structure has "national security interest" implications. Do these claims provide a complete view of the historical record?

A. No.

It is true that the uranium enrichment process eventually established in Piketon, Ohio was initially intended and expected to meet the needs of our nuclear weapons program. However, this original purpose quickly gave way in the mid-1960s to a plan to meet the expected commercial demand for nuclear fuel.¹⁰ And the relationship to any federal or national purpose ended in 2003 following the notice of termination issued by the DOE in 2000.

⁸ OVEC 2005 FERC Form 1, page 123.1
<https://www.ovec.com/OVECFERC/OVEC2005FERCForm1Annual.pdf>

⁹ <https://www.aep.com/about/history/>

¹⁰ https://en.wikipedia.org/wiki/Portsmouth_Gaseous_Diffusion_Plant

Q 4. Since OVEC was created to meet the electricity needs of the Atomic Energy Commission (eventually DOE and United States Enrichment Corporation or “USEC”), was the federal government obligated to compensate OVEC for the cost of satisfying those needs?

A. Yes.

In fact, the OVEC/DOE/USEC agreement, as it existed in 2000, stated that DOE could only reduce its contractual obligation if the Sponsoring Companies wished to take the power that was otherwise committed to DOE. The OVEC/DOE/USEC agreement as it existed in 2000 also permitted (but did not obligate) OVEC to waive DOE’s/USEC’s contractual obligations to pay all the costs of additions to, and replacements of, OVEC’s facilities provided the waiver was accompanied by an agreement by the Sponsoring Companies to take the OVEC output that was otherwise committed to DOE/USEC.

On May 24, 2000, DOE/USEC and OVEC entered into a supplement to their original agreement that allowed DOE to reduce its contract demand and compensation obligation to OVEC with the Sponsoring Companies agreeing to take the generation output otherwise committed to DOE/USEC. As part of that supplemental agreement, OVEC and the Sponsoring Companies agreed to provide DOE/USEC with compensation reflecting the value of the OVEC generation in the market at a time when the market price of electricity was substantially above the cost of the OVEC supply.¹¹ In other words, this 2000 supplemental agreement between OVEC and DOE/USEC was revenue neutral to OVEC (it received the same cost-based compensation either way) but it allowed DOE/USEC and the Sponsoring Companies to profit because of the difference between the cost-based price they paid for the OVEC output and the much higher market-based price for which the OVEC output was sold in the wholesale electric market.¹²

The 2000 supplement to the original OVEC and DOE/USEC agreement was characterized by some stakeholders as an attempt to monetize the market value of OVEC output that DOE/USEC elected not to use. Because of the alleged implications of this proposed contract modification, which took place after DOE/USEC announced closure of the Ohio enrichment operations in favor of the operations in Kentucky, Congressman Ted Strickland formally urged the PUCO to initiate an investigation. Congressman Strickland alleged that the proposed contract modification was facilitating DOE/USEC efforts to evade responsibilities to continue operation of the gaseous diffusion plant. And, he also alleged that the PUCO had a responsibility to “...ensure that the Power Contract continues to serve the public interest.”¹³

¹¹ OVEC Application, PUCO Case No. 00-940-EL-AEC at pages 6 and 7, (May 31, 2000) <https://dis.puc.state.oh.us/TiffToPDF/JKXA7ZA1KFTA7XP3.pdf>

¹² OVEC Application, PUCO Case No. 00-940-EL-AEC at pages 6 and 7, (May 31, 2000) <https://dis.puc.state.oh.us/TiffToPDF/JKXA7ZA1KFTA7XP3.pdf>

¹³ Motion and Memorandum of Congressman Ted Strickland, PUCO Case No. 00-940-EL-AEC (August 16, 2000) <http://dis.puc.state.oh.us/TiffToPDF/EE5DVSQ7JQYQGFWL.pdf>

The concerns raised by Congressman Strickland and others, including Governor Bob Taft, Senator Mike DeWine and Senator George Voinovich, were eventually resolved by USEC agreeing to provide community and worker benefits outlined in an agreement filed with the PUCO.¹⁴ And the PUCO then approved the 2000 supplement to the original OVEC and DOE/USEC agreement.¹⁵

In early 2001, DOE offered to provide the Sponsoring Companies increased access to OVEC's firm generating capacity through August 31, 2001 (on which date the DOE planned to cease purchasing OVEC generated power). This transfer of power entitlement was offset by transferring the liability for specific unpaid capital improvement debt from the DOE to the Sponsoring Companies. As a result, the Sponsoring Companies agreed to assume \$76.6 million of the DOE debt and interest costs. OVEC billed this balance of debt and interest costs for capital improvements to the Sponsoring Companies over the period June 2001 through April 2003 (the termination date of the DOE Power Agreement).¹⁶

Q 5. Why was the PUCO involved in the approval of the 2000 supplement to the original OVEC and DOE/USEC agreement?

A OVEC is a public utility as defined in R.C. 4905.02 and, as such, is subject to the jurisdiction of the PUCO. OVEC had and has one customer. The original service and compensation arrangement (a "reasonable arrangement" under R.C. 4905.31) between OVEC and its one customer was approved by the PUCO in 1953 in PUCO Case No. 23,719 and that arrangement has been modified numerous times since. Each modification of that reasonable arrangement and any termination of that reasonable arrangement must receive PUCO approval before it can become effective.

To the extent that any proposed modification of the OVEC and DOE/USEC reasonable arrangement might affect the interests of OVEC's shareholders or the Sponsoring Companies, they could have sought to intervene and participate in the required PUCO proceeding and also sought relief from the PUCO just as Congressman Strickland did.

Q 6. When did the DOE and OVEC contract end?

A. On September 29, 2000, DOE sent OVEC a notice of cancellation and the power supply contract ended on April 30, 2003. Again, this notice and cancellation occurred well before the Sponsoring Companies and OVEC agreed to extend the term of the ICPA.

¹⁴ Joint Motion for Expedited Approval, PUCO Case No. 00-940-EL-AEC (November 21, 2000)
<https://dis.puc.state.oh.us/TiffToPDF/EEG3Z6JHWTTBYH4O.pdf>

¹⁵ PUCO Case No. 00-940-EL-AEC, Finding and Order (November 21, 2000)
<https://dis.puc.state.oh.us/TiffToPDF/YIS482TWV2VD1WE@.pdf>

¹⁶ OVEC 2004 FERC Form 1, page 123.1
<https://www.ovec.com/OVECFERC/OVEC2004FERCForm1Annual.pdf>

Q 7. Did DOE have to pay OVEC to end the contract?

A. Yes.

While DOE had the right to terminate the contract, it still had obligations to compensate OVEC for costs that remained on OVEC's books.

On September 29, 2000, the DOE notified OVEC that the DOE Power Agreement would terminate no later than April 30, 2003. Also, the DOE notified OVEC that the DOE entitlement to power would reduce to specified levels until reaching zero on August 31, 2001. On September 1, 2001, the Sponsoring Companies became entitled to 100% of the Companies' generating capacity under the terms of the ICPA.

Under the terms of the DOE Power Agreement, OVEC was entitled to receive a "termination payment" from the DOE to recover unbilled costs upon termination of the agreement. The termination payment was related to unbilled postretirement benefit costs and a portion of the estimated generating plants' closure costs. In addition, OVEC had retained monies from undistributed antitrust and investment tax credit proceeds that were due to the DOE upon termination of the DOE Power Agreement. During December 2003, OVEC reached a settlement with the DOE, and, as a result of the settlement agreement, during February 2004, OVEC received a net settlement payment of approximately \$97.5 million.¹⁷

Q 8. Is OVEC still involved in supplying electricity to DOE for use at the Piketon, Ohio operations?

A. Yes and, again, this is the result of an agreement which required approval by the PUCO.

In order to give DOE time to negotiate arrangements for the supply of electricity to the Piketon, Ohio operations after the termination of the OVEC and DOE/USEC contract, OVEC and DOE agreed to enter into a Letter Agreement dated April 29, 2003 for the temporary supply of electricity. Under this letter agreement, OVEC agreed to arrange electricity supply to satisfy DOE's ongoing electricity needs. This arrangement required OVEC to charge market-based prices based on solicitations from various suppliers.¹⁸

Through numerous PUCO modifications to the OVEC and DOE/USEC reasonable arrangement, DOE was able to reduce and then terminate its contract responsibilities to OVEC and obtain PUCO approval of an arrangement between OVEC

¹⁷ OVEC FERC 2004 Form 1, page 123.1

<http://www.ovec.com/OVECFERC/OVEC2004FERCForm1Annual.pdf>

¹⁸ OVEC Application, PUCO Case No. 03-1168-EL-AEC (May 16, 2003)

[http://dis.puc.state.oh.us/TiffToPdf/P40\\$SU68XII\FKKD.pdf](http://dis.puc.state.oh.us/TiffToPdf/P40$SU68XII\FKKD.pdf)

and DOE that allows DOE to shop for its electricity supplier and pay market-based prices. OVEC helps DOE procure electricity in the marketplace to meet a demand that does not exceed 50 megawatts.¹⁹

Q 9. Is OVEC still helping DOE obtain electricity in the market place rather than be supplied from the OVEC facilities?

A. Yes.

As indicated above, the termination of the shopping arrangement between DOE and OVEC requires PUCO approval. On May 7, 2015, OVEC filed an application with the PUCO to obtain, if needed, the PUCO's authorization to terminate the shopping arrangement with DOE. The OVEC application stated that upon termination, DOE would obtain its electricity from another provider subject to OVEC's continuing obligation to provide transmission service.²⁰

The PUCO has not acted on OVEC's May 7, 2015 application and the case is still open. In fact, on January 15, 2016, Ohio Power Company filed a motion to intervene in this proceeding for the purpose of staking out a claim that it has the exclusive right to provide electricity to DOE.²¹ The most recent pleading in the case was filed on March 2, 2017.²²

Q 10. If the legislation is enacted, would it cause Ohio retail electric customers to be responsible for the business and financial risk associated with the IKEC electric generating plants in Indiana?

A. Yes. And the Indiana generating capacity is greater than the amount located in Ohio. It is important to note that these generating plants were not built to meet the needs of retail customers located in Ohio.

Q 11. Has the original ICPA between OVEC and the Sponsoring Companies been changed from time to time?

A. Yes.

¹⁹ OVEC Application, PUCO Case No. 05-624-EL-AEC at 2 (May 11, 2005)
<http://dis.puc.state.oh.us/TiffToPdf/I0AH8IAABSLNL1NV.pdf>

²⁰ OVEC Application, PUCO Case No. 15-0892-EL-AEC (May 7, 2015)
<http://dis.puc.state.oh.us/TiffToPdf/A1001001A15E07B65327D90377.pdf>

²¹ Ohio Power Company Motion to Intervene and Memorandum in Support, PUCO Case No. 15-0892-EL-AEC (January 15, 2016) <http://dis.puc.state.oh.us/TiffToPdf/A1001001A16A15B45240B05564.pdf>

²² OVEC Notice to the Commission of the Fifth Amendment to Termination Agreement, PUCO Case No. 15-0892-EL-AEC (March 2, 2017)
<http://dis.puc.state.oh.us/TiffToPdf/A1001001A17C02B54453B00510.pdf>

The original ICPA had a 50 year term²³ and was scheduled to end in the mid-2000s. However, in 2004, an Amended and Restated ICPA was unanimously approved by the Sponsoring Companies and OVEC extended the term of the ICPA for an additional 20 years from March 13, 2006 to March 31, 2026.²⁴ Subsequent to this extension, the Sponsoring Companies and OVEC agreed to extend the term of the ICPA until June 30, 2040. These voluntary extensions of the ICPA occurred well after agreement between OVEC and DOE terminated.

The ICPA is not subject to the PUCO's jurisdiction. It is subject to exclusive jurisdiction of the Federal Energy Regulatory Commission ("FERC"). The FERC has ongoing jurisdiction over the ICPA and the authority to modify the ICPA to the extent such modification is shown to be lawful and reasonable.

The changes that have been made to the ICPA in the past indicate that it is possible to modify the Agreement when the Sponsoring Companies wish to do so. This history is inconsistent with the claim that the Sponsoring Companies are "stuck" in their current relationship with OVEC.

In any event and irrespective of whether the Sponsoring Companies are "stuck" with the OVEC relationship, they are in the OVEC relationship because of their individual and collective decisions to stay in the relationship long after it was clear that DOE was off the hook.

Since the practical effect of Senate Bill 155 is to modify the obligations of the OVEC shareholders and the Sponsoring Companies by transferring their business and financial risk to Ohio retail customers, it is reasonable to expect that, if enacted, the legislation will be challenged based on claims that it violates the Commerce Clause and is otherwise pre-empted by the authority delegated exclusively to FERC through the Federal Power Act.²⁵

Q 12. If the Sponsoring Companies are losing money as a result of the ICPA, why would they agree to twice extend the term of the ICPA so that it is now scheduled to end on June 30, 2040?

A. As explained above, the Sponsoring Companies paid cost-based prices for their share of the OVEC output and then could sell their share of the output in the wholesale electric market. Until recently, this arbitrage opportunity created by the differential between the cost of the OVEC supply and the price the supply commanded in the wholesale market was profitable, thereby contributing to the earnings of the Sponsoring Companies that sold the OVEC output in the wholesale market. Testimony already

²³ Kentucky Public Service Commission Case Nos. 2011-00099 and 2011-00100, Order at page 1(August 11, 2011) https://psc.ky.gov/order_vault/Orders_2011/201100100_08112011.pdf

²⁴ OVEC 2005 FERC Form 1, page 123.1
<https://www.ovec.com/OVECFERC/OVEC2005FERCForm1Annual.pdf>

²⁵ *Hughes v Talen Energy Marketing*, 578 U.S. ___ (U.S. Supreme Court April 19, 2016).

given by proponents of the legislation confirms that the ICPA extensions occurred because the Sponsoring Companies were making money on the deal.

The Sponsoring Companies took advantage of the buy-low-sell-high opportunity they inserted in the relationship with OVEC and deprived OVEC of the benefits of the opportunity. Had the Sponsoring Companies not extended the ICPA, OVEC would have been able to sell its generation output in the wholesale market and use the above-cost proceeds to, among other things, pay down debt, bring its capitalization ratio into better balance and improve its financial health.

The OVEC generating stations are old coal-fired facilities. Like other old coal and nuclear plants, the OVEC facilities are now having a more difficult time selling the output and market prices have dropped significantly, thereby reducing cash flow. OVEC's capital structure is heavily leveraged; almost all of OVEC's capitalization consists of debt (about \$1.5 billion in debt outstanding as of December 31, 2016) with embedded rates of interest that are above current rates. The highly leveraged financial structure of OVEC creates a fixed cost obligation that is harder to meet in current circumstances. And, as is also true with other older coal and nuclear plants, large federal subsidies and state mandates are bleeding cash flow away from the older coal and nuclear plants.

Q 13. In view of OVEC's history, is it reasonable to make Ohio retail electric customers responsible for any loss that the OVEC shareholders or Sponsoring Companies may incur as a result of their decisions to enter and then extend agreements establishing their rights and obligations?

A. No.

There is no good justification for making Ohio retail electric customers responsible for any loss that the OVEC shareholders or Sponsoring Companies may incur as a result of their decisions to enter and then extend agreements establishing their rights and obligations.

At the same time that the OVEC Sponsoring Companies are supporting legislation that would make Ohio retail customers responsible for the Sponsoring Companies' OVEC-related business and financial risks, some of the Sponsoring Companies are seeking non-bypassable charges from these same retail customers to cover the costs of new renewable generating facilities that, if built, will further reduce the market share and cash flow opportunity for generating plants like those owned by OVEC.

It is also important to note that making Ohio retail electric customers responsible for any loss that the OVEC shareholders or Sponsoring Companies may incur as a result of their decisions to enter and then extend agreements establishing their rights and obligations would not do anything to address the fundamental challenges that OVEC faces. The OVEC plants are old. In today's environment, they are struggling to compete for market share against newer, more efficient, generating technologies and

heavily subsidized renewable technologies. The highly leveraged capital structure needs attention.

If Ohio retail electric customers are required to underwrite the OVEC shareholders or Sponsoring Companies as a result of their decisions to enter and then extend agreements establishing their rights and obligations, the OVEC shareholders or Sponsoring Companies will have weaker incentives to address the problems that have arisen as a result of their choices.

Q 14. Is there any indication that the OVEC shareholders and Sponsoring Companies realize that they need to modify their OVEC-related agreements?

A. Yes.

For some of the same reasons that OVEC is facing financial challenges, FirstEnergy Solutions (“FES”) is also facing financial challenges. FES has suggested that it may submit itself to the federal bankruptcy process to resolve its challenges. Because FES is one of the OVEC Sponsoring Companies, FES’ suggestion that it may resort to filing bankruptcy in combination with OVEC-related contracts that don’t fit well with today’s conditions and OVEC’s highly leveraged capital structure have affected OVEC’s investment ratings.

More specifically, and on December 20, 2016, Moody’s Investment Services (“Moody’s”) downgraded OVEC’s bond rating from Baa3 to Ba1 with a negative outlook. In doing so, Moody’s stated:

This rating action was prompted by the recent downgrades of FirstEnergy Corp’s (FirstEnergy) subsidiaries FirstEnergy Solutions Corp. (FES: Caa1 negative) and Allegheny Energy Supply Company, LLC (AES: B1 negative) which together are contractually obligated to cover about 8% of OVEC’s expenditures.

The downgrades of FES to Caa1 from Ba2 and AES to B1 from Ba1 followed FirstEnergy’s announced intention to exit its merchant business entirely within 18 months, even if it requires a restructuring or bankruptcy at FES. Although the proportion of OVEC’s revenues that are derived from FES (4.85%) and AES (3.01%) are relatively modest, the payment obligations under the Inter-Company Power Agreement (ICPA), which is the basis for OVEC’s revenue, are several and not joint. In addition, in the event of a payment default, there is currently no requirement for the non-defaulting sponsor companies to “step-up” their payments to cover any shortfall.

The rating action also considers the December 1st decision of the OVEC Board to begin funding a debt service reserve, and to form a strategic planning group to evaluate a possible modernization of the ICPA. We view

both of these developments as indicative of the Board's desire to support credit quality.

The strategic planning group will be tasked with reviewing possible ways to update the ICPA, including the potential creation of a step-up to cover sponsor shortfalls and/or requirements for credit assurance in the event of declining sponsor company credit quality. Any such changes to the ICPA would need to be approved by all of the sponsoring companies. In the interim, OVEC's funding of a \$44 million reserve over 18 months beginning January 2017 should help to mitigate potential cash shortfalls. Absent these credit strengthening actions by the Board, OVEC's ratings could have moved down by more than one notch.

In the event of a payment default by FES or another sponsor, OVEC may suspend service to the defaulting entity; in which case, the energy and capacity allocated to the defaulting party would become available to the other sponsor companies, or to OVEC, to sell into the PJM Interconnection markets. Based on current market conditions, we estimate the revenues available from the sale of this capacity and energy into the market would cover only about 50% of OVEC's billable non-fuel expenses. As such, we expect the shortfall from a potential loss of FES revenue (4.85% of the total) could be in the range of about \$6-10 million per year. While this amount appears manageable, there currently is no automatic means of funding the gap other than through draws on the OVEC revolver. Revolver usage requires a representation of no material adverse change, a credit negative, and would need to be repaid pro-rata by the sponsoring companies.²⁶

The statement issued by Moody's is based on interviews that Moody's conducted with OVEC. Based on Moody's statement, it appears that efforts are presently underway to modernize the ICPA and address OVEC's credit issues.

The information provided by Moody's also provides an indication of how much the current OVEC structure and SB 155 might cost customers.

In Moody's statement, it indicates that the potential FES-related shortfall is in the range of \$6 to \$10 million per year with FES' share set at 4.85%. Using Moody's numbers, the total OVEC-related shortfall would be in the range of \$124 to \$206 million per year. Using the Sponsoring Companies percentages shown on page 2, the range for Ohio Power Company (19.93%) would be between \$25 and \$41 million per year, the range for Duke Energy Ohio (9%) would be between \$11 and 18.5 million per year, the range for The Dayton Power and Light Company (4.9%) would be between \$6 and \$10 million per year and the range for Buckeye Power Generating LLC (18%) would be between \$22 and \$37 million per year. Summing the range for FES, Ohio Power, Duke Energy Ohio, Dayton Power and Light and Buckeye produces a range of between \$70

²⁶ Moody's Investor Services, December 20, 2016 https://www.moodys.com/research/Moodys-downgrades-OVEC-to-Ba1-outlook-negative--PR_359882

million and \$116.5 million per year. Of course, the actual shortfall associated with OVEC's above-market costs will depend on the level of OVEC's actual costs and the extent to which the actual costs are below or above the revenue produced by sales of the electricity generated by the OVEC units as well as the contractual responsibilities of OVEC's shareholders and Sponsoring Companies.

Q 15. In traditional ratemaking of the type that was practiced in Ohio prior to the electric restructuring legislation, were customers responsible for covering electric utility losses resulting from an equity investment in another corporation?

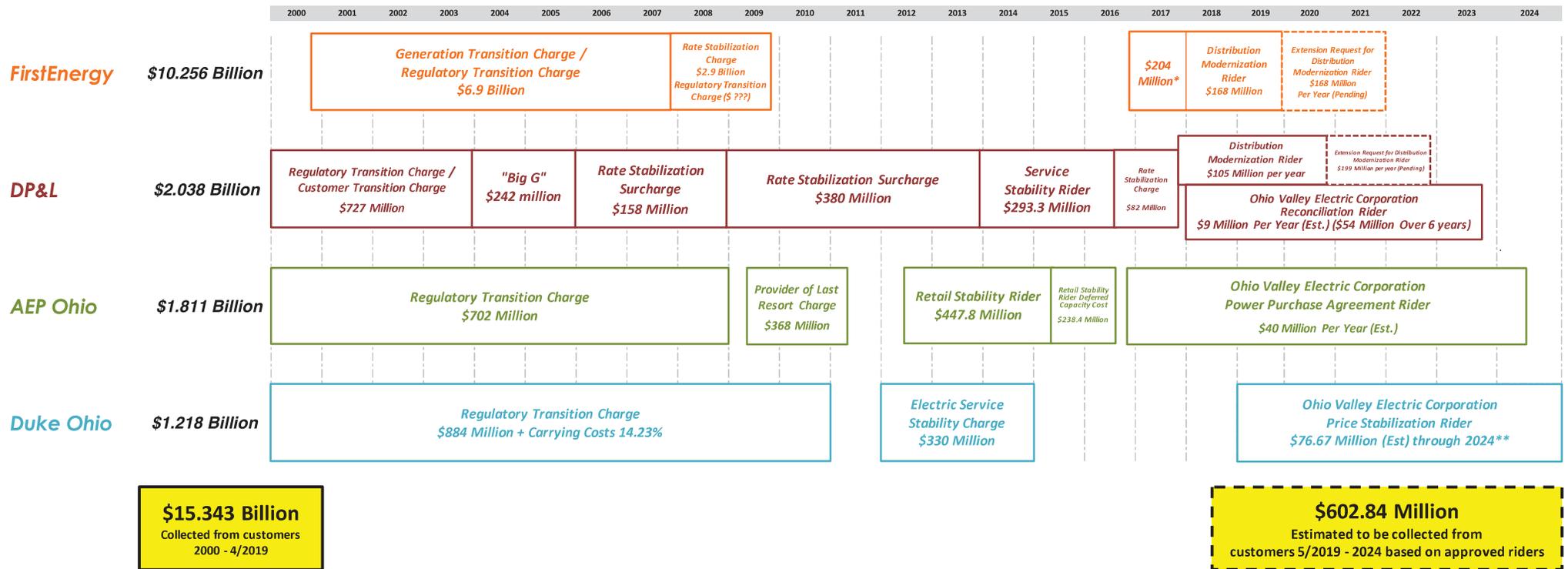
A. No.

For example, Columbus Southern Power Company ("CSP") held the stock of an affiliated company (Simco Inc.). Simco Inc. owned coal lands and it sold the coal lands realizing a net gain of \$1.2 million on the sale. Some customer groups urged the Public Utilities Commission of Ohio ("PUCO") to require CSP to give CSP's customers the benefit of Simco Inc.'s gain on the sale of the coal lands. CSP successfully opposed this effort by arguing that the equity ownership in the coal mines was a "bellow the line transaction" and it had no legal or other duty to give all or any portion of the gain to its customers.²⁷

Also, traditional utility regulation tested the ability of a utility to pass costs on to customers through things like prudence evaluations and the "used and useful" standard which required an investment to be used to meet the needs of customers before the investment could be included as part of the recoverable costs.

²⁷ *In the Matter of the Regulation of the Electric Fuel Component of Columbus Southern Power Company*, PUCO Case No. 88-102-EL-FAC, Finding and Order (October 28, 1988). In this proceeding, Columbus Southern Power Company (now part of Ohio Power Company) successfully argued that customers were not entitled to any portion of the gain on the sale of the coal lands because customers never purchased an interest in the assets, never were the legal owners of the assets and never were subject to the risks of ownership of the assets.

SUBSIDY SCORECARD - ELECTRIC UTILITY CHARGES TO OHIOANS



* FirstEnergy's Distribution Modernization Rider (DMR) collected \$204 Million in 2017, subject to 35% tax rate.

** The Price Stabilization Rider (PSR) of Duke Energy Ohio is scheduled to end at the end of May 2025. This \$76.67 million is an estimated amount through the end of 2024.

HB 6 AMENDMENT FOR A FAIR AND OPEN PROCESS**In line 344, delete “not”**

[Explanation: The purpose of this amendment is to ensure that the PUCO’s audits are conducted in a fair, open process with a public hearing that allows participation by stakeholders and that is transparent to the Ohio public that is paying subsidies for power plants. Lines 344 to 345 in the bill *exempt* the PUCO’s audits from ORC Chapter 4903 (“Hearings”) that provides the process for PUCO hearings.]

In line 314, after “evaluating” insert “in a proceeding”

[Explanation: The purpose of this amendment is to ensure that an audit is considered a “proceeding” that qualifies for participation (“intervention”) of stakeholders, with due process under ORC 4903.221.]

In line 332, delete “The”

[Explanation: this is a technical amendment to support the next amendment below.]

In line 332, after “(C)” insert “With consideration of the evidence adduced and recommendations made at a hearing, the”

[Explanation: The purpose of this amendment is for a fair and open process. It requires the PUCO to consider the evidence and recommendations made by the stakeholders (parties) at the PUCO hearing on the audit of the recipients of public subsidies for power plants.]

In line 342, after “audit” insert “and the commission’s hearing”

[Explanation: The purpose of this amendment is for a fair process where OAQDA considers the PUCO's hearing on the audit of the recipient of the subsidies Ohioans are paying for power plants.]

After line 345, insert:

“(F) The public utilities commission shall set the time for hearing of an audit under section 3706.61 of the Revised Code, send written notice of the hearing to the resource owner or operator that is being audited and to other interested persons, and publish notice in a form determined by the commission that includes, among other things, a deadline for intervention.”

[Explanation: The purpose of this amendment is to ensure that the PUCO’s audits are conducted in a fair, open process with a public hearing that allows participation by stakeholders and that is transparent to the Ohio public that is paying subsidies for power plants. The PUCO sometimes determines in cases (and public utilities sometimes assert) that a hearing is not required if there is not a law specifically requiring a hearing.]

OPERATING STATEMENT (P&L)
Period Ending: May 31, 2019

Case No:	18-50757		18-50762		18-50760		18-50769		18-50763		18-50764		18-50761			
In \$US Dollars	FirstEnergy Solutions Corp.		FirstEnergy Generation, LLC		FirstEnergy Nuclear Generation, LLC		FE Aircraft Leasing Corp.		FirstEnergy Generation Mansfield Unit 1 Corp.		Norton Energy Storage L.L.C.		Consolidated FirstEnergy Solutions Corp. (a)		FirstEnergy Nuclear Operating Company	
	Current Month	Total Since Filing (b)	Current Month	Total Since Filing (b)	Current Month	Total Since Filing	Current Month	Total Since Filing	Current Month	Total Since Filing (b)	Current Month	Total Since Filing	Current Month	Total Since Filing (b)	Current Month	Total Since Filing (b)
	5/31/2019		5/31/2019		5/31/2019		5/31/2019		5/31/2019		5/31/2019		5/31/2019		5/31/2019	
Revenue:																
Electric Sales	\$ 182,408,387	\$ 2,806,295,461	\$ 26,381,224	\$ 762,605,286	\$ 101,230,810	\$ 1,232,312,303	\$ -	\$ -	\$ 4,127,485	\$ 81,465,251	\$ -	\$ -	\$ 182,408,387	\$ 2,806,295,461	\$ -	\$ -
Other Revenues	99	241,029	45,334	2,916,010	-	-	777,886	-	-	-	-	-	45,433	3,934,926	70,587	873,858
Total Revenue	\$ 182,408,485	\$ 2,806,536,490	\$ 26,426,558	\$ 765,521,296	\$ 101,230,810	\$ 1,232,312,303	\$ -	\$ 777,886	\$ 4,127,485	\$ 81,465,251	\$ -	\$ -	\$ 182,453,820	\$ 2,810,230,387	\$ 70,587	\$ 873,858
Operating Expenses:																
Fuel	-	-	9,395,111	245,901,943	7,441,374	72,531,117	-	-	438,042	9,600,255	-	-	17,274,528	328,033,315	16,461	1,195,202
Purchased Power	167,064,285	2,632,955,666	4,127,587	81,506,603	-	-	-	-	-	-	-	-	39,452,352	638,079,429	-	-
Professional & Contractor Service:	8,513,078	198,143,668	4,254,794	107,922,362	53	27,780	-	-	-	-	-	-	12,767,925	306,093,809	4,223,308	170,721,425
Labor and Employee Benefits	1,576,676	19,735,959	6,581,493	90,011,086	(6,495)	(5,760,805)	-	-	327	-	-	-	8,151,674	103,986,566	33,746,213	471,665,851
General Business and Travel	60,180	1,997,512	58,750	1,129,280	-	192,444	-	-	(6,192)	-	-	-	118,930	3,313,044	486,926	9,391,506
Dues, Fees, Licenses & Permits	1,394,190	9,964,840	82,076	5,249,295	-	120,126	-	-	-	-	-	-	1,476,266	15,334,262	3,328,809	49,976,797
Lease Rental Costs	59,415	1,411,512	175,500	3,130,847	54,470	735,311	-	-	-	-	-	-	289,385	5,277,670	424,178	3,275,302
Other Operating Expense:	10,588,444	199,362,504	3,472,612	498,982,084	62,208,660	920,264,088	-	6,192	853,933	134,679,897	-	-	81,186,789	1,720,076,361	(46,996,869)	(726,285,796)
Provision for Depreciation and Amortization	657,344	9,481,397	831,018	24,626,538	12,333,981	169,946,262	-	403,286	-	1,913,117	-	-	13,822,343	205,032,508	-	-
General Taxes	1,636,482	23,782,564	409,441	17,591,690	817,613	18,994,245	-	-	21,225	312,615	-	-	2,884,761	60,885,559	3,035,330	26,349,146
Total Operating Expenses	191,550,094	3,096,635,621	29,388,383	1,076,051,728	82,849,656	1,177,040,568	-	403,613	1,313,200	146,505,885	-	-	177,424,953	3,386,112,523	(1,735,644)	6,289,432
Operating Margin	(9,141,608)	(290,299,131)	(2,961,824)	(310,530,432)	18,381,154	56,271,735	-	374,274	2,814,285	(65,040,634)	-	-	5,028,867	(575,882,137)	1,806,230	(5,415,574)
Other Income / (Expense)																
Other Income (Expense)	(30,338,459)	(781,698,466)	(4,979,159)	(433,920,856)	(43,606,648)	45,354,574	113,200	(1,921,260)	-	(168,657,824)	-	-	(48,220,008)	(999,569,644)	179,125	(268,732,212)
Interest Expense	(269,263)	(2,005,086)	(3,398,976)	(26,086,105)	(6,623,390)	(52,905,175)	-	-	(4,394,075)	(63,423,564)	-	-	(1,926,864)	(26,800,172)	37,263	(426,345)
Capitalized Financing Cost:	-	13,351	-	694,204	-	-	-	-	-	1,740	-	-	-	709,494	-	-
Other Income and Expenses	(30,607,722)	(783,690,001)	(8,378,135)	(459,312,757)	(50,230,038)	(7,550,601)	113,200	(1,921,260)	(4,394,075)	(232,079,648)	-	-	(50,146,872)	(1,025,660,321)	216,388	(269,158,556)
Income Taxes	2,276,443	(12,319,747)	1,632,360	56,147,636	3,597,080	4,550,759	(17,174)	491,797	456,435	25,642,243	-	-	7,858,459	58,157,677	(2,022,618)	(8,642,182)
Net income / (Loss)	\$ (37,472,887)	\$ (1,086,308,879)	\$ (9,707,599)	\$ (713,695,552)	\$ (28,251,803)	\$ 62,271,892	\$ 96,025	\$ (1,055,189)	\$ (1,123,356)	\$ (271,478,039)	\$ -	\$ -	\$ (37,259,545)	\$ (1,543,384,781)	\$ (0)	\$ (283,216,310)

Kevin Warneff
Responsible Officer of the Debtor in Possession

Dated: 06/28/2019

Notes:
(a) Consolidated FirstEnergy Solutions Corp. does not include FirstEnergy Nuclear Operating Company
(b) Other Income (Expense) in total since filing period has been adjusted by \$1.4 billion to reflect the updated view of the bankruptcy claims damage estimates. The claims are consistent with the estimates reported in the Debtors' Disclosure Statement, supporting the solicitation version of the Debtors' Plan of Reorganization.

BALANCE SHEET

Period Ending: May 31, 2019

Debtor:
 FirstEnergy Solutions Corp.
 FirstEnergy Generation, LLC
 FirstEnergy Nuclear Generation, LLC
 FE Aircraft Leasing Corp.
 FirstEnergy Generation Mansfield Unit 1 Corp.
 Norton Energy Storage L.L.C.

Case Number:
 18-50757
 18-50762
 18-50760
 18-50759
 18-50763
 18-50764

Debtor: Case Number:
 FirstEnergy Nuclear Operating Company 18-50761

In \$US Dollars	Current Month ^(a)	Prior Month ^(a)	Current Month	Prior Month
Current Assets				
Cash & Cash Equivalents	\$ 1,050,889,226	\$ 1,104,934,723	\$ 10,397,304	\$ 54,062,527
Accounts Receivable - Trade / Other	115,134,223	112,973,768	-	-
Prepayments & Other	269,925,736	274,743,473	28,277,154	32,699,239
Materials and Supplies	77,041,848	69,115,107	-	-
Other Current Assets	111,613,960	104,581,998	177,263,376	202,679,524
Total Current Assets	1,624,604,994	1,666,349,069	215,937,834	289,441,290
Property, Plant and Equipment				
Net Plant, excluding CWIP	96,749,563	97,401,741	-	-
CWIP	9,607,957	(738,261)	-	9,110,151
Total Property, Plant and Equipment	106,357,519	96,663,480	-	9,110,151
Other Long-Term Assets				
Nuclear Plant Decommissioning Trusts	1,882,332,326	1,923,306,732	-	-
Accumulated Deferred Income Taxes	2,015,395,978	2,014,716,590	48,772,021	51,263,559
Other	443,126,564	440,977,589	724,983,297	726,101,507
Total Long-Term Assets	4,340,854,868	4,379,000,911	773,755,318	777,365,067
Total Assets	\$ 6,071,817,382	\$ 6,142,013,461	\$ 989,693,152	\$ 1,075,916,507
Post-Petition Liabilities				
Current Liabilities				
Accounts Payable - Trade	\$ 17,859,555	\$ 17,744,939	\$ 2,919,729	\$ 18,186,558
Accounts Payable - Other	72,255,965	82,509,655	21,171,042	32,687,950
Other Current Liabilities	536,961,740	565,075,294	69,592,330	118,411,681
Total Post-Petition Current Liabilities	627,077,259	665,329,888	93,683,101	169,286,190
Long-term Liabilities				
Long-term Debt	-	-	-	-
Other Long-Term Liabilities	153,259,197	141,217,878	29,589,437	40,930,441
Total Post-Petition Long-Term Liabilities	153,259,197	141,217,878	29,589,437	40,930,441
Liabilities Subject to Compromise (LSTC) ^(b)				
LSTC - Trade ^(c)	26,418,643	26,527,922	18,593,225	18,563,312
LSTC - Other ^(d)	8,933,439,102	7,823,973,585	1,178,877,812	895,732,616
Total LSTC	8,959,857,744	7,850,501,507	1,197,471,037	914,295,927
Equity				
Equity ^(d)	(3,668,376,819)	(2,515,035,813)	(331,050,423)	(48,596,050)
Total Equity	(3,668,376,819)	(2,515,035,813)	(331,050,423)	(48,596,050)
Total Liabilities and Equity	\$ 6,071,817,382	\$ 6,142,013,461	\$ 989,693,152	\$ 1,075,916,507

Dated: 06/28/2019


 Responsible Officer of the Debtor in Possession

Notes

- (a) FirstEnergy Solutions Corp. and its subsidiaries balance sheets are presented on a consolidated basis consistent with their historical SEC reporting methodology.
- (b) Liabilities subject to compromise (LSTC) includes amounts for asset retirement obligations, employee related items such as pension or OPEB, deferred sale and leaseback liability for Bruce Mansfield Unit 1 and tax-related liabilities that are not included in the Debtors' statements and schedules.
- (c) The LSTC - Trade balance reflects vouched, prepetition, third party trade payables. Prepetition third party trade accruals of approximately \$74.4 million are reflected in LSTC - Other line item.
- (d) The increase in Liabilities Subject to Compromise and offsetting adjustment to equity in May of \$1.4 billion is related to including the updated view of the bankruptcy claims damage estimates. The claims are consistent with the estimates reported in the Debtors' Disclosure Statement, supporting the solicitation version of the Debtors' Plan of Reorganization.

FORM 3

SUMMARY OF OPERATIONS

Period Ended: May 31, 2019

Debtor:	Case No:
FirstEnergy Solutions Corp.	18-50757
FirstEnergy Generation, LLC	18-50762
FirstEnergy Nuclear Generation, LLC	18-50760
FirstEnergy Nuclear Operating Company	18-50761
FE Aircraft Leasing Corp.	18-50759
FirstEnergy Generation Mansfield Unit 1 Corp.	18-50763
Norton Energy Storage L.L.C.	18-50764

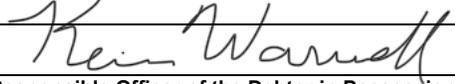
Schedule of Postpetition Taxes Payable				
In \$US Dollars	Beginning Balance	Accrued/ Withheld	Payments/ Deposits	Ending Balance
Income Taxes Withheld:				
Federal:	-	\$9,067,429	(\$9,067,429)	-
State:	-	\$1,273,680	(\$1,273,680)	-
Local:	-	\$1,034,793	(\$1,034,793)	-
FICA Withheld:	-	\$3,940,110	(\$3,940,110)	-
Employers FICA:	-	\$3,820,735	(\$3,820,735)	-
Unemployment Tax:				
Federal:	-	\$971	(\$971)	-
State:	-	\$3,140	(\$3,140)	-
Sales, Use & Excise Taxes:	23,267	218,266	(155,094)	86,439
Property Taxes:	20,585,527	\$3,867,608	(\$15,882)	24,437,253
Workers' Compensation	-	-	-	-
Other:	-	-	-	-
TOTALS:	\$16,714,508	\$23,226,732	(\$19,311,834)	\$24,523,692

AGING OF ACCOUNTS RECEIVABLE AND POSTPETITION ACCOUNTS PAYABLE

Age in Days	0-30	30-60	Over 60	Total
Post-Petition Accounts Payable ^(a)	20,779,283	-	-	\$20,779,283
Accounts Receivable ^(b)	52,161,926	1,343,931	-	\$53,505,857

Describe events or factors occurring during this reporting period materially affecting operations and formulation of a Plan of Reorganization:

Beside the relief contained in the orders granting the first day motions, the filing of Schedules and Statement of Financial Affairs for each of the Debtors, the order extending the Debtors' exclusive periods to file a plan of reorganization and solicit acceptances thereto, the order granting the motion to approve the settlement among the Debtors, Non-Debtor affiliates and certain other settlement parties, the motion to approve the restructuring support agreement between the Debtors and certain Consenting Creditors with attached plan term sheet filed with the Court and the Disclosure Statement for the Fifth Amended Joint Plan of Reorganization which was filed with the Court and then approved by the Court at a hearing on May 20, 2019, nothing else to report this period.


 Responsible Officer of the Debtor in Possession

Dated: 06/28/2019

Notes

(a) Includes vouched post-petition third-party accounts payable. Balances over 30 days represent vendors with payment terms greater than 30 days.

(b) Does not match accounts receivable reflected in Form 3, as accounts receivable reflected in Form 3 includes accounts receivable that has been earned but not billed.

MONTHLY CASH STATEMENT

Period Ending: May 31, 2019

Debtor:	Case No:
FirstEnergy Solutions Corp.	18-50757
FirstEnergy Generation, LLC	18-50762
FirstEnergy Nuclear Generation, LLC	18-50760
FirstEnergy Nuclear Operating Company	18-50761
FE Aircraft Leasing Corp.	18-50759
FirstEnergy Generation Mansfield Unit 1 Corp.	18-50763
Norton Energy Storage L.L.C.	18-50764

Cash Activity Analysis (Cash Basis Only) In \$US Dollars	Acct. x5604	Acct. x3176	Acct. x8799	Acct. x7460	Acct. x0085	Acct. x8929	Acct. x0077
A. Beginning Balance	\$1,091,318,714	\$54,061,958	\$1,794,265	\$454,092	\$11,690,503	\$0	\$0
B. Receipts	161,085,042	9,545,955	3,081	805	20,619	-	-
Transfers, net	(99,059,634)	99,367,714	(227,180)	(905)	(79,995)	-	-
C. Balance Available	1,153,344,123	162,975,627	1,570,166	453,992	11,631,126	-	-
D. Less Disbursements	(116,065,701)	(152,578,892)	-	-	-	-	-
E. ENDING BALANCE	1,037,278,422	\$10,396,735	\$1,570,166	\$453,992	\$11,631,126	\$0	\$0
	(a)(b)	(c)	(d)	(a)	(a)		

Account x5604:

1. **Depository Name & Location** JPMorgan Chase Bank, N.A.
 2. **Account Number** x5604

Account x3176:

1. **Depository Name & Location** JPMorgan Chase Bank, N.A.
 2. **Account Number** x3176

Account x8799:

1. **Depository Name & Location** JPMorgan Chase Bank, N.A.
 2. **Account Number** x8799

Account x7460:

1. **Depository Name & Location** JPMorgan Chase Bank, N.A.
 2. **Account Number** x7460

Account x0085:

1. **Depository Name & Location** JPMorgan Chase Bank, N.A.
 2. **Account Number** x0085

Account x8929:

1. **Depository Name & Location** JPMorgan Chase Bank, N.A.
 2. **Account Number** x8929

Account x0077:

1. **Depository Name & Location** JPMorgan Chase Bank, N.A.
 2. **Account Number** x0077

Other monies on hand (specify type and location) i.e., CD's, bonds, etc.)

Not Applicable

Dated: 06/28/2019


 Responsible Officer of the Debtor in Possession

Notes

- (a) Balance of these three accounts is reflective of the cash balance in the consolidated balance sheet in Form 3 for the following debtors: FirstEnergy Solutions Corp., FirstEnergy Generation, LLC, FirstEnergy Nuclear Generation, LLC, FE Aircraft Leasing Corp., FirstEnergy Generation Mansfield Unit 1 Corp., Norton Energy Storage L.L.C. The difference between the bank account balance and the balance on the balance sheet is driven by various book vs. bank reconciling items.
- (b) Balance does not match the bank account statement balance as the bank account statement balance does not include the daily overnight investment sweep amounts (\$784.4 million overnight sweep on May 31, 2019).
- (c) Balance is reflective of the cash balance in Form 3 of the balance sheet for FirstEnergy Nuclear Operating Company. The difference between the bank account balance and the balance on the balance sheet is driven by various book vs. bank reconciling items.
- (d) Escrow deposit account reflected as a pre-payment on Form 3 for the balance sheet including the following debtors: FirstEnergy Solutions Corp., FirstEnergy Generation, LLC, FirstEnergy Nuclear Generation, LLC, FE Aircraft Leasing Corp., FirstEnergy Generation Mansfield Unit 1 Corp., Norton Energy Storage L.L.C.

MONTHLY STATEMENT OF INSIDER COMPENSATION / PAYMENTS
Period Ending: May 31, 2019

Debtor:	Case No:
FirstEnergy Solutions Corp.	18-50757
FirstEnergy Generation, LLC	18-50762
FirstEnergy Nuclear Generation, LLC	18-50760
FirstEnergy Nuclear Operating Company	18-50761
FE Aircraft Leasing Corp.	18-50759
FirstEnergy Generation Mansfield Unit 1 Corp.	18-50763
Norton Energy Storage L.L.C.	18-50764

Name: <u>Multiple</u>	Capacity:	Shareholder
	<u>x</u>	Officer
	<u>x</u>	Director
	<u>x</u>	Insider
Detailed Description of Duties:		<u>Eight officers / insiders and four independent directors</u>

In \$US Dollars	Month of May 2019
Current Compensation Paid:	\$ 410,423
Current Benefits Paid:	
Health Insurance	11,251
Life Insurance	423
Retirement	-
Company Vehicle	-
Entertainment	-
Expense Reimbursement	30,517
Other Benefits	796
Total Benefits	\$ 42,987
Current Other Payments Paid:	
Rent Paid	-
Loans	-
Other (Company paid Umbrella Liability Insurance)	171
Total Other Payments	\$ 171
Total of all payments for the current month:	\$ 453,581

Dated: _____ 6/28/2019


Responsible Officer of the Debtor in Possession

SCHEDULE OF IN-FORCE INSURANCE

Period Ending: May 31, 2019

Debtor:	Case No:
FirstEnergy Solutions Corp.	18-50757
FirstEnergy Generation, LLC	18-50762
FirstEnergy Nuclear Generation, LLC	18-50760
FirstEnergy Nuclear Operating Company	18-50761
FE Aircraft Leasing Corp.	18-50759
FirstEnergy Generation Mansfield Unit 1 Corp.	18-50763
Norton Energy Storage L.L.C.	18-50764

INSURANCE TYPE	CARRIER	EXPIRATION DATE
Liability Insurance	ACE Bermuda Insurance Ltd. / Aon Bermuda	7/1/2019
Punitive Damages Insurance	Aegis Security Insurance Company/ AEGIS Insurance Services Inc.	7/1/2019
Directors and Officers Liability Insurance Policy	Aegis Security Insurance Company/ AEGIS Insurance Services Inc.	9/1/2019
Excess Follow Form Policy	Aegis Security Insurance Company/ AEGIS Insurance Services Inc.	9/1/2019
Liability Insurance	Allied World Assurance Company Ltd. / Aon Bermuda	7/1/2019
Nuclear Energy Liability Policy	American Nuclear Insurers	12/31/2019
Nuclear Energy Liability Policy	American Nuclear Insurers	12/31/2019
Nuclear Energy Liability Policy	American Nuclear Insurers	12/31/2019
Nuclear Energy Liability Policy	American Nuclear Insurers	12/31/2019
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Nuclear Energy Liability Policy	American Nuclear Insurers	12/31/2019
Nuclear Energy Liability Policy	American Nuclear Insurers	12/31/2019
Nuclear Energy Liability Policy	American Nuclear Insurers	12/31/2019
Excess Liability Insurance Policy	Arch Ins. Bermuda Ltd. / Aon Bermuda	7/1/2019
Arch Insurance Company Directors and Officers Liability	Arch Insurance Company	9/1/2019
Excess Liability Insurance Policy	Associated Electric & Gas Ins Services Ltd	7/1/2019
Excess Workers Compensation	Associated Electric & Gas Ins Services Ltd	7/1/2019
Property Insurance Policy- Policy Of All Risk Property Insurance Including Machinery Breakdown	Associated Electric & Gas Ins Services Ltd	10/1/2019
Excess Cyber Liability Indemnity Policy	Associated Electric & Gas Ins Services Ltd	2/1/2020
Directors and Officers Liability Policy	AXIS Insurance Company	9/1/2019
Directors and Officers Liability Policy	Berkshire Hathaway Specialty Insurance Company	9/1/2019
Directors and Officers Liability Policy	Berkshire Hathaway Specialty Insurance Company	12/31/2019
Marine Policy Of Insurance	Continental Insurance Company	7/1/2019
Directors and Officers Liability Policy	Continental Insurance Company	9/1/2019
Excess Management Liability Insurance	Endurance American Insurance Company	9/1/2019
Marine Policy Of Insurance	Endurance American Insurance Company (New)	7/1/2019
Excess General Liability Indemnity Policy	Energy Insurance Mutual Ltd	7/1/2019
Excess Directors and Officers Liability Indemnity Policy	Energy Insurance Mutual Ltd	9/1/2019
Excess Fiduciary	Energy Insurance Mutual Ltd	9/1/2019
Property Insurance	Energy Insurance Mutual Ltd	10/1/2019
Property Insurance	Energy Insurance Mutual Ltd	10/1/2019
Excess Cyber Liability Indemnity Policy	Energy Insurance Mutual Ltd	2/1/2020
Terrorism and/or Sabotage and Sabotage Liability	Energy Insurance Services Inc.	1/1/2020
Directors and Officers Liability Excess Chubb Policy	Federal Insurance Company	9/1/2019
Executive Protection Portfolio Policy	Federal Insurance Company	9/1/2019
Crime Excess Policy	Federal Insurance Company	4/1/2020
Property Insurance Policy- Policy Of All Risk Property Insurance Including Machinery Breakdown	Freberg Environmental Inc.	10/1/2019
Aviation Insurance Policy	Global Aerospace, Inc.	6/1/2020
Property Insurance Policy- Policy Of All Risk Property Insurance Including Machinery Breakdown	HDI Global Insurance Company	10/1/2019
Directors & Officers Liability Policy	Illinois National Insurance Company	9/1/2019
Excess Edge Policy	Illinois National Insurance Company	9/1/2019
Crisis Insurance	National Union Fire Insurance Company of Pittsburgh, PA	4/1/2021
Property Insurance Policy- Policy Of All Risk Property Insurance Including Machinery Breakdown	Navigators Management Co. Inc.	10/1/2019
Excess Non-Nuclear Property Insurance Policy	Neil Specialty Insurance Company	4/1/2020
Excess Non-Nuclear Property Insurance Policy	Neil Specialty Insurance Company	4/1/2020
Excess Non-Nuclear Property Insurance Policy	Neil Specialty Insurance Company	4/1/2020
Primary Property And Decontamination Liability Insurance	Nuclear Electric Insurance Limited	4/1/2020
Primary Property And Decontamination Liability Insurance	Nuclear Electric Insurance Limited	4/1/2020
Primary Property And Decontamination Liability Insurance	Nuclear Electric Insurance Limited	4/1/2020
Blanket Excess, Decontamination Liability, Decommissioning Liability and Excess Property Insurance Policy	Nuclear Electric Insurance Limited	4/1/2020
Neil I Accidental Outage Insurance Policy	Nuclear Electric Insurance Limited	4/1/2020
Neil I Accidental Outage Insurance Policy	Nuclear Electric Insurance Limited	4/1/2020
Primary Property And Decontamination Liability Insurance	Nuclear Electric Insurance Limited	4/1/2020
Neil I Accidental Outage Insurance Policy	Nuclear Electric Insurance Limited	4/1/2020
Commercial Excess Property Policy	Princeton Excess & Surplus Lines Insurance Co	10/1/2019
Directors & Officers Liability Policy	QBE Insurance Corporation	9/1/2019
Directors & Officers Liability Policy	Starr Indemnity & Liability Company	12/31/2019
Evidence Of Cover	Talbot Underwriting Services (US) Ltd. (Validus)	10/1/2019
Directors and Officers Liability Policy	U.S. Specialty Insurance Company	9/1/2019
Directors and Officers Liability Policy	U.S. Specialty Insurance Company	12/31/2019
Worldwide Vessel Pollution Policy	Water Quality Insurance Syndicate	7/1/2019
Liability Insurance	XL Insurance Bermuda Ltd. / Aon Bermuda	7/1/2019
Excess Insurance Policy	XL Specialty Insurance Company	9/1/2019
Directors and Officers Liability Policy	XL Specialty Insurance Company	9/1/2019
Directors and Officers Liability Policy	XL Specialty Insurance Company	12/31/2019
Directors and Officers Liability Policy	Zurich American Insurance Company	9/1/2019
Xsprop	Zurich American Insurance Company	10/1/2019
Commercial Crime Policy	Great American Insurance Company	4/1/2020

Kevin Warnell
 Responsible Officer of the Debtor in Possession

Dated: 06/28/2019

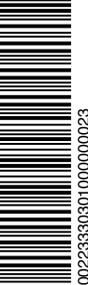
JPMorgan Chase Bank, N.A.
 P O Box 182051
 Columbus, OH 43218-2051

May 01, 2019 through May 31, 2019
 Account Number: xxxxxxxxxxxx5604

CUSTOMER SERVICE INFORMATION

If you have any questions about your statement, please contact your Customer Service Professional.

00022333 DDA 802211 15219 NNNNNNNNNN 1 00000000 61 0000
 FIRSTENERGY SOLUTIONS CORP.
 341 WHITE POND DRIVE
 AKRON OH 44320-1119



CHECKING SUMMARY

Commercial Checking With Interest

	INSTANCES	AMOUNT
Beginning Balance		\$253,539,936.53
Deposits and Additions	68	17,711,169,853.15
Electronic Withdrawals	8	- 215,433,415.03
Other Withdrawals, Fees & Charges	22	- 17,496,399,987.53
Ending Balance	98	\$252,876,387.12
Annual Percentage Yield Earned This Period		2.11%
Interest Paid This Period		\$444,680.43
Interest Paid Year-to-Date		\$2,187,314.58

DEPOSITS AND ADDITIONS

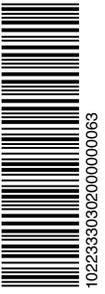
DATE	DESCRIPTION	AMOUNT
05/01	JPMorgan Mmmf Redemption 100% US Treasury Capital 3163 29921900 Trn: 1211012561Xj	\$837,778,777.68
05/01	Book Transfer Credit B/O: Firstenergy Service Company Akron OH 44308-1812 Trn: 1106200121Zm	6,266,357.51
05/01	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 4359100121Jo	126,345.73
05/01	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 4359200121Jo	122,351.96
05/01	JPMorgan Mmmf Dividend 100% US Treasury Capital 3163 29921900 Trn: 1211009643Xj	1,471,414.43
05/02	JPMorgan Mmmf Redemption 100% US Treasury Capital 3163 29921900 Trn: 1221000160Xj	842,790,128.64
05/02	Book Transfer Credit B/O: Firstenergy Service Company Akron OH 44308-1812 Trn: 1052200122Zm	2,402,833.68

DEPOSITS AND ADDITIONS (continued)

DATE	DESCRIPTION	AMOUNT
05/03	JPMorgan Mmmf Redemption 100% US Treasury Capital 3163 29921900 Trn: 1231000158Xj	836,903,631.47
05/03	Book Transfer Credit B/O: Firstenergy Service Company Akron OH 44308-1812 Trn: 1203000123Zm	2,876,778.10
05/03	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 3083700123Jo	136,412.19
05/03	Book Transfer Credit B/O: Firstenergy Solutions Corp. Akron OH 44320- Trn: 2718900123Jo	79,994.72
05/03	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 3084400123Jo	3,487.89
05/03	Book Transfer Credit B/O: Firstenergy Solutions Corp. Akron OH 44320- Trn: 2733600123Jo	905.06
05/06	JPMorgan Mmmf Redemption 100% US Treasury Capital 3163 29921900 Trn: 1261000160Xj	839,526,359.95
05/06	Book Transfer Credit B/O: Firstenergy Service Company Akron OH 44308-1812 Trn: 0970200126Zm	9,678,480.15
05/07	JPMorgan Mmmf Redemption 100% US Treasury Capital 3163 29921900 Trn: 1271000157Xj	842,404,043.11
05/07	Book Transfer Credit B/O: Firstenergy Service Company Akron OH 44308-1812 Trn: 0951000127Zm	5,168,242.01
05/08	JPMorgan Mmmf Redemption 100% US Treasury Capital 3163 29921900 Trn: 1281000158Xj	852,082,523.26
05/08	Book Transfer Credit B/O: Firstenergy Service Company Akron OH 44308-1812 Trn: 0945600128Zm	8,131,221.29
05/08	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 3853400128Jo	55,365.76
05/08	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 3853300128Jo	49,612.81
05/09	JPMorgan Mmmf Redemption 100% US Treasury Capital 3163 29921900 Trn: 1291000158Xj	857,250,765.27
05/09	Book Transfer Credit B/O: Firstenergy Service Company Akron OH 44308-1812 Trn: 0930400129Zm	1,838,618.26
05/10	JPMorgan Mmmf Redemption 100% US Treasury Capital 3163 29921900 Trn: 1301000158Xj	780,921,495.25
05/10	Book Transfer Credit B/O: Firstenergy Service Company Akron OH 44308-1812 Trn: 1134800130Zm	2,053,703.56
05/10	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 2337400130Jo	7,237.59
05/13	JPMorgan Mmmf Redemption 100% US Treasury Capital 3163 29921900 Trn: 1331000159Xj	782,767,351.10
05/13	Book Transfer Credit B/O: Firstenergy Service Company Akron OH 44308-1812 Trn: 0933000133Zm	12,522,804.57
05/14	JPMorgan Mmmf Redemption 100% US Treasury Capital 3163 29921900 Trn: 1341000156Xj	784,821,054.66
05/14	Book Transfer Credit B/O: Firstenergy Service Company Akron OH 44308-1812 Trn: 0922400134Zm	5,993,019.00
05/15	JPMorgan Mmmf Redemption 100% US Treasury Capital 3163 29921900 Trn: 1351000156Xj	797,343,859.23
05/15	Book Transfer Credit B/O: Firstenergy Service Company Akron OH 44308-1812 Trn: 0940600135Zm	3,666,651.67
05/15	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 4872800135Jo	991,565.36
05/15		290,000.00

DEPOSITS AND ADDITIONS (continued)

DATE	DESCRIPTION	AMOUNT
	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 4874200135Jo	
05/16	JPMorgan Mmmf Redemption 100% US Treasury Capital 3163 29921900 Trn: 1361000159Xj	803,336,878.23
05/16	Book Transfer Credit B/O: Firstenergy Service Company Akron OH 44308-1812 Trn: 0917100136Zm	3,556,772.12
05/17	JPMorgan Mmmf Redemption 100% US Treasury Capital 3163 29921900 Trn: 1371000159Xj	779,759,347.41
05/17	Book Transfer Credit B/O: Firstenergy Service Company Akron OH 44308-1812 Trn: 1070000137Zm	4,403,209.44
05/17	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 3683400137Jo	368,210.74
05/17	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 3683300137Jo	289,505.27
05/20	JPMorgan Mmmf Redemption 100% US Treasury Capital 3163 29921900 Trn: 1401000158Xj	783,316,119.53
05/20	Book Transfer Credit B/O: Firstenergy Service Company Akron OH 44308-1812 Trn: 0929000140Zm	17,776,507.34
05/21	JPMorgan Mmmf Redemption 100% US Treasury Capital 3163 29921900 Trn: 1411000159Xj	788,377,044.98
05/21	Book Transfer Credit B/O: Firstenergy Service Company Akron OH 44308-1812 Trn: 0900700141Zm	5,140,539.19
05/22	JPMorgan Mmmf Redemption 100% US Treasury Capital 3163 29921900 Trn: 1421000156Xj	756,153,552.32
05/22	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 3985300142Jo	17,942,681.22
05/22	Book Transfer Credit B/O: Firstenergy Service Company Akron OH 44308-1812 Trn: 0877400142Zm	3,805,613.25
05/22	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 3985800142Jo	30,032.95
05/23	JPMorgan Mmmf Redemption 100% US Treasury Capital 3163 29921900 Trn: 1431000156Xj	761,294,091.51
05/23	Book Transfer Credit B/O: Firstenergy Service Company Akron OH 44308-1812 Trn: 0895500143Zm	3,474,052.34
05/24	JPMorgan Mmmf Redemption 100% US Treasury Capital 3163 29921900 Trn: 1441000158Xj	754,730,373.56
05/24	Book Transfer Credit B/O: Firstenergy Service Company Akron OH 44308-1812 Trn: 1066900144Zm	2,442,778.79
05/24	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 2879200144Jo	49,031.45
05/24	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 2880000144Jo	7,659.33
05/28	JPMorgan Mmmf Redemption 100% US Treasury Capital 3163 29921900 Trn: 1481000154Xj	758,204,425.90
05/28	Book Transfer Credit B/O: Firstenergy Service Company Akron OH 44308-1812 Trn: 0857100148Zm	15,384,859.20
05/29	JPMorgan Mmmf Redemption 100% US Treasury Capital 3163 29921900 Trn: 1491000157Xj	760,703,895.47
05/29	Book Transfer Credit B/O: Firstenergy Service Company Akron OH 44308-1812 Trn: 0659900149Zm	6,190,777.12
05/29	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 5077300149Jo	20,312.14
05/30		776,088,754.67



DEPOSITS AND ADDITIONS *(continued)*

DATE	DESCRIPTION	AMOUNT
	JPMorgan Mmmf Redemption 100% US Treasury Capital 3163 29921900 Trn: 1501000157Xj	
05/30	Book Transfer Credit B/O: Firstenergy Service Company Akron OH 44308-1812 Trn: 0809100150Zm	5,924,452.80
05/30	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 4457200150Jo	52,210.09
05/30	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 4456500150Jo	4,794.14
05/31	JPMorgan Mmmf Redemption 100% US Treasury Capital 3163 29921900 Trn: 1511000157Xj	773,222,257.31
05/31	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 2810200151Jo	4,071,086.30
05/31	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 2809500151Jo	3,648,247.00
05/31	Book Transfer Credit B/O: Firstenergy Service Company Akron OH 44308-1812 Trn: 0915900151Zm	2,431,706.69
05/31	Interest Payment	444,680.43
Total Deposits and Additions		\$17,711,169,853.15

ELECTRONIC WITHDRAWALS

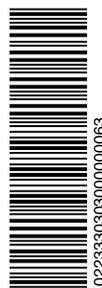
DATE	DESCRIPTION	AMOUNT
05/01	Book Transfer Debit A/C: Firstenergy Service Company Akron OH 44308- Trn: 4198300121Jo	\$12,401,552.37
05/08	Book Transfer Debit A/C: Firstenergy Service Company Akron OH 44308- Trn: 3690100128Jo	49,367,714.02
05/08	Book Transfer Debit A/C: Firstenergy Service Company Akron OH 44308- Trn: 3694000128Jo	35,197,755.86
05/15	Book Transfer Debit A/C: Firstenergy Service Company Akron OH 44308- Trn: 4445400135Jo	28,525,747.85
05/21	Book Transfer Debit A/C: Firstenergy Service Company Akron OH 44308- Trn: 3064800141Jo	50,000,000.00
05/22	Book Transfer Debit A/C: Firstenergy Service Company Akron OH 44308- Trn: 4132700142Jo	28,342,045.37
05/29	Book Transfer Debit A/C: Firstenergy Service Company Akron OH 44308- Trn: 4840000149Jo	9,134,590.85
05/31	Book Transfer Debit A/C: Firstenergy Service Company Akron OH 44308- Trn: 2711300151Jo	2,464,008.71
Total Electronic Withdrawals		\$215,433,415.03

OTHER WITHDRAWALS, FEES & CHARGES

DATE	DESCRIPTION	AMOUNT
05/01	JPMorgan Mmmf Investment 100% US Treasury Capital 3163 29921900 At Nav of 1.0000 Trn: 1211013383Xj	\$842,790,128.64
05/02	JPMorgan Mmmf Investment 100% US Treasury Capital 3163 29921900 At Nav of 1.0000 Trn: 1221000606Xj	836,903,631.47
05/03	JPMorgan Mmmf Investment 100% US Treasury Capital 3163 29921900 At Nav of 1.0000 Trn: 1231000557Xj	839,526,359.95
05/06	JPMorgan Mmmf Investment 100% US Treasury Capital 3163 29921900 At Nav of 1.0000 Trn: 1261000582Xj	842,404,043.11
05/07	JPMorgan Mmmf Investment 100% US Treasury Capital 3163 29921900 At Nav of 1.0000 Trn: 1271000579Xj	852,082,523.26

OTHER WITHDRAWALS, FEES & CHARGES (continued)

DATE	DESCRIPTION	AMOUNT
05/08	JPMorgan Mmmf Investment 100% US Treasury Capital 3163 29921900 At Nav of 1.0000 Trn: 1281000525Xj	857,250,765.27
05/09	JPMorgan Mmmf Investment 100% US Treasury Capital 3163 29921900 At Nav of 1.0000 Trn: 1291000528Xj	780,921,495.25
05/10	JPMorgan Mmmf Investment 100% US Treasury Capital 3163 29921900 At Nav of 1.0000 Trn: 1301000554Xj	782,767,351.10
05/13	JPMorgan Mmmf Investment 100% US Treasury Capital 3163 29921900 At Nav of 1.0000 Trn: 1331000597Xj	784,821,054.66
05/14	JPMorgan Mmmf Investment 100% US Treasury Capital 3163 29921900 At Nav of 1.0000 Trn: 1341000548Xj	797,343,859.23
05/15	JPMorgan Mmmf Investment 100% US Treasury Capital 3163 29921900 At Nav of 1.0000 Trn: 1351000662Xj	803,336,878.23
05/16	JPMorgan Mmmf Investment 100% US Treasury Capital 3163 29921900 At Nav of 1.0000 Trn: 1361000628Xj	779,759,347.41
05/17	JPMorgan Mmmf Investment 100% US Treasury Capital 3163 29921900 At Nav of 1.0000 Trn: 1371000586Xj	783,316,119.53
05/20	JPMorgan Mmmf Investment 100% US Treasury Capital 3163 29921900 At Nav of 1.0000 Trn: 1401000623Xj	788,377,044.98
05/21	JPMorgan Mmmf Investment 100% US Treasury Capital 3163 29921900 At Nav of 1.0000 Trn: 1411000586Xj	756,153,552.32
05/22	JPMorgan Mmmf Investment 100% US Treasury Capital 3163 29921900 At Nav of 1.0000 Trn: 1421000541Xj	761,294,091.51
05/23	JPMorgan Mmmf Investment 100% US Treasury Capital 3163 29921900 At Nav of 1.0000 Trn: 1431000544Xj	754,730,373.56
05/24	JPMorgan Mmmf Investment 100% US Treasury Capital 3163 29921900 At Nav of 1.0000 Trn: 1441000313Xj	758,204,425.90
05/28	JPMorgan Mmmf Investment 100% US Treasury Capital 3163 29921900 At Nav of 1.0000 Trn: 1481000642Xj	760,703,895.47
05/29	JPMorgan Mmmf Investment 100% US Treasury Capital 3163 29921900 At Nav of 1.0000 Trn: 1491000570Xj	776,088,754.67
05/30	JPMorgan Mmmf Investment 100% US Treasury Capital 3163 29921900 At Nav of 1.0000 Trn: 1501000609Xj	773,222,257.31
05/31	JPMorgan Mmmf Investment 100% US Treasury Capital 3163 29921900 At Nav of 1.0000 Trn: 1511000593Xj	784,402,034.70
Total Other Withdrawals, Fees & Charges		\$17,496,399,987.53



Your service charges, fees and earnings credit have been calculated through account analysis.

DAILY ENDING BALANCE

DATE	AMOUNT	DATE	AMOUNT
05/01	\$244,113,502.83	05/13	262,522,804.57
05/02	252,402,833.68	05/14	255,993,019.00
05/03	252,877,683.16	05/15	226,422,469.18
05/06	259,678,480.15	05/16	253,556,772.12
05/07	255,168,242.01	05/17	255,060,925.45
05/08	173,670,729.98	05/20	267,776,507.34
05/09	251,838,618.26	05/21	255,140,539.19
05/10	252,053,703.56	05/22	243,436,282.05

DAILY ENDING BALANCE (continued)

DATE	AMOUNT	DATE	AMOUNT
05/23	253,474,052.34	05/29	247,076,498.41
05/24	252,499,469.57	05/30	255,924,452.80
05/28	265,384,859.20	05/31	252,876,387.12

INTEREST RATE ON COLLECTED BALANCE

INTEREST RATE(S)	DATE	TO	DATE	AT	RATE
	05/01		05/31		2.09%

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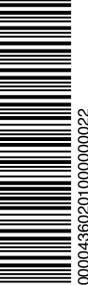
JPMorgan Chase Bank, N.A.
 P O Box 182051
 Columbus, OH 43218-2051

May 01, 2019 through May 31, 2019
 Account Number: xxxxxxxxxxxx3176

CUSTOMER SERVICE INFORMATION

If you have any questions about your statement, please contact your Customer Service Professional.

00000436 DDA 001 211 15219 NNNNNNNNNNN 1 000000000 61 0000
 FIRSTENERGY NUCLEAR OPERATING COMPANY
 76 S MAIN ST
 AKRON OH 44308-1812



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CHECKING SUMMARY

Commercial Checking With Interest

	INSTANCES	AMOUNT
Beginning Balance		\$54,061,957.69
Deposits and Additions	14	108,913,668.96
Electronic Withdrawals	7	- 152,578,891.68
Ending Balance	21	\$10,396,734.97
Annual Percentage Yield Earned This Period		2.11%
Interest Paid This Period		\$66,408.31
Interest Paid Year-to-Date		\$399,431.85

DEPOSITS AND ADDITIONS

DATE	DESCRIPTION	AMOUNT
05/01	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 4359300121Jo	\$156,239.59
05/03	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 3083800123Jo	128,749.34
05/08	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 3853200128Jo	49,367,714.02
05/08	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 3852800128Jo	70,015.79
05/10	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 2337900130Jo	3,006.37
05/15	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 4872900135Jo	41,144.03
05/17	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 3683100137Jo	308,990.79
05/21	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 3262600141Jo	50,000,000.00

DEPOSITS AND ADDITIONS *(continued)*

DATE	DESCRIPTION	AMOUNT
05/22	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 3985400142Jo	10,806.26
05/24	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 2880100144Jo	59,102.22
05/29	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 5077400149Jo	49,976.15
05/30	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 4457400150Jo	2,031.20
05/31	Book Transfer Credit B/O: Firstenergy Service CO Akron OH 44308- Trn: 2810300151Jo	8,649,484.89
05/31	Interest Payment	66,408.31
Total Deposits and Additions		\$108,913,668.96

ELECTRONIC WITHDRAWALS

DATE	DESCRIPTION	AMOUNT
05/01	Book Transfer Debit A/C: Firstenergy Service Company Akron OH 44308- Trn: 4193800121Jo	\$30,258,570.67
05/08	Book Transfer Debit A/C: Firstenergy Service Company Akron OH 44308- Trn: 3698900128Jo	10,294,672.66
05/15	Book Transfer Debit A/C: Firstenergy Service Company Akron OH 44308- Trn: 4445500135Jo	32,722,987.37
05/22	Book Transfer Debit A/C: Firstenergy Service Company Akron OH 44308- Trn: 4122900142Jo	46,697,230.63
05/29	Book Transfer Debit A/C: Firstenergy Service Company Akron OH 44308- Trn: 4834300149Jo	12,976,890.11
05/30	Book Transfer Debit A/C: Firstenergy Service Company Akron OH 44308- Trn: 3829900150Jo	9,110,150.54
05/31	Book Transfer Debit A/C: Firstenergy Service Company Akron OH 44308- Trn: 2711800151Jo	10,518,389.70
Total Electronic Withdrawals		\$152,578,891.68

Your service charges, fees and earnings credit have been calculated through account analysis.

DAILY ENDING BALANCE

DATE	AMOUNT	DATE	AMOUNT
05/01	\$23,959,626.61	05/21	80,861,586.92
05/03	24,088,375.95	05/22	34,175,162.55
05/08	63,231,433.10	05/24	34,234,264.77
05/10	63,234,439.47	05/29	21,307,350.81
05/15	30,552,596.13	05/30	12,199,231.47
05/17	30,861,586.92	05/31	10,396,734.97

INTEREST RATE ON COLLECTED BALANCE

INTEREST RATE(S)	DATE	TO	DATE	AT	RATE
	05/01		05/31		2.09%

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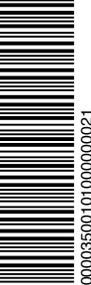
JPMorgan Chase Bank, N.A.
P O Box 182051
Columbus, OH 43218-2051

May 01, 2019 through May 31, 2019
Account Number:XXXXXXXXXX8799

CUSTOMER SERVICE INFORMATION

If you have any questions about your statement, please contact your Customer Service Professional.

00000350 DDA 001 211 15219 NNNNNNNNNNN 1 000000000 61 0000
FIRSTENERGY SOLUTIONS CORP.
341 WHITE POND DRIVE
AKRON OH 44320-1119



CHECKING SUMMARY

Commercial Checking With Interest

	INSTANCES	AMOUNT
Beginning Balance		\$1,794,265.20
Deposits and Additions	1	3,080.86
Electronic Withdrawals	1	- 227,180.45
Ending Balance	2	\$1,570,165.61
Annual Percentage Yield Earned This Period		2.11%
Interest Paid This Period		\$3,080.86
Interest Paid Year-to-Date		\$19,338.20

DEPOSITS AND ADDITIONS

DATE	DESCRIPTION	AMOUNT
05/31	Interest Payment	\$3,080.86
Total Deposits and Additions		\$3,080.86

ELECTRONIC WITHDRAWALS

DATE	DESCRIPTION	AMOUNT
05/24	Book Transfer Debit A/C: Firstenergy Service Company Akron OH 44308-1812 Trn: 3615200144Jo	\$227,180.45
Total Electronic Withdrawals		\$227,180.45

Your service charges, fees and earnings credit have been calculated through account analysis.

DAILY ENDING BALANCE

DATE	AMOUNT
05/24	\$1,567,084.75
05/31	1,570,165.61

INTEREST RATE ON COLLECTED BALANCE

INTEREST RATE(S)					
	05/01	TO	05/31	AT	2.09%

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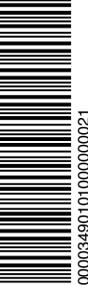
JPMorgan Chase Bank, N.A.
 P O Box 182051
 Columbus, OH 43218-2051

May 01, 2019 through May 31, 2019
 Account Number:XXXXXXXXXX7460

CUSTOMER SERVICE INFORMATION

If you have any questions about your statement, please contact your Customer Service Professional.

00000349 DDA 001 211 15219 NNNNNNNNNNN 1 000000000 61 0000
 FIRSTENERGY SOLUTIONS CORP.
 341 WHITE POND DRIVE
 AKRON OH 44320-1119



00003490101000000021

CHECKING SUMMARY

Commercial Checking With Interest

	INSTANCES	AMOUNT
Beginning Balance		\$454,092.06
Deposits and Additions	1	804.54
Electronic Withdrawals	1	- 905.06
Ending Balance	2	\$453,991.54
Annual Percentage Yield Earned This Period		2.11%
Interest Paid This Period		\$804.54
Interest Paid Year-to-Date		\$5,069.74

DEPOSITS AND ADDITIONS

DATE	DESCRIPTION	AMOUNT
05/31	Interest Payment	\$804.54
Total Deposits and Additions		\$804.54

ELECTRONIC WITHDRAWALS

DATE	DESCRIPTION	AMOUNT
05/03	Book Transfer Debit A/C: Firstenergy Solutions Corp. Akron OH 44320- Trn: 2733600123Jo	\$905.06
Total Electronic Withdrawals		\$905.06

Your service charges, fees and earnings credit have been calculated through account analysis.

DAILY ENDING BALANCE

DATE	AMOUNT
05/03	\$453,187.00
05/31	453,991.54

INTEREST RATE ON COLLECTED BALANCE

INTEREST RATE(S)					
	05/01	TO	05/31	AT	2.09%

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JPMorgan Chase Bank, N.A. Member FDIC



JPMorgan Chase Bank, N.A.
P O Box 182051
Columbus, OH 43218-2051

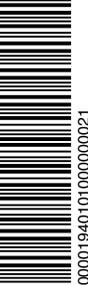
May 01, 2019 through May 31, 2019
Account Number:XXXXXXXXXX0085

CUSTOMER SERVICE INFORMATION

If you have any questions about your statement, please contact your Customer Service Professional.

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FIRSTENERGY SOLUTIONS CORP.
FIRSTENERGY SOLUTIONS CORP
341 WHITE POND DRIVE
AKRON OH 44320-1119



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CHECKING SUMMARY

Commercial Checking With Interest

	INSTANCES	AMOUNT
Beginning Balance		\$11,690,502.63
Deposits and Additions	1	20,618.51
Electronic Withdrawals	1	- 79,994.72
Ending Balance	2	\$11,631,126.42
Annual Percentage Yield Earned This Period		2.11%
Interest Paid This Period		\$20,618.51
Interest Paid Year-to-Date		\$100,613.23

DEPOSITS AND ADDITIONS

DATE	DESCRIPTION	AMOUNT
05/31	Interest Payment	\$20,618.51
Total Deposits and Additions		\$20,618.51

ELECTRONIC WITHDRAWALS

DATE	DESCRIPTION	AMOUNT
05/03	Book Transfer Debit A/C: Firstenergy Solutions Corp. Akron OH 44320- Trn: 2718900123Jo	\$79,994.72
Total Electronic Withdrawals		\$79,994.72

Your service charges, fees and earnings credit have been calculated through account analysis.

DAILY ENDING BALANCE

DATE	AMOUNT
05/03	\$11,610,507.91
05/31	11,631,126.42

INTEREST RATE ON COLLECTED BALANCE

INTEREST RATE(S)					
	05/01	TO	05/31	AT	2.09%

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUNDS TRANSFERS: Call us at 1-866-564-2262 or write us at the address on the front of this statement (non-personal accounts contact Customer Service) immediately if you think your statement or receipt is incorrect or if you need more information about a transfer listed on the statement or receipt.

For personal accounts only: We must hear from you no later than 60 days after we sent you the FIRST statement on which the problem or error appeared. Be prepared to give us the following information:

- Your name and account number
- The dollar amount of the suspected error
- A description of the error or transfer you are unsure of, why you believe it is an error, or why you need more information.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days (or 20 business days for new accounts) to do this, we will credit your account for the amount you think is in error so that you will have use of the money during the time it takes us to complete our investigation.

IN CASE OF ERRORS OR QUESTIONS ABOUT NON-ELECTRONIC TRANSACTIONS: Contact the bank immediately if your statement is incorrect or if you need more information about any non-electronic transactions (checks or deposits) on this statement. If any such error appears, you must notify the bank in writing no later than 30 days after the statement was made available to you. For more complete details, see the Account Rules and Regulations or other applicable account agreement that governs your account. Deposit products and services are offered by JPMorgan Chase Bank, N.A. Member FDIC



JPMorgan Chase Bank, N.A. Member FDIC



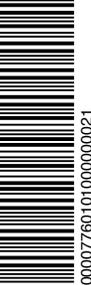
JPMorgan Chase Bank, N.A.
 P O Box 182051
 Columbus, OH 43218-2051

May 01, 2019 through May 31, 2019
Account Number: XXXXXXXXXXXX8929

Customer Service Information

If you have any questions about your statement, please contact your Customer Service Professional.

00000776 WBS 001211 15219 NNNNNNNNNNN 1 000000000 C1 0000
 FIRSTENERGY NUCLEAR GENERATION, LLC
 FIRSTENERGY NUCLEAR GENERATION, LLC
 76 S. MAIN ST
 AKRON OH 44308-1812



00007760101000000021

Commercial Checking With Interest

Summary

	Number	Market Value/Amount	Shares
Opening Ledger Balance		\$0.00	
Deposits and Credits	0	\$0.00	
Withdrawals and Debits	0	\$0.00	
Checks Paid	0	\$0.00	
Ending Ledger Balance		\$0.00	

Interest Rate(s): 05/01 to 05/31 at 2.09%

Your service charges, fees and earnings credit have been calculated through account analysis.

Please examine this statement of account at once. By continuing to use the account, you agree that: (1) the account is subject to the Bank's deposit account agreement, and (2) the Bank has no responsibility for any error in or improper charge to the account (including any unauthorized or altered check) unless you notify us in writing of this error or charge within sixty days of the mailing or availability of the first statement on which the error or charge appears.

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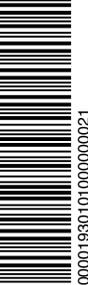
JPMorgan Chase Bank, N.A.
P O Box 182051
Columbus, OH 43218-2051

May 01, 2019 through May 31, 2019
Account Number: xxxxxxxxxxxx0077

CUSTOMER SERVICE INFORMATION

If you have any questions about your statement, please contact your Customer Service Professional.

00000193 DDA 001 211 15219 NNNNNNNNNNN 1 000000000 61 0000
FIRSTENERGY SOLUTIONS CORP.
FIRSTENERGY SOLUTIONS CORP
341 WHITE POND DRIVE
AKRON OH 44320-1119



00001930101000000021

CHECKING SUMMARY

Commercial Checking With Interest

	INSTANCES	AMOUNT
Beginning Balance		\$0.00
Ending Balance	0	\$0.00

Annual Percentage Yield Earned This Period 0.00%

Your service charges, fees and earnings credit have been calculated through account analysis.

INTEREST RATE ON COLLECTED BALANCE

INTEREST RATE(S) 05/01 TO 05/31 AT 2.09%

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