UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

In re:	)	Chapter 11
	)	
	)	Case No. 18-50757 (AMK)
FIRSTENERGY SOLUTIONS CORP., *et al.*,[1]	)	(Jointly Administered)
	)	
Debtors.	)	
	)	Hon. Judge Alan M. Koschik
	)	

DISCLOSURE STATEMENT FOR THE JOINT PLAN OF REORGANIZATION OF FIRSTENERGY SOLUTIONS CORP., *ET AL.*, PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: FE Aircraft Leasing Corp. (9245), case no. 18-50759; FirstEnergy Generation, LLC (0561), case no. 18-50762; FirstEnergy Generation Mansfield Unit 1 Corp. (5914), case no. 18-50763; FirstEnergy Nuclear Generation, LLC (6394), case no. 18-50760; FirstEnergy Nuclear Operating Company (1483), case no. 18-50761; FirstEnergy Solutions Corp. (0186); and Norton Energy Storage L.L.C. (6928), case no. 18-50764. The Debtors' address is: 341 White Pond Drive, Akron, OH 44320.

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and Debtors in Possession

Dated: February 11, 2019

IMPORTANT INFORMATION REGARDING THIS DISCLOSURE STATEMENT[2], DATED February 11, 2019

SOLICITATION OF VOTES ON THE JOINT PLAN OF REORGANIZATION OF FIRSTENERGY SOLUTIONS CORP., *et al.*, PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

From the Holders of Outstanding:

Voting Class	Name of Class Under the Plan
Class A3	Unsecured PCN/FES Notes Claims Against FES
Class A4	Mansfield Certificate Claims Against FES
Class A5	FES/FENOC Unsecured Claims
Class A6	FES Single-Box Unsecured Claims
Class B4	Secured FG PCN Reinstated Claims
Class B5	Unsecured PCN/FES Notes Claims Against FG
Class B6	Mansfield Certificate Claims Against FG
Class B7	FG Single-Box Unsecured Claims
Class C3	Secured NG PCN Claims
Class C4	Unsecured PCN/FES Notes Claims Against NG
Class C5	Mansfield Certificate Claims Against NG
Class C6	NG Single-Box Unsecured Claims
Class C7	NG-FENOC Unsecured Claims against NG
Class D3	FES-FENOC Unsecured Claims against FENOC
Class D4	FENOC Single-Box Unsecured Claims
Class D5	NG-FENOC Unsecured Claims against FENOC
Class E3	Mansfield Certificate Claims Against FGMUC
Class E4	FGMUC Single-Box Unsecured Claims
Class F3	General Unsecured Claims Against FE Aircraft
Class G3	General Unsecured Claims Against Norton
Classes A7, B8, and E5	Mansfield TIA Claims

[2] Capitalized terms used but not otherwise defined in this Disclosure Statement shall have the meanings ascribed to such terms in the Plan.

Voting Class	Name of Class Under the Plan
Classes A8, B9, C8, D6, E6,	Convenience Claims

IF YOU ARE IN ONE OF THE ABOVE CLASSES, YOU ARE RECEIVING THIS DOCUMENT AND THE ACCOMPANYING MATERIALS BECAUSE YOU ARE ENTITLED TO VOTE ON THE PLAN.

RECOMMENDATION BY THE DEBTORS

THE BOARD OF MANAGERS OR DIRECTORS (AS APPLICABLE) OR THE SOLE MEMBER OF EACH OF THE DEBTORS HAVE APPROVED THE TRANSACTIONS CONTEMPLATED BY, AND/OR DESCRIBED IN, THE PLAN AND DESCRIBED IN THIS DISCLOSURE STATEMENT AND RECOMMEND THAT ALL HOLDERS OF CLAIMS WHOSE VOTES ARE BEING SOLICITED SUBMIT BALLOTS TO ACCEPT THE PLAN.

RECOMMENDATION BY THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS

THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS APPOINTED IN THESE CHAPTER 11 CASES AS A FIDUCIARY FOR ALL UNSECURED CREDITORS OF THE DEBTORS HAS DETERMINED THAT THE TRANSACTIONS CONTEMPLATED BY, AND/OR DESCRIBED IN, THE PLAN AND DESCRIBED IN THIS DISCLOSURE STATEMENT ARE IN THE BEST INTERESTS OF ALL UNSECURED CREDITORS AND RECOMMENDS THAT ALL HOLDERS OF UNSECURED CLAIMS VOTE TO ACCEPT THE PLAN. A LETTER FROM THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO HOLDERS OF UNSECURED CLAIMS IS INCLUDED IN THE SOLICITATION PACKAGE SENT TO CREDITORS ELIGIBLE TO VOTE ON THE PLAN.

DELIVERY OF BALLOTS

BALLOTS AND MASTER BALLOTS, AS APPLICABLE, MUST BE ACTUALLY RECEIVED BY THE SOLICITATION AGENT BY THE VOTING DEADLINE, WHICH IS [4:00 P.M.] (PREVAILING EASTERN TIME) ON [APRIL 26, 2019] AT THE FOLLOWING ADDRESSES:

FOR ALL BALLOTS, INCLUDING MASTER BALLOTS

VIA FIRST CLASS MAIL, OVERNIGHT COURIER, OR HAND DELIVERY:

FES BALLOT PROCESSING
c/o PRIME CLERK LLC
830 THIRD AVENUE, 3RD FLOOR
NEW YORK, NY 10022

IF YOU RECEIVED AN ENVELOPE ADDRESSED TO YOUR INDENTURE TRUSTEE, PLEASE ALLOW ENOUGH TIME WHEN YOU RETURN YOUR BALLOT FOR YOUR INDENTURE TRUSTEE TO CAST YOUR VOTE ON A MASTER BALLOT BEFORE THE VOTING DEADLINE.

THE DEBTORS WILL ALSO BE ACCEPTING BALLOTS VIA ELECTRONIC, ONLINE TRANSMISSION THROUGH AN E-BALLOT PLATFORM AVAILABLE ON PRIME CLERK'S WEBSITE AT HTTPS://CASES.PRIMECLERK.COM/FES/EBALLOT-HOME. HOLDERS OF CLAIMS MAY CAST AN E-BALLOT AND ELECTRONICALLY SIGN AND SUBMIT SUCH BALLOT VIA THE PLATFORM BY NO LATER THAN THE VOTING DEADLINE, WHICH IS [4:00 PM] (PREVAILING EASTERN TIME) ON [APRIL 26, 2019].

IF YOU HAVE ANY QUESTIONS ON THE PROCEDURE FOR VOTING ON THE PLAN, PLEASE CALL THE DEBTORS' RESTRUCTURING HOTLINE AT:

DOMESTIC: 855-934-8766

INTERNATIONAL: 917-877-5963

READERS SHOULD NOT CONSTRUE THE CONTENTS OF THIS DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL, OR TAX ADVICE AND ARE URGED TO CONSULT WITH THEIR OWN ADVISORS BEFORE CASTING A VOTE WITH RESPECT TO THE PLAN.

THE NEW FES COMMON STOCK WILL BE ISSUED WITHOUT REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY SIMILAR FEDERAL, STATE, OR LOCAL LAW, IN RELIANCE ON THE EXEMPTIONS SET FORTH IN SECTION 1145 OF THE BANKRUPTCY CODE TO THE MAXIMUM EXTENT PERMITTED AND APPLICABLE AND TO THE EXTENT THAT SECTION 1145 IS EITHER NOT PERMITTED OR NOT APPLICABLE, THE EXEMPTION SET FORTH IN SECTION 4(A)(2) OF THE SECURITIES ACT, THE EXEMPTION SET FORTH IN SECTION 701 PROMULGATED UNDER THE SECURITIES ACT OR ANOTHER EXEMPTION THEREUNDER. IN ACCORDANCE WITH SECTION 1125(E) OF THE BANKRUPTCY CODE, THE DEBTORS OR ANY OF THEIR AGENTS THAT PARTICIPATE, IN GOOD FAITH AND IN COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE

BANKRUPTCY CODE, IN THE OFFER, ISSUANCE, SALE, OR PURCHASE OF A SECURITY, OFFERED OR SOLD UNDER THE PLAN, OF THE DEBTORS, OF AN AFFILIATE PARTICIPATING IN THE PLAN WITH THE DEBTORS, OR OF A NEWLY ORGANIZED SUCCESSOR TO THE DEBTORS UNDER THE PLAN, ARE NOT LIABLE, ON ACCOUNT OF SUCH PARTICIPATION, FOR VIOLATION OF ANY APPLICABLE LAW, RULE, OR REGULATION GOVERNING THE OFFER, ISSUANCE, SALE, OR PURCHASE OF SECURITIES.

THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE PLAN HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR BY ANY STATE SECURITIES COMMISSION OR SIMILAR PUBLIC, GOVERNMENTAL, OR REGULATORY AUTHORITY, AND NEITHER THE SEC NOR ANY SUCH AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN.

SEE SECTION IX OF THE DISCLOSURE STATEMENT FOR IMPORTANT SECURITIES LAW DISCLOSURES.

CERTAIN STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT, INCLUDING PROJECTED FINANCIAL INFORMATION AND OTHER FORWARD-LOOKING STATEMENTS, ARE BASED ON ESTIMATES AND ASSUMPTIONS. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL BE REFLECTIVE OF ACTUAL OUTCOMES. FORWARD-LOOKING STATEMENTS ARE PROVIDED IN THIS DISCLOSURE STATEMENT PURSUANT TO THE SAFE HARBOR ESTABLISHED UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND SHOULD BE EVALUATED IN THE CONTEXT OF THE ESTIMATES, ASSUMPTIONS, UNCERTAINTIES, AND RISKS DESCRIBED IN THIS DISCLOSURE STATEMENT.

FURTHER, READERS ARE CAUTIONED THAT ANY FORWARD-LOOKING STATEMENTS IN THIS DISCLOSURE STATEMENT ARE BASED ON ASSUMPTIONS THAT ARE BELIEVED TO BE REASONABLE, BUT ARE SUBJECT TO A WIDE RANGE OF RISKS, INCLUDING RISKS ASSOCIATED WITH THE FOLLOWING: (I) FUTURE FINANCIAL RESULTS AND LIQUIDITY, INCLUDING THE ABILITY TO FINANCE OPERATIONS IN THE ORDINARY COURSE OF BUSINESS; (II) VARIOUS FACTORS THAT MAY AFFECT THE VALUE OF THE SECURITIES TO BE ISSUED UNDER THE PLAN; (III) THE RELATIONSHIPS WITH AND PAYMENT TERMS PROVIDED BY TRADE CREDITORS; (IV) ADDITIONAL FINANCING REQUIREMENTS POSTRESTRUCTURING; (V) FUTURE DISPOSITIONS AND ACQUISITIONS; (VI) THE EFFECT OF COMPETITIVE PRODUCTS OR SERVICES BY COMPETITORS; (VII) CHANGES TO THE COSTS OF COMMODITIES AND RAW MATERIALS; (VIII) THE PROPOSED RESTRUCTURING AND COSTS ASSOCIATED THEREWITH; (IX) THE EFFECT OF CONDITIONS IN THE ENERGY MARKET ON THE DEBTORS; (X) THE CONFIRMATION AND CONSUMMATION OF THE PLAN; (XI) CHANGES IN LAWS AND REGULATIONS; AND (XII) EACH OF THE OTHER RISKS IDENTIFIED IN THIS DISCLOSURE STATEMENT. DUE TO THESE UNCERTAINTIES, READERS CANNOT BE ASSURED THAT ANY FORWARD-LOOKING STATEMENTS WILL PROVE TO BE CORRECT. THE DEBTORS ARE UNDER NO OBLIGATION TO (AND EXPRESSLY DISCLAIM ANY OBLIGATION TO) UPDATE OR ALTER ANY FORWARD-LOOKING STATEMENTS WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE, UNLESS INSTRUCTED TO DO SO BY THE BANKRUPTCY COURT. A MORE COMPLETE DESCRIPTION OF THE RISK

FACTORS ASSOCIATED WITH THE PLAN AND THE RESTRUCTURING TRANSACTIONS CAN BE LOCATED IN SECTION VIII OF THIS DISCLOSURE STATEMENT BEGINNING ON PAGE 153.

THE TERMS OF THE PLAN GOVERN IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE PLAN AND THE SUMMARIES CONTAINED IN THIS DISCLOSURE STATEMENT.

THE INFORMATION IN THIS DISCLOSURE STATEMENT IS BEING PROVIDED SOLELY FOR THE PURPOSES OF VOTING TO ACCEPT OR REJECT THE PLAN OR OBJECTING TO CONFIRMATION. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE USED BY ANY PARTY FOR ANY OTHER PURPOSE.

ALL EXHIBITS TO THE DISCLOSURE STATEMENT ARE INCORPORATED INTO AND ARE A PART OF THIS DISCLOSURE STATEMENT AS IF SET FORTH IN FULL IN THIS DISCLOSURE STATEMENT.

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EXHIBITS

THE DEBTORS HEREBY ADOPT AND INCORPORATE EACH EXHIBIT ATTACHED TO THIS DISCLOSURE STATEMENT BY REFERENCE AS THOUGH FULLY SET FORTH HEREIN.

I. Executive Summary

A. Purpose of this Disclosure Statement and the Plan.

FirstEnergy Solutions Corp. ("FES" and, together with certain of its affiliates and direct and indirect subsidiaries, each listed on **Exhibit A** attached hereto, the "Debtors") are providing you with the information in this disclosure statement (the "Disclosure Statement") on the date hereof (the "Solicitation Date") pursuant to section 1125 of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in connection with the chapter 11 cases (the "Chapter 11 Cases") commenced on March 31, 2018 (the "Petition Date") by the Debtors in the United States Bankruptcy Court for the Northern District of Ohio (the "Bankruptcy Court").

The Debtors seek to confirm the *Joint Plan of Reorganization of FirstEnergy Solutions Corp., et al., Pursuant to Chapter 11 of the Bankruptcy Code* (as may be amended, supplemented, or modified from time to time in accordance therewith, the "Plan"),[3] to effect a comprehensive restructuring of their respective operations (the "Restructuring").

The Bankruptcy Court approved this Disclosure Statement and authorized the solicitation of votes to accept or reject the Plan. The hearing to confirm the Plan (the "Confirmation Hearing") has been scheduled for March 19, 2019. ***It is important that Holders of Claims against the Debtors carefully read this Disclosure Statement and all of the materials attached to this Disclosure Statement and incorporated into this Disclosure Statement by reference to fully understand the business operations of all of the Debtors and the terms of the Plan***.

As described in this Disclosure Statement, the Debtors believe that the Plan provides for a comprehensive restructuring and recapitalization of the Debtors' pre-bankruptcy obligations and corporate form, preserves the going-concern value of the Debtors' businesses, maximizes recoveries available to all constituents and provides for an equitable distribution to the Debtors' stakeholders. The Plan also provides for the cancelation of FirstEnergy Corp.'s ("FE Corp.") continued equity ownership of the Reorganized Debtors, and for the ultimate ownership interests in the Reorganized Debtors to be held by third-party creditors who receive New FES Common Stock in accordance with the Plan.

A bankruptcy court's confirmation of a plan of reorganization binds the debtor, any entity or person acquiring property under the plan, any creditor of or interest holder in a debtor, and any other entities and persons as may be ordered by the bankruptcy court to the terms of the confirmed plan, whether or not such creditor or interest holder is impaired under or has voted to accept the plan or receives or retains any property under the plan, through an order confirming the plan (the "Confirmation Order"). Among other things (except as otherwise provided in the Plan or the Confirmation Order), the Confirmation Order will discharge the Debtors from any Claim (as that term is defined in the Plan) arising before the Effective Date and substitute the obligations set forth in the Plan for those pre-

[3] The Plan is attached hereto as **Exhibit B** and incorporated into this Disclosure Statement by reference. Additionally, this Disclosure Statement incorporates the rules of interpretation set forth in Article I.B of the Plan. **The summaries provided in this Disclosure Statement of any documents attached to this Disclosure Statement, including the Plan, the exhibits, and the other materials referenced in the Plan, the Plan Supplement, and any other documents referenced or summarized herein, are qualified in their entirety by reference to the applicable document. In the event of any inconsistency between the discussion in this Disclosure Statement and the documents referenced or summarized herein, the applicable document being referenced or summarized shall govern. In the event of any inconsistencies between any document and the Plan, the Plan shall govern; provided, however, that in the event of any inconsistency between the Plan and the Confirmation Order, the Confirmation Order shall govern**.

bankruptcy Claims. Under the Plan, Claims and Interests are divided into groups called "Classes" according to their relative priority and other criteria.

Each of the Debtors is a proponent of the Plan within the meaning of section 1129 of the Bankruptcy Code and the Plan constitutes a separate chapter 11 plan for each Debtor. The Plan does not contemplate the substantive consolidation of the Debtors' estates. Except to the extent that a Holder of an Allowed Claim agrees to a less favorable treatment of such Claim, in full and final satisfaction, settlement, release and discharge of and in exchange for such Claim, each Holder of an Allowed Claim or Allowed Interest with regard to each of the Debtors will receive the same recovery (if any) provided to other Holders of Allowed Claims or Allowed Interests in the applicable Class according to the respective Debtor against which they hold a Claim or Interest, and will be entitled to their Pro Rata share of consideration available for distribution to such Class (if any).

Although each Holder of an Allowed Claim will receive the same recovery (if any) provided to other Holders within the same Class and be entitled to its Pro Rata share of consideration available for distribution to such Class (if any), a Holder of a Claim within certain Classes may have the ability to elect to receive its recovery for such Claim in the form of (i) Cash, if the default form of recovery for Holders of Claims in such Class is New FES Common Stock, or (ii) New FES Common Stock, if the default form of recovery for Holders of Claims in such Class is Cash. Any such election is only available if provided for in the Plan's treatment of such Class, if certain conditions are met in connection with the Holder making such election (including without limitation the Equity Election Conditions), and to the extent of any maximum amount of a form of consideration available to Holders that have made valid elections for such form of consideration.

The Debtors believe that their businesses and assets have significant value that would not be realized under any alternative reorganization option or in a liquidation. Consistent with the valuation, liquidation, and other analyses prepared by the Debtors with the assistance of their advisors, including the Valuation Analysis and Liquidation Analysis attached to this Disclosure Statement as Exhibits E and F respectively, the going concern value of such Debtors is substantially greater than their liquidation value.

Notwithstanding any other provision in the Disclosure Statement or the order approving the Disclosure Statement (the "Disclosure Statement Order"), the Bankruptcy Court makes no finding or ruling in the Disclosure Statement Order, other than with respect to the adequacy of the Disclosure Statement pursuant to section 1125 of the Bankruptcy Code, with respect to (i) the negotiations, reasonableness, business purpose, or good faith of the Plan, or as to the terms of the Plan (or the treatment of any Class of Claims thereunder and whether those Claims are or are not impaired) for any purpose, (ii) whether the Plan satisfies any of the requirements for confirmation under section 1129 of the Bankruptcy Code, or (iii) the standard of review or any factor required for approval of the Confirmation of the Plan. Any objections or requests served in connection with the Plan are hereby reserved and not waived by entry of the Disclosure Statement Order; *provided, however*, that nothing in the Disclosure Statement or the Disclosure Statement Order shall preclude the Debtors or any other party in interest that is the subject of such objection or discovery requests from seeking that the Bankruptcy Court overrule such objections or limit or otherwise overrule such discovery requests.

Prior to voting on the Plan, you are encouraged to read this Disclosure Statement and all documents attached to this Disclosure Statement in their entirety. The Disclosure Statement is available free of charge online at https://cases.primeclerk.com/fes. As reflected in this Disclosure Statement, there are risks, uncertainties, and other important factors that could cause the Debtors' actual performance to be materially different from those they may project, and the Debtors undertake no obligation to update any such statement of risks, uncertainties, or factors or

projections. Certain of these risks, uncertainties, and factors are described in Section VIII of this Disclosure Statement, entitled "Risk Factors," which begins on page 153.

B. Overview of the Debtors.

The Debtors own and/or operate multiple fossil and nuclear power generating facilities throughout Ohio and Pennsylvania, in addition to providing other services that support the various facilities. The Debtors conduct all of their business operations in the regional transmission organization ("RTO") overseen by PJM Interconnection L.L.C. ("PJM"), which covers Ohio and Pennsylvania, along with a number of other states (the "PJM Region"),[4] and the Midcontinent Independent System Operator, Inc. ("MISO").[5] FES participates in both the wholesale and retail generation markets. Through its subsidiaries, FES owns and operates multiple power generation facilities and sells the power generated by these facilities in the PJM wholesale energy and capacity markets. FES is party to power purchase agreements (the "Inter-Debtor PPAs") with its subsidiaries, FirstEnergy Generation, LLC ("FG") and FirstEnergy Nuclear Generation, LLC ("NG"), whereby it purchases all of the energy produced by FG and NG, respectively.[6] The power generated by the plants operated by FG and NG is transmitted at the generation point to the grid. FG primarily owns and/or operates two fossil generation plants located in Ohio and Pennsylvania, which produce electricity using coal or oil and natural gas.[7] NG owns three nuclear generation facilities (consisting of four licensed reactors) located in Ohio and Pennsylvania. FES also operates in the retail market, where different load serving entities ("LSEs") or utilities purchase electricity from the PJM or MISO markets and then resell it to the end user. A more detailed discussion of the Debtors' businesses and operations is described in Section III of this Disclosure Statement.

C. Overview of Plan, Plan Settlement and Releases.

The Debtors are proposing the Plan following extensive negotiations with the key stakeholders, including the Ad Hoc Noteholders Group, the Mansfield Certificateholders Group, the FES Creditor Group and the Official Committee of Unsecured Creditors (the "Committee"). As a result of these negotiations, the Debtors and these key stakeholders entered into a restructuring support agreement (the "Restructuring Support Agreement") on January 23, 2019.[8] Pursuant to the Restructuring Support Agreement the Committee has agreed to support the Plan and the members of the Ad Hoc Noteholders Group, Mansfield Certificateholders Group and FES Creditor Group, in each case who are parties to the Restructuring Support Agreement have agreed to vote their claims to accept the Plan, subject to the terms of the Restructuring Support Agreement. As a result, the Plan has the support of the vast majority of the Debtors' creditors holding almost $3 billion of claims across the Debtors' capital structure. Since the execution of the Restructuring Support Agreement, the Debtors have worked with the parties thereto to develop the Plan.

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[4] The PJM Region covers all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and the District of Columbia.

[5] MISO covers all or parts of Arkansas, Illinois, Indiana, Iowa, Kentucky, Louisiana, Michigan, Minnesota, Missouri, Mississippi, Montana, North Dakota, South Dakota, Texas, Wisconsin, and Manitoba, Canada.

[6] FG is also party to an Inter-Debtor PPA with FirstEnergy Mansfield Unit 1 Corp ("FGMUC").

[7] On January 25, 2019, the Bankruptcy Court approved the sale of the West Lorain power plant to Vermillion Power L.L.C. [Docket No. 2018]. The sale of the West Lorain Power Plant is expected to be consummated in the first quarter of 2019, and such facility is not included in the two fossil generation plants referred to above. The Debtors are also in the process of acquiring the Pleasants Power Plant in accordance with the terms of the FE Settlement Agreement. On February 1, 2019, the Debtors filed the Pleasants Motion (as defined herein) seeking approval of the Bankruptcy Court for the acquisition of the Pleasants Power Plant and related transactions.

[8] A copy of the Restructuring Support Agreement was filed on the docket [Docket No. 1995].

The Plan incorporates a global, integrated settlement of numerous disputes between and among the Debtors, the FE Non-Debtor Parties, and the Debtors' creditors (the "Plan Settlement"). The Plan Settlement not only incorporates the FE Settlement Agreement[9] between and among the Debtors, certain key creditor constituencies and the FE Non-Debtor Parties, but it also resolves numerous additional areas of potential litigation arising from (i) the historical and ongoing business relationships between and among the Debtors, including the validity, enforceability and priority of various Inter-Debtor Claims, (ii) the allocation of value of the Debtors' assets and the consideration from the FE Settlement Agreement, and (iii) the allocation of administrative expenses incurred during the Chapter 11 Cases. The Plan also incorporates the Mansfield Settlement. Based on the Plan Settlement, the Plan resolves a variety of highly complex issues that would have been a source of contention and which, if left unresolved, would have potentially led to significant costly litigation and resulted in uncertainty and delays in distributions to creditors and the Debtors' ability to timely exit bankruptcy protection. The largest parties in interest in these cases, including the Debtors, the Independent Directors and Managers, the Committee, the Ad Hoc Noteholder Group, the Mansfield Certificateholders Group and the FES Creditor Group independently analyzed these potential disputes, with the assistance of their respective advisors. The terms of the Plan Settlement are integrated and not severable, and are the result of hard-fought, arm's-length negotiations between the parties. The Plan Settlement is described in greater detail in Article V.H of this Disclosure Statement.

In addition to incorporating the terms of the FE Settlement Agreement, the Plan Settlement comprises the resolution of the following disputed matters:

- First, the Plan resolves potential litigation surrounding the allocation of value and consideration received under the FE Settlement Agreement (the "FE Settlement Value"). As previewed for the Court in a number of the objections filed to the FE Settlement Agreement, the creditors of each of the Debtors were keenly focused on issues of allocation and distribution of the FE Settlement Value. The Plan sets forth an agreed-upon allocation of the FE Settlement Value among certain of the Debtors' Estates based on the Debtors' analysis of the various claims and causes of action settled as part of the FE Settlement Agreement, among other considerations.

- Second, the Plan resolves potential litigation surrounding the allowance and treatment of Inter-Debtor Claims. As discussed in more detail below, the Debtors have incurred substantial pre- and postpetition Inter-Debtor Claims. The Plan resolves potential litigation over the allowance and treatment of the Inter-Debtor Claims by allowing the Inter-Debtor Claims at agreed upon amounts (in certain instances reflecting a discount on the asserted claims), and disallowing other Inter-Debtor Claims, and, providing that Holders of the Inter-Debtor Claims will not vote on the Plan, that prepetition Inter-Debtor Claims will receive their Pro Rata share of Unsecured Distributable Value at the applicable Debtor, and that the relative allocations of Unsecured Distributable Value between the Debtors shall be fixed except with respect to the ultimate recoveries on prepetition Inter-Debtor Claims.

- Third, the Plan incorporates a settlement of potential disputes surrounding the allocation of Administrative Claims between and among the Debtors. FES currently pays all disbursements on account of all of the Debtors, including Professional Fees and other costs of administration. The Plan incorporates a fixed allocation of projected Administrative Claims, as well as projected Priority Tax Claims, Other Priority Claims and Other Secured Claims among the Debtors and, accordingly, provides greater

[9] A copy of the FE Settlement Agreement is available at Docket No. 1465.

certainty to Creditors of the various Debtors as to their projected recoveries under the Plan.

- Fourth, the Plan incorporates the Mansfield Settlement and resolves potential litigation surrounding the rejection of the Mansfield Facility Documents and related agreements, as well as litigation surrounding the amount of any claim or claims arising from such rejection.

- Fifth, the Plan incorporates a settlement between and among the Debtors, the Committee, the Ad Hoc Noteholder Group, the FES Creditor Group and the Mansfield Certificateholders Group concerning the allocation of New FES Common Stock and cash between the holders of Unsecured Bondholder Claims and General Unsecured Claims and overall allocations of value between and among the Debtors' estates.

In the months leading up to the execution of the Restructuring Support Agreement, the parties exchanged numerous proposals on the terms of the Plan Settlement and the Plan, and the parties held multiple meetings in an effort to reach consensus on the terms of the Plan. The Plan will enable the Debtors to continue operating as a going-concern through the scheduled deactivation of certain of their power plants and will provide for the distribution to Holders of Allowed General Unsecured Claims against FES, FG, NG, FirstEnergy Nuclear Operating Company ("FENOC") and FGMUC of cash, or in certain cases an option to receive new common stock in the Reorganized Debtors in lieu of cash. Holders of Allowed Unsecured Bondholder Claims will receive new common stock in the Reorganized Debtors with an option to elect to receive cash in the event that Holders of Allowed General Unsecured Claims who have an election to receive new common stock make such an election. Holders of Allowed Administrative Claims, Allowed Priority Tax Claims and Allowed Other Priority Claims, will be paid in full in cash unless such holders agree to less favorable treatment, and Holders of Allowed Other Secured Claims will either be reinstated, paid in full in cash, or the Holders of such Allowed Other Secured Claims will receive the collateral securing such Allowed Other Secured Claim.

Holders of Allowed Secured FG PCN Claims and Allowed Secured NG PCN Claims will either be reinstated or paid in full (in either case, including the payment of all accrued interest through and including the Effective Date). Accordingly, upon the Effective Date of the Plan, the Reorganized Debtors' capital structure will consist of (i) the reinstated Allowed Secured FG PCN Claims and Allowed Secured NG PCN Claims, and (ii) shares of New FES Common Stock.

Pursuant to the Plan Settlement, the Debtors' value will be allocated between the Debtors as described in Article V.H.4 of this Disclosure Statement. At a high level, and subject in all respects to Article III of the Plan, unsecured creditors at each Debtor will receive their Pro Rata share (subject to certain reallocations and adjustments) of the Unsecured Distributable Value available at such Debtor. Article V.H.4 of this Disclosure Statement includes estimates of the Distributable Value Splits, which are subject to adjustment based on several factors, including (i) the Debtors' cash balance at emergence, (ii) the ultimate Allowed amount of Administrative Claims, Priority Tax Claims and Other Priority Claims at each Debtor, and (iii) the net value that each Debtor receives on account of the Inter-Debtor Claims (which, in turn, is affected by the ultimate Allowed amount of Unsecured Claims at each Debtor). The estimated recovery percentages for each Class of Claims is set forth below and is subject to the risk factors set forth in Article VIII of this Disclosure Statement.

The Plan sets out certain releases, including:

- the releases set forth in Article VIII.C of the Plan by the Debtors and the Reorganized Debtors in favor of the Released Parties, including the FE Non-Debtor Parties;

- the releases set forth in Article VIII.D of the Plan by the Consenting Creditors and the Committee in favor of the FE Non-Debtor Parties;

- the releases set forth in Article VIII.E of the Plan by all Holders of Claims and Interests in favor of the FE Non-Debtor Parties; and

- and the releases set forth in Article VIII.F of the Plan by all Holders of Claims and Interests in favor of the Other Released Parties and the Debtor Released Parties.

As described in Article VIII of the Plan, releases include releases of claims held by the Debtors against the Debtors' directors and officers (including the Independent Directors and Managers), as well as claims or causes of action held by Holders of Claims and Interests against the Debtors, the Reorganized Debtors and the Released Parties, including the FE Non-Debtor Parties in any way related to (i) the Debtors, the Reorganized Debtors, their businesses or their property; (ii) any causes of action against the FE Non-Debtor Released Parties or their property arising in connection with any intercompany transactions and other matters arising in the conduct of the Debtors' businesses; (iii) the Chapter 11 Cases; (iv) the formulation, preparation, negotiation, dissemination, implementation, administration, Confirmation or Consummation of the Plan, the Plan Supplement, any contract, employee pension or benefit plan, instrument, release, or other agreement or document related to any Debtor, the Chapter 11 Cases or the Plan, modified, amended, terminated, or entered into in connection with either the Plan, or any agreement between the Debtors and any FE Non-Debtor Released Party; or (v) any other act taken or omitted to be taken in connection with the Chapter 11 Cases, including, without limitation, acts or omissions occurring after the Effective Date in connection with distributions made consistent with the terms of the Plan.

This summary is intended solely as a summary of certain provisions of the Disclosure Statement and the Plan. You should read this Disclosure Statement and the Plan and each of their respective exhibits and schedules in their entirety prior to making any determination to accept or reject the Plan. To the extent there are any inconsistencies between this summary, on the one hand, and the Plan (including any attachments to the Plan) and the Plan Supplement, on the other, the latter shall control.

The Debtors believe that the Plan will enable them to accomplish the objectives of chapter 11 and that acceptance of the Plan is in the best interests of the Debtors, the Estates, Creditors and all parties in interest.

D. Summary of Treatment of Claims and Interests and Description of Recoveries Under the Plan.

Although the Chapter 11 Cases are being jointly administered pursuant to an order of the Bankruptcy Court, the Debtors are not proposing the substantive consolidation of their respective bankruptcy estates. Accordingly, the Plan organizes the Debtors' creditor and equity constituencies into Classes organized by Debtor. For each Class, the Plan describes: (i) the underlying Claim or Interest; (ii) the recovery available to the Holders of Claims or Interests in that Class under the Plan; (iii) whether the Class is Impaired under the Plan and entitled to vote thereon; (iv) the form of consideration, if any, that such Holders will receive on account of their respective Claims or Interests; and (v) whether the Holders of Claims and Interests in that Class are entitled to vote on the Plan.

The following charts represent the classification of Claims and Interests for the Debtors pursuant to the Plan. The information is provided in summary form below for illustrative purposes only and is qualified in its entirety by reference to the provisions of the Plan. For a more detailed description of the

treatment of Claims and Interests under the Plan and the sources of consideration for Claims, see Section VI.B.5 of this Disclosure Statement, entitled "Classification and Treatment of Claims."

1. FES

Class	Claims and Interests	Plan Treatment	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
Class A1	Other Secured Claims Against FES	Each Holder shall receive, at the option of the applicable Debtor, either: (i) payment in full in Cash; (ii) delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code; (iii) Reinstatement of such Claim; or (iv) other treatment rendering such Claim Unimpaired.	Unimpaired Not Entitled to Vote (Deemed to Accept)	n/a	n/a
Class A2	Other Priority Claims Against FES	Each Holder shall receive, at the option of the applicable Debtor, either: (i) payment in full in Cash; or (ii) other treatment rendering such Claim Unimpaired.	Unimpaired Not Entitled to Vote (Deemed to Accept)	n/a	n/a
Class A3	Unsecured Bondholder Claims Against FES	Each Holder of an Allowed Unsecured PCN/FES Notes Claim Against FES shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES Common Stock, subject to dilution for the Management Incentive Plan, in an amount equal to its Pro Rata share of FES Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single Box Unsecured Claims, (ii) the FENOC-FES Claim Reallocation to Holders of FES Single-Box Unsecured Claims and Holders of FENOC-FES Unsecured Claims against FES and (iii) the Mansfield Reallocation. The aggregate amount of value available for distribution to Holders of Allowed Unsecured PCN/FES Notes Claims against FES in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment	Impaired Entitled to Vote	$2,237,912,062	22.9%

Class	Claims and Interests	Plan Treatment	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
		Amount applicable to Class A3. Electing Bondholders shall receive, on the Effective Date or as soon as reasonably practicable thereafter, their Pro Rata share of the Unsecured Bondholder Cash Pool in lieu of New FES Common Stock, *provided, however* that to the extent the Unsecured Bondholder Cash Pool is insufficient to provide each Electing Bondholder its allocable recovery of FES Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single-Box Unsecured Claims, (ii) the FENOC-FES Claim Reallocation to Holders of FES Single-Box Unsecured Claims and Holders of FENOC-FES Unsecured Claims against FES and (iii) the Mansfield Reallocation, the Electing Bondholders shall receive the remainder of their distribution in New FES Common Stock, subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed Unsecured PCN/FES Notes Claims against FES in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class A3. In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed Unsecured PCN/FES Notes Claim against FES that received New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.			

Class	Claims and Interests	Plan Treatment	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
Class A4	Mansfield Certificate Claims Against FES	Each Holder of an Allowed Mansfield Certificate Claim Against FES shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES Common Stock, subject to dilution for the Management Incentive Plan, in an amount equal to its Pro Rata share of FES Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single Box Unsecured Claims, and (ii) the FENOC-FES Claim Reallocation to Holders of FES Single-Box Unsecured Claims and Holders of FENOC-FES Unsecured Claims against FES and (iii) the Mansfield Reallocation. The aggregate amount of value available for distribution to Holders of Allowed Mansfield Certificate Claims against FES in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class A4. Electing Bondholders shall receive, on the Effective Date or as soon as reasonably practicable thereafter, their Pro Rata share of the Unsecured Bondholder Cash Pool in lieu of New FES Common Stock, *provided, however* that to the extent the Unsecured Bondholder Cash Pool is insufficient to provide each Electing Bondholder its allocable recovery of FES Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single-Box Unsecured Claims, (ii) the FENOC-FES Claim Reallocation to Holders of FES Single-Box Unsecured Claims and Holders of FENOC-FES Unsecured Claims against FES	Impaired Entitled to Vote	$786,763,400	22.8%

Class	Claims and Interests	Plan Treatment	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
		and (iii) the Mansfield Reallocation, the Electing Bondholders shall receive the remainder of their distribution in New FES Common Stock, subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed Mansfield Certificate Claims against FES in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class A4. In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed Mansfield Certificate Claim against FES that received New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.			
Class A5	FENOC-FES Unsecured Claims	Each Holder of an Allowed FENOC-FES Unsecured Claim Against FES shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its Pro Rata share of (i) the FES Unsecured Distributable Value and (ii) the FENOC-FES Claim Reallocation, *provided* that such Holders shall have the option to elect to receive their Pro Rata share of New FES Common Stock in equal amount, subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed FENOC-FES Unsecured Claims against FES set forth in clauses (i) and (ii) of the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class A5. In addition, to the extent there is	Impaired Entitled to Vote	$138,631,609	25.5%

Class	Claims and Interests	Plan Treatment	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
		an Effective Date Cash Distribution, any Holder of an Allowed FENOC-FES Unsecured Claim against FES that receives New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.			
Class A6	FES Single-Box Unsecured Claims	Each Holder of an Allowed FES Single-Box Unsecured Claim shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its Pro Rata share of (i) the FES Unsecured Distributable Value, (ii) the portion of the Reallocation Pool allocated to FES, (iii) the FENOC-FES Claim Reallocation, and (iv) the NG Reallocation Pool, *provided* that such Holders shall have the option to elect to receive their Pro Rata share of New FES Common Stock in equal amount, subject to the Equity Election Conditions and subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed FES Single-Box Unsecured Claims set forth in clauses (i) through (iv) of the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class A6. In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed FES Single-Box Unsecured Claim that receives New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.	Impaired Entitled to Vote	$568,559,650	31.4%
Class A7	Mansfield TIA Claims	Each Holder of an Allowed Mansfield TIA Claim against FES shall receive, on the Effective Date or as soon as reasonably practicable thereafter,	Impaired Entitled to Vote	[TBD]	[TBD]

Class	Claims and Interests	Plan Treatment	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
		cash equal to its Pro Rata share of FES Unsecured Distributable Value available to Holders of Allowed Mansfield TIA Claims against FES. The aggregate amount of value available for distribution to Holders of Allowed Mansfield TIA Claims against FES shall be subject to the Distributable Value Adjustment Amount applicable to Class A7.			
Class A8	Convenience Claims	Each Holder of an Allowed Convenience Claim against FES that has properly elected to be treated as such on its Ballot shall receive, on the Effective Date or as soon as reasonably practicable thereafter, Cash in an amount equal to 36.4% of the Allowed Convenience Claim.	Impaired Entitled to Vote	$13,930,626	36.4%
Class A9	Inter-Debtor Claims	Each Holder of an Allowed prepetition Inter-Debtor Claim against FES shall receive their Pro Rata share of the FES Unsecured Distributable Value. In lieu of Cash payment or other distribution to the Debtors holding such prepetition Inter-Debtor Claims against FES, the distributions on account of such prepetition Inter-Debtor Claims against FES shall be made to the Holders of Allowed Unsecured Claims against the Debtor holding such prepetition Inter-Debtor Claims against FES by including the recovery on such prepetition Inter-Debtor Claims against FES in the calculation of the Unsecured Distributable Value relating to the Debtor holding such prepetition Inter-Debtor Claims against FES.	Impaired Shall Not Vote	$3,189,409,689	22.8%
Class A10	Interests in FES	As of the Effective Date, Interests in FES shall be cancelled and released without any distribution on account of such Interests.	Impaired Not Entitled to Vote (Deemed to Reject)	$0	0%

2. FG

Class	Claims and Interests	Plan Treatment	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
Class B1	Other Secured Claims Against FG	Each Holder shall receive, at the option of FG, either: (i) payment in full in Cash; (ii) delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code; (iii) Reinstatement of such Claim; or (iv) other treatment rendering such Claim Unimpaired.	Unimpaired Not Entitled to Vote (Deemed to Accept)	n/a	n/a
Class B2	Other Priority Claims Against FG	Each Holder shall receive, at the option of FG, either: (i) payment in full in Cash; or (ii) other treatment rendering such Claim Unimpaired.	Unimpaired Not Entitled to Vote (Deemed to Accept)	n/a	n/a
Class B3	Secured FG PCN Designated Claims	Allowed Secured FG PCN Designated Claims shall be paid in full in Cash on the Effective Date or as soon thereafter as practicable.	Unimpaired Not Entitled to Vote (Deemed to Accept)	$199,194,116	100%
Class B4	Secured FG PCN Reinstated Claims	Allowed Secured FG PCN Reinstated Claims shall be Reinstated in full on the Effective Date or as soon as practicable thereafter, *provided, however*, that any Allowed Secured FG PCN Reinstated Claims relating to accrued and unpaid pre- and postpetition interest on the principal amount of Secured FG PCN Reinstated Claims shall be paid in full in Cash. In the event that the Debtors elect to form New FES, the guarantee of FES with respect to such Allowed Secured FG PCN Reinstated Claims shall be released following the Effective Date, and New FES shall provide a new unsecured guarantee with respect to such	Impaired Entitled to Vote	$156,782,117	100%

Class	Claims and Interests	Plan Treatment	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
		Allowed Secured FG PCN Reinstated Claim.			
Class B5	Unsecured PCN/FES Notes Claims Against FG	Each Holder of an Allowed Unsecured PCN/FES Notes Claim Against FG shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES Common Stock, subject to dilution for the Management Incentive Plan, in an amount equal to its Pro Rata share of the FG Unsecured Distributable Value, subject to (i) the reallocation of the Reallocation Pool to Holders of Single Box Unsecured Claims and (ii) the Mansfield Reallocation. The aggregate amount of value available for distribution to Holders of Allowed Unsecured PCN/FES Notes Claims against FG in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class B5. Electing Bondholders shall receive, on the Effective Date or as soon as reasonably practicable thereafter, their Pro Rata share of the Unsecured Bondholder Cash Pool in lieu of New FES Common Stock, *provided, however* that to the extent the Unsecured Bondholder Cash Pool is insufficient to provide each Electing Bondholder its allocable recovery of FG Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single-Box Unsecured Claims and (ii) the Mansfield Reallocation, the Electing Bondholders shall receive the remainder of their distribution in New FES Common Stock and subject to dilution for the Management Incentive Plan.	Impaired Entitled to Vote	$2,237,912,062	13.5%

Class	Claims and Interests	Plan Treatment	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
		The aggregate amount of value available for distribution to Holders of Allowed Unsecured PCN/FES Notes Claims against FG in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class B5. In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed Unsecured PCN/FES Notes Claim Against FG that received New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.			
Class B6	Mansfield Certificate Claims Against FG	Each Holder of an Allowed Mansfield Certificate Claim Against FG shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES Common Stock, subject to dilution for the Management Incentive Plan, in an amount equal to its Pro Rata share of the FG Unsecured Distributable Value, subject to (i) the reallocation of the Reallocation Pool to Holders of Single Box Unsecured Claims and (ii) the Mansfield Reallocation. The aggregate amount of value available for distribution to Holders of Allowed Mansfield Certificate Claims against FG in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class B6. Electing Bondholders shall receive, on the Effective Date or as soon as reasonably practicable thereafter, their Pro Rata share of the Unsecured Bondholder Cash Pool in lieu of	Impaired Entitled to Vote	$786,763,400	11.8%

Class	Claims and Interests	Plan Treatment	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
		New FES Common Stock, *provided, however* that to the extent the Unsecured Bondholder Cash Pool is insufficient to provide each Electing Bondholder its allocable recovery of FG Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single-Box Unsecured Claims and (ii) the Mansfield Reallocation, the Electing Bondholders shall receive the remainder of their distribution in New FES Common Stock subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed Mansfield Certificate Claims against FG in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class B6. In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed Mansfield Certificate Claim Against FG that received New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.			
Class B7	FG Single-Box Unsecured Claims	Each Holder of an Allowed FG Single-Box Unsecured Claim shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its Pro Rata share of (i) the FG Unsecured Distributable Value and (ii) the Reallocation Pool allocable to FG, *provided* that such Holders shall have the option to elect to receive their ratable share of New FES Common Stock in equal	Impaired Entitled to Vote	$338,341,660	17.0%

Class	Claims and Interests	Plan Treatment	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
		amount, subject to the Equity Election Conditions and subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed FG Single-Box Unsecured Claims set forth in clauses (i) and (ii) of the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class B7. In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed FG Single-Box Unsecured Claim that receives New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.			
Class B8	Mansfield TIA Claim	Each Holder of an Allowed Mansfield TIA Claims against FG shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its Pro Rata share of FG Unsecured Distributable Value. The aggregate amount of value available for distribution to Holders of Allowed Mansfield TIA Claims against FG shall be subject to the Distributable Value Adjustment Amount applicable to Class B8.	Impaired Entitled to Vote	[TBD]	[TBD]
Class B9	Convenience Claims	Each Holder of an Allowed Convenience Claim against FG that has properly elected to be treated as such on its Ballot shall receive, on the Effective Date or as soon as reasonably practicable thereafter, Cash in an amount equal to 22.0% of the Allowed Convenience Claim.	Impaired Entitled to Vote	$18,801,930	22.0%
Class B10	Inter-Debtor Claims	Each Holder of an Allowed prepetition Inter-Debtor Claim against FG shall receive their	Impaired Shall Not	$901,881,812	13.4%

Class	Claims and Interests	Plan Treatment	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
		Pro Rata share of the FG Unsecured Distributable Value. In lieu of Cash payment or other distribution to the Debtors holding such prepetition Inter-Debtor Claim against FG, the distributions on account of such prepetition Inter-Debtor Claims shall be made to the Holders of Allowed Unsecured Claims against the Debtor holding such prepetition Inter-Debtor Claims against FG by including the recovery on such prepetition Inter-Debtor Claims against FG in the calculation of the Unsecured Distributable Value relating to the Debtor holding such prepetition Inter-Debtor Claims against FG.	Vote		
Class B11	Interests in FG	Reorganized FES shall retain ownership of all Interests in FG.	Unimpaired Not Entitled to Vote (Deemed to Accept)	$0	0%

3. NG

Class	Claims and Interests	Plan Treatment	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
Class C1	Other Secured Claims Against NG	Each Holder shall receive, at the option of NG, either: (i) payment in full in Cash; (ii) delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code; (iii) Reinstatement of such Claim; or (iv) other treatment rendering such Claim Unimpaired.	Unimpaired Not Entitled to Vote (Deemed to Accept)	n/a	n/a
Class C2	Other Priority Claims Against NG	Each Holder shall receive, at the option of NG, either: (i) payment in full in Cash; or (ii) other treatment rendering such Claim	Unimpaired Not Entitled to Vote	n/a	n/a

Class	Claims and Interests	Plan Treatment	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
		Unimpaired.	(Deemed to Accept)		
Class C3	Secured NG PCN Claims	Allowed Secured NG PCN Claims shall be Reinstated in full on the Effective Date, or as soon thereafter as practicable, *provided, however*, that any Allowed Secured NG PCN Claims relating to accrued and unpaid pre- and postpetition interest on the principal amount of the Secured NG PCN Claims through and including the Effective Date shall be paid in full in Cash. In the event that the Debtors elect to form New FES, the guarantee of FES with respect to such Allowed Secured NG PCN Claims shall be released following the Effective Date, and on the Effective Date New FES shall provide a new unsecured guarantee with respect to such Allowed Secured NG PCN Claim.	Impaired Entitled to Vote	$307,173,955	100%
Class C4	Unsecured PCN/FES Notes Claims Against NG	Each Holder of an Allowed Unsecured PCN/FES Notes Claim Against NG shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES Common Stock, subject to dilution for the Management Incentive Plan, in an amount equal to its Pro Rata share of NG Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to holders of Single Box Unsecured Claims and (ii) the Mansfield Reallocation. The aggregate amount of value available for distribution to Holders of Allowed Unsecured PCN/FES Notes Claims against NG in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class C4.	Impaired Entitled to Vote	$2,237,912,062	30.2%

Class	Claims and Interests	Plan Treatment	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
		Electing Bondholders shall receive, on the Effective Date or as soon as reasonably practicable thereafter, their Pro Rata share of the Unsecured Bondholder Cash Pool in lieu of New FES Common Stock, *provided, however* that to the extent the Unsecured Bondholder Cash Pool is insufficient to provide each Electing Bondholder its allocable recovery of NG Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single-Box Unsecured Claims and (ii) the Mansfield Reallocation, the Electing Bondholders shall receive the remainder of their distribution in New FES Common Stock subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed Unsecured PCN/FES Notes Claims against NG in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class C4. In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed Unsecured PCN/FES Notes Claim Against NG that received New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.			
Class C5	Mansfield Certificate Claims Against NG	Each Holder of an Allowed Mansfield Certificate Claim Against NG shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES Common Stock, subject to dilution for the	Impaired Entitled to Vote	$786,763,400	30.2%

Class	Claims and Interests	Plan Treatment	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
		Management Incentive Plan, in an amount equal to its Pro Rata share of NG Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single Box Unsecured Claims and (ii) the Mansfield Reallocation. The aggregate amount of value available for distribution to Holders of Allowed Mansfield Certificate Claims against NG in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class C5. Electing Bondholders shall receive, on the Effective Date or as soon as reasonably practicable thereafter, their Pro Rata share of the Unsecured Bondholder Cash Pool in lieu of New FES Common Stock, *provided, however* that to the extent the Unsecured Bondholder Cash Pool is insufficient to provide each Electing Bondholder its allocable recovery of NG Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single-Box Unsecured Claims and (ii) the Mansfield Reallocation, the Electing Bondholders shall receive the remainder of their distribution in New FES Common Stock subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed Mansfield Certificate Claims against NG in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class C5. In addition, to the extent there is			

Class	Claims and Interests	Plan Treatment	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
		an Effective Date Cash Distribution, any Holder of an Allowed Mansfield Certificate Claim Against NG that received New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.			
Class C6	NG Single-Box Unsecured Claims	Each Holder of an Allowed NG Single-Box Unsecured Claim shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to their Pro Rata share of NG Unsecured Distributable Value, *provided* that such Holders shall have the option to elect to receive their ratable share of New FES Common Stock in equal amount, subject to the Equity Election Conditions and subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed NG Single-Box Unsecured Claims shall be subject to the Distributable Value Adjustment Amount applicable to Class C6. In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed NG Single-Box Unsecured Claim that receives New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.	Impaired Entitled to Vote	n/a	n/a
Class C7	NG-FENOC Unsecured Claims against NG	Each Holder of an Allowed NG-FENOC Unsecured Claim against NG shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to their Pro Rata share of NG Unsecured Distributable Value, *provided* that such Holders shall have the	Impaired Entitled to Vote	$82,611,834	30.7%

Class	Claims and Interests	Plan Treatment	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
		option to elect to receive their Pro Rata share of New FES Common Stock in equal amount, subject to the Equity Election Conditions, and subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed NG-FENOC Unsecured Claims against NG shall be subject to the Distributable Value Adjustment Amount applicable to Class C7. In addition, to the extent there is an Effective Date Cash Distribution, any holder of an Allowed NG-FENOC Unsecured Claim Against NG that receives New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.			
Class C8	Convenience Claims	Each Holder of an Allowed Convenience Claim against NG that has properly elected to be treated as such on its Ballot shall receive, on the Effective Date or as soon as reasonably practicable thereafter, Cash in an amount equal to 34.5% of the Allowed Convenience Claim.	Impaired Entitled to Vote	n/a	35.7%
Class C9	Inter-Debtor Claims	Each Holder of an Allowed prepetition Inter-Debtor Claim against NG, if any, shall receive their Pro Rata share of the NG Unsecured Distributable Value. In lieu of Cash payment or other distribution to the Debtors holding such prepetition Inter-Debtor Claims against NG, the distributions on account of such prepetition Inter-Debtor Claims shall be made to the Holders of Allowed Unsecured Claims against the Debtor holding such prepetition Inter-Debtor Claims against NG by including the recovery on such prepetition	Impaired Shall Not Vote	n/a	n/a

Class	Claims and Interests	Plan Treatment	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
		Inter-Debtor Claims against NG in the calculation of the Unsecured Distributable Value relating to the Debtor holding such prepetition Inter-Debtor Claims against NG.			
Class C10	Interests in NG	Reorganized FES shall retain ownership of all of the Interests in NG.	Unimpaired Not Entitled to Vote (Deemed to Accept)	$0	0%

4. FENOC

Class	Claims and Interests	Plan Treatment	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
Class D1	Other Secured Claims Against FENOC	Each Holder shall receive, at the option of FENOC, either: (i) payment in full in Cash; (ii) delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code; (iii) Reinstatement of such Claim; or (iv) other treatment rendering such Claim Unimpaired.	Unimpaired Not Entitled to Vote (Deemed to Accept)	n/a	n/a
Class D2	Other Priority Claims Against FENOC	Each Holder shall receive, at the option of FENOC, either: (i) payment in full in Cash; or (ii) other treatment rendering such Claim Unimpaired.	Unimpaired Not Entitled to Vote (Deemed to Accept)	n/a	n/a
Class D3	FES-FENOC Unsecured Claims against FENOC	Each Holder of an Allowed FENOC-FES Unsecured Claim against FENOC shall receive, on the Effective Date or as soon as reasonably practicable thereafter cash equal to its Pro Rata share of FENOC Unsecured Distributable Value, *provided* that such Holders shall have the option to elect to receive their Pro Rata share of New FES Common Stock in equal amount,	Impaired Entitled to Vote	$239,736,048	16.1%

Class	Claims and Interests	Plan Treatment	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
		subject to the Equity Election Conditions and subject to dilution for the Management Incentive Plan, *provided* however, that such election shall only be available on account of the portion of the Allowed FENOC-FES Unsecured Claim guaranteed by FES. The aggregate amount of value available for distribution to Holders of Allowed FENC-FES Unsecured Claims against FENOC shall be subject to the Distributable Value Adjustment Amount applicable to Class D3. In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed FENOC-FES Unsecured Claim against FENOC that receives New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.			
Class D4	FENOC Single-Box Unsecured Claims	Each Holder of an Allowed FENOC Single-Box Unsecured Claim shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its Pro Rata share of (i) the FENOC Unsecured Distributable Value and (ii) the portion of the Reallocation Pool allocable to FENOC. The aggregate amount of value available for distribution to Holders of Allowed FENOC Single-Box Unsecured Claims set forth in clauses (i) and (ii) of the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class D4.	Impaired Entitled to Vote	$32,295,211	18.8%
Class D5	NG-FENOC Unsecured Claims against FENOC	Each Holder of an Allowed NG-FENOC Unsecured Claim shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its Pro	Impaired Entitled to Vote	$82,611,834	16.1%

Class	Claims and Interests	Plan Treatment	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
		Rata share of FENOC Unsecured Distributable Value. The aggregate amount of value available for distribution to Holders of Allowed NG-FENOC Unsecured Claims against FENOC shall be subject to the Distributable Value Adjustment Amount applicable to Class D5.			
Class D6	Convenience Claims	Each Holder of an Allowed Convenience Claim against FENOC that has properly elected to be treated as such on its Ballot shall receive, on the Effective Date or as soon as reasonably practicable thereafter, Cash in an amount equal to 24.0% of the Allowed Convenience Claim.	Impaired Entitled to Vote	$15,766,808	24.0%
Class D7	Inter-Debtor Claims	Each Holder of an Allowed prepetition Inter-Debtor Claim against FENOC shall receive their Pro Rata share of the FENOC Unsecured Distributable Value. In lieu of Cash payment or other distribution to the Debtors holding such prepetition Inter-Debtor Claims, the distributions on account of such prepetition Inter-Debtor Claims against FENOC shall be made to the Holders of Allowed Unsecured Claims against the Debtor holding such prepetition Inter-Debtor Claims against FENOC by including the recovery on such prepetition Inter-Debtor Claims against FENOC in the calculation of the Unsecured Distributable Value relating to the Debtor holding such prepetition Inter-Debtor Claims against FENOC.	Impaired Shall Not Vote	$32,603,216	15.7%
Class D8	Interests in FENOC	On the Effective Date, Interests in FENOC shall be cancelled and released without any distribution on account of such Interests. On the Effective Date, shares of new common stock of Reorganized FENOC shall be issued to Reorganized FES.	Impaired Not Entitled to Vote (Deemed to Reject)	$0	0%

5. FGMUC

Class	Claims and Interests	Status	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
Class E1	Other Secured Claims Against FGMUC	Each Holder shall receive, at the option of FGMUC, either: (i) payment in full in Cash; (ii) delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code; (iii) Reinstatement of such Claim; or (iv) other treatment rendering such Claim Unimpaired.	Unimpaired Not Entitled to Vote (Deemed to Accept)	n/a	n/a
Class E2	Other Priority Claims Against FGMUC	Each Holder shall receive, at the option of FGMUC, either: (i) payment in full in Cash; or (ii) other treatment rendering such Claim Unimpaired.	Unimpaired Not Entitled to Vote (Deemed to Accept)	n/a	n/a
Class E3	Mansfield Certificate Claims Against FGMUC	Each Holder of an Allowed Mansfield Certificate Claim against FGMUC shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES Common Stock subject to dilution for the Management Incentive Plan, in an amount equal to its Pro Rata share of FGMUC Unsecured Distributable Value, subject to (i) the reallocation of the Reallocation Pool to holders of Single Box Unsecured Claims and (ii) the Mansfield Reallocation. The aggregate amount of value available for distribution to Holders of Allowed Mansfield Certificate Claims against FGMUC in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class E3. Electing Bondholders shall receive, on the Effective Date or as soon as reasonably practicable thereafter, their Pro Rata share	Impaired Entitled to Vote	$786,763,400	8.9%

Class	Claims and Interests	Status	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
		of the Unsecured Bondholder Cash Pool in lieu of New FES Common Stock, *provided, however* that to the extent the Unsecured Bondholder Cash Pool is insufficient to provide each Electing Bondholder its allocable recovery of FGMUC Unsecured Distributable Value, subject to the applicable Distributable Value Adjustment Amount, and subject to the reallocation of (i) the Reallocation Pool to holders of Single-Box Unsecured Claims and (ii) the Mansfield Reallocation, the Electing Bondholders shall receive the remainder of their distribution in New FES Common Stock subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed Mansfield Certificate Claims against FGMUC in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class E3. In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed Mansfield Certificate Claim Against FGMUC that received New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.			
Class E4	FGMUC Single-Box Unsecured Claims	Holders of FGMUC Single-Box Unsecured Claims shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its Pro Rata share of (i) the FGMUC Unsecured Distributable Value, and (ii) the portion of the Reallocation Pool allocable to	Impaired Entitled to Vote	$14,545,718	13.0%

Class	Claims and Interests	Status	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
		FGMUC. The aggregate amount of value available for distribution to Holders of Allowed FGMUC Single-Box Unsecured Claims set forth in clauses (i) and (ii) of the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class E4.			
Class E5	Mansfield TIA Claims	The Holder of an Allowed Mansfield TIA Claim against FGMUC shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to the Pro Rata share of the FGMUC Unsecured Distributable Value. The aggregate amount of value available for distribution to Holders of Allowed Mansfield TIA Claims against FGMUC shall be subject to the Distributable Value Adjustment Amount applicable to Class E5.	Impaired Entitled to Vote	[TBD]	[TBD]
Class E6	Convenience Claims	Each Holder of an Allowed Convenience Claim against FGMUC that has properly elected to be treated as such on its Ballot shall receive, on the Effective Date or as soon as reasonably practicable thereafter, Cash in an amount equal to 18.0% of the Allowed Convenience Claim.	Impaired Entitled to Vote	$613,151	18.0%
Class E7	Inter-Debtor Claims	Each Holder of an Allowed prepetition Inter-Debtor Claim against FGMUC shall receive their Pro Rata share of the FGMUC Unsecured Distributable Value. In lieu of Cash payment or other distribution to the Debtors holding such prepetition Inter-Debtor Claims, the distributions on account of such prepetition Inter-Debtor Claims shall be made to the Holders of Allowed Unsecured Claims against the Debtor holding such prepetition Inter-Debtor Claims against	Impaired Shall Not Vote	$367,534,565	8.6%

Class	Claims and Interests	Status	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
		FGMUC against FGMUC by including the recovery on such prepetition Inter-Debtor Claims against FGMUC in the calculation of the Unsecured Distributable Value relating to the Debtor holding such prepetition Inter-Debtor Claims against FGMUC.			
Class E8	Interests in FGMUC	In the discretion of the Debtors, in consultation with the Consenting Creditors and the Committee, Reorganized FG shall continue to own all of the Interests in FGMUC or FGMUC shall be dissolved and all Interests in FGMUC shall be cancelled and released without any distribution on account of such Interests.	Unimpaired/ Impaired Not Entitled to Vote (Deemed to Accept or Reject)	$0	0%

6. FE Aircraft

Class	Claims and Interests	Status	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
Class F1	Other Secured Claims Against FE Aircraft	Each Holder shall receive, at the option of FE Aircraft, either: (i) payment in full in Cash; (ii) delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code; (iii) Reinstatement of such Claim; or (iv) other treatment rendering such Claim Unimpaired.	Unimpaired Not Entitled to Vote (Deemed to Accept)	n/a	n/a
Class F2	Other Priority Claims Against FE Aircraft	Each Holder shall receive, at the option of FE Aircraft, either: (i) payment in full in Cash; or (ii) other treatment rendering such Claim Unimpaired.	Unimpaired Not Entitled to Vote (Deemed to Accept)	n/a	n/a
Class F3	General Unsecured Claims Against FE Aircraft	Each Holder of an Allowed General Unsecured Claim Against FE Aircraft shall receive, on the Effective Date or as soon as reasonably practicable thereafter, its Pro Rata share of the FE Aircraft	Impaired Entitled to Vote	n/a	n/a

Class	Claims and Interests	Status	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
		Cash Distribution Pool.			
Class F4	Inter-Debtor Claims	Each Holder of an Allowed prepetition Inter-Debtor Claim against FE Aircraft if any, shall be treated *pari passu* with Unsecured Claims against FE Aircraft and will share in distributions from FE Aircraft. In lieu of Cash payment or other distribution to the Debtors holding such prepetition Inter-Debtor Claims against FE Aircraft, the distributions on account of such prepetition Inter-Debtor Claims shall be made to the Holders of Allowed Unsecured Claims against the Debtor holding such prepetition Inter-Debtor Claims against FE Aircraft against FE Aircraft by including the recovery on such prepetition Inter-Debtor Claims against FE Aircraft in the calculation of the Unsecured Distributable Value relating to the Debtor holding such prepetition Inter-Debtor Claims against FE Aircraft.	Impaired Shall Not Vote	n/a	n/a
Class F5	Interests in FE Aircraft	FE Aircraft shall be dissolved and Interests in FE Aircraft shall be cancelled and released without any distribution on account of such Interests.	Impaired Not Entitled to Vote (Deemed to Reject)	$0	0%

7. Norton

Class	Claims and Interests	Status	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
Class G1	Other Secured Claims Against Norton	Each Holder shall receive, at the option of Norton, either: (i) payment in full in Cash; (ii) delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code; (iii) Reinstatement of such Claim; or (iv) other treatment rendering such Claim Unimpaired.	Unimpaired Not Entitled to Vote (Deemed to Accept)	n/a	n/a

Class	Claims and Interests	Status	Voting Rights	Projected Allowed Claims	Estimated Percentage Recovery Under the Plan
Class G2	Other Priority Claims Against Norton	Each Holder shall receive, at the option of Norton, either: (i) payment in full in Cash; or (ii) other treatment rendering such Claim Unimpaired.	Unimpaired Not Entitled to Vote (Deemed to Accept)	n/a	n/a
Class G3	General Unsecured Claims Against Norton	Each Holder of an Allowed General Unsecured Claim Against Norton shall receive, on the Effective Date or as soon as reasonably practicable thereafter, its Pro Rata share of the Norton Cash Distribution Pool.	Impaired Entitled to Vote	n/a	n/a
Class G4	Inter-Debtor Claims	Each Holder of an Allowed prepetition Inter-Debtor Claim against Norton, if any, shall be treated *pari passu* with Unsecured Claims against Norton and will share in distributions from Norton. In lieu of Cash payment or other distribution to the Debtors holding such prepetition Inter-Debtor Claims against Norton, the distributions on account of such prepetition Inter-Debtor Claims against Norton shall be made to the Holders of Allowed Unsecured Claims against the Debtor holding such prepetition Inter-Debtor Claims against Norton against Norton by including the recovery on such prepetition Inter-Debtor Claims against Norton in the calculation of the Unsecured Distributable Value relating to the Debtor holding such prepetition Inter-Debtor Claims against Norton.	Impaired Shall Not Vote	n/a	n/a
Class G5	Interests in Norton	Reorganized FG shall retain ownership of all of the Interests in Norton.	Unimpaired Not Entitled to Vote (Deemed to Accept)	$0	0%

E. Voting on the Plan.

Only Holders of Claims in Classes A3–A8, B4–B9, C3–C8, D3–D6, E3–E6, F3, and G3 (the "Voting Classes") are entitled to vote on the Plan. Holders of all other Classes of Claims and Interests are deemed to: (i) accept the Plan because their Claims or Interests have already been or are being paid in full or are otherwise Unimpaired and deemed to accept; or (ii) reject the Plan because their Claims or Interests will receive no recovery under the Plan.

The Voting Deadline is [4:00 p.m.] (prevailing Eastern Time) on [April 26, 2019]. To be counted as votes to accept or reject the Plan, all ballots (each, a "Ballot") and master ballots (each, a "Master Ballot") must be properly pre-validated (if applicable), executed, completed, and delivered (by using the return envelope provided either by first class mail, overnight courier, or personal delivery) such that they are **actually received** on or before the Voting Deadline by Prime Clerk LLC ("Prime Clerk" or the "Solicitation Agent") as set forth below. Alternatively, the Debtors will be accepting ballots via electronic, online transmission through an E-Ballot platform available on Prime Clerk's website at https://cases.primeclerk.com/FES/EBallot-Home. Holders of Claims may cast an E-Ballot and electronically sign and submit such ballot via the platform, provided that the E-Ballot is submitted on or before the Voting Deadline. Instructions for casting an electronic ballot are available on Prime Clerk's website (https://cases.primeclerk.com/fes/Home-Index).

DELIVERY OF BALLOTS

BALLOTS AND MASTER BALLOTS, AS APPLICABLE, MUST BE ACTUALLY RECEIVED BY THE SOLICITATION AGENT BY THE VOTING DEADLINE, WHICH IS [4:00 P.M.] (PREVAILING EASTERN TIME) ON [APRIL 26, 2019], AT THE FOLLOWING ADDRESSES:

FOR ALL BALLOTS, INCLUDING MASTER BALLOTS

VIA FIRST CLASS MAIL, OVERNIGHT COURIER, OR HAND DELIVERY:

FES BALLOT PROCESSING
c/o PRIME CLERK LLC
830 THIRD AVENUE, 3RD FLOOR
NEW YORK, NY 10022

IF YOU RECEIVED AN ENVELOPE ADDRESSED TO YOUR INDENTURE TRUSTEE, PLEASE ALLOW ENOUGH TIME WHEN YOU RETURN YOUR BALLOT FOR YOUR INDENTURE TRUSTEE TO CAST YOUR VOTE ON A MASTER BALLOT BEFORE THE VOTING DEADLINE.

BALLOTS RECEIVED VIA EMAIL OR FACSIMILE WILL NOT BE COUNTED.

IF YOU HAVE ANY QUESTIONS ON THE PROCEDURE FOR VOTING ON THE PLAN, PLEASE CALL THE DEBTORS' RESTRUCTURING HOTLINE AT:

DOMESTIC: 855-934-8766

INTERNATIONAL: 917-877-5963

WEBSITE: https://cases.primeclerk.com/fes/Home-Index

IF YOU HAVE ANY QUESTIONS ABOUT THE VOTING PROCESS, PLEASE CONTACT THE SOLICITATION AGENT. ANY BALLOT RECEIVED AFTER THE VOTING DEADLINE OR OTHERWISE NOT IN COMPLIANCE WILL NOT BE COUNTED EXCEPT IN THE DEBTORS' SOLE DISCRETION.

F. Confirmation Process.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan should be confirmed in light of both the affirmative requirements of the Bankruptcy Code and any objections that are timely filed. For a more detailed discussion of the Confirmation Hearing, see Section VII of this Disclosure Statement, entitled "Confirmation of the Plan," which begins on page 147.

Following Confirmation, subject to the conditions precedent in Article IX of the Plan, the Plan will be consummated on the Effective Date. Among other things, on the Effective Date, certain release, injunction, exculpation, and discharge provisions set forth in Article VIII of the Plan will become effective. As such, it is important to read the provisions contained in Article VIII of the Plan very carefully so that you understand how Confirmation and Consummation—which effectuates such provisions—will affect you and any Claim or Interest you may hold against the Debtors so that you cast

your vote accordingly. **The releases are described in Section VI.I of this Disclosure Statement, entitled "Settlement, Release, Injunction, and Related Provisions" which begins on page 139**.

G. The Plan Supplement.

In connection with the Plan, the Debtors will file certain documents providing details about the implementation of the Plan (the "Plan Supplement"), as set forth below, no later than seven (7) business days prior to the deadline to vote to accept or reject the Plan as set forth in the Disclosure Statement Order (the "Voting Deadline"), or such other date as may be approved by the Bankruptcy Court.

The Debtors will serve a notice that will inform all parties that the Plan Supplement was filed, list the information included therein, and explain how copies of the Plan Supplement may be obtained. The Plan Supplement will include the following:

- New Organizational Documents;
- the list of Assumed Executory Contracts and Unexpired Leases;
- the list of Rejected Executory Contracts and Unexpired Leases;
- a list of retained Causes of Action;
- the Management Incentive Plan;
- the identity of the members of the New FES Board and management for the Reorganized Debtors;
- the Plan Administrator Agreement;
- the Transition Working Group Management Agreement; and
- the Reorganized Debtor Stockholders' Agreement.

THE FOREGOING EXECUTIVE SUMMARY IS ONLY A GENERAL OVERVIEW OF THIS DISCLOSURE STATEMENT AND THE MATERIAL TERMS OF, AND TRANSACTIONS PROPOSED BY, THE PLAN, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO, AND SHOULD BE READ IN CONJUNCTION WITH, THE MORE DETAILED DISCUSSIONS APPEARING ELSEWHERE IN THIS DISCLOSURE STATEMENT AND THE EXHIBITS ATTACHED TO THIS DISCLOSURE STATEMENT, INCLUDING THE PLAN.

THE BOARD OF MANAGERS OR DIRECTORS (AS APPLICABLE) OR THE SOLE MEMBER OF EACH OF THE DEBTORS HAS UNANIMOUSLY APPROVED THE TRANSACTIONS CONTEMPLATED BY, AND/OR DESCRIBED IN, THE PLAN AND DESCRIBED IN THIS DISCLOSURE STATEMENT AND RECOMMENDS THAT ALL HOLDERS OF CLAIMS WHOSE VOTES ARE BEING SOLICITED SUBMIT BALLOTS TO ACCEPT THE PLAN.

RECOMMENDATION BY THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS

THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS APPOINTED IN THESE CHAPTER 11 CASES AS A FIDUCIARY FOR ALL UNSECURED CREDITORS OF THE DEBTORS HAS DETERMINED THAT THE TRANSACTIONS CONTEMPLATED BY, AND/OR DESCRIBED IN, THE PLAN AND DESCRIBED IN THIS DISCLOSURE STATEMENT ARE IN THE BEST INTERESTS OF ALL UNSECURED CREDITORS AND RECOMMENDS THAT ALL HOLDERS OF UNSECURED CLAIMS VOTE TO ACCEPT THE PLAN. A LETTER FROM THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO HOLDERS OF UNSECURED CLAIMS IS INCLUDED IN THE SOLICITATION PACKAGE SENT TO CREDITORS ELIGIBLE TO VOTE ON THE PLAN.

II. Voting Instructions

A. Holders of Claims and Interests Entitled to Vote on the Plan.

Under the applicable provisions of the Bankruptcy Code, not all Holders of Claims and Interests are entitled to vote on the Plan. Pursuant to this Disclosure Statement, the Debtors are soliciting votes to accept or reject the Plan only from the Voting Classes. The Debtors are **not** soliciting votes from Holders of the remaining Classes of Claims and Interests who are deemed to reject the Plan or are presumed to accept the Plan because: (i) their Claims are being paid in full; (ii) their Claims or Interests are being Reinstated; or (iii) they are not receiving or retaining any property under the Plan on account of their Claims or Interests.

B. Voting Record Date.

The Voting Record Date is [March 19, 2019]. The Voting Record Date is the date on which it will be determined which Holders of Claims and Interests in the Voting Classes are entitled to vote to accept or reject the Plan and whether Claims or Interests have been properly assigned or transferred under Bankruptcy Rule 3001(e) such that an assignee can vote as the Holder of a Claim or Interest.

C. Equity Election Record Date.

The Equity Election Record Date is January 23, 2019, or such later date as agreed to by the Debtors with the consent of the Requisite Supporting Parties and the Committee. Holders of certain Classes of General Unsecured Claims are eligible to elect to receive equity in the Reorganized Debtors rather than Cash, in satisfaction of their Allowed Claims (an "Equity Election"). All Holders of Allowed General Unsecured Claims eligible to make an Equity Election who wish to make such Equity Election with respect to their Allowed Claims are required to certify on their ballots that they (i) were the beneficial holder of such Claim as of the applicable Equity Election Record Date and have not sold, transferred, or provided a participation in such Claim, or directly or implicitly agreed to do so following the applicable Equity Election Record Date or (ii) are otherwise a party to the Restructuring Support Agreement and the beneficial holder of such Claim and such Claim was subject to the Restructuring Support Agreement as of the applicable Equity Election Record Date. Any Holder of an Allowed General Unsecured Claim who is not party to the Restructuring Support Agreement who sells their Claim after the Equity Election Record Date will not be permitted to make an Equity Election under the Plan. Further, any Holder that buys a General Unsecured Claim after the Equity Election Record Date, if such Claim is not subject to the Restructuring Support Agreement as of the Equity Election Record Date, will not be entitled to make an Equity Election under the Plan, to the extent that such General Unsecured Claim is

Allowed, and will only be permitted to receive an equivalent Cash distribution on account of such General Unsecured Claim.

D. Voting on the Plan.

Only the Voting Classes are entitled to vote on the Plan. Holders of all other Classes of Claims and Interests are deemed to: (i) accept the Plan because (a) their Claims are being paid in full or (b) their Claims or Interests are being Reinstated; or (ii) reject the Plan because they are not receiving or retaining any property under the Plan on account of their Claims or Interests.

The Voting Deadline is [4:00 p.m.] (prevailing Eastern Time) on [April 26, 2019]. To be counted as votes to accept or reject the Plan, all Ballots and Master Ballots must be properly executed, completed and delivered to Prime Clerk (either by using the E-Balloting Portal submission, by first class mail, by overnight courier or by personal delivery) such that they are **actually received** on or before the Voting Deadline by the Solicitation Agent as set forth herein:

E. Ballots Not Counted.

A Ballot may not be counted toward Confirmation if, among other things: (i) it is properly completed, executed, and timely returned to Prime Clerk, but does not indicate either an acceptance or rejection of the Plan; (ii) the Holder of a Claim entitled to vote to accept or reject the Plan votes to both accept and reject the Plan; (iii) in the absence of any extension of the Voting Deadline by the Debtors, the Ballot is received after the Voting Deadline; (iv) it is illegible or contains insufficient information to permit the identification of the claimant; (v) it was submitted by a person or entity that does not hold a Claim that is entitled to vote to accept or reject the Plan; (vi) it was submitted by a Holder of a Claim that meets the following criteria (a) as of the Voting Record Date, the outstanding amount of such claim is not greater than zero ($0.00); (b) as of the Voting Record Date, such claim has been disallowed or expunged; (c) the Debtors scheduled such claim as contingent, unliquidated, or disputed and a proof of claim was not filed by the General Bar Date or deemed timely filed by order of the Court at least five (5) business days prior to the Voting Deadline; or (d) such claim is subject to an objection that remains unresolved (subject, however, to the rights of any Holder of the Claim under Fed. R. Bankr. P. 3018 to have such Claim allowed for voting purposes); (vii) it is unsigned; (viii) it was submitted or transmitted to Prime Clerk by fax, e-mail, or other electronic means of transmission (other than the E-Ballot platform available on Prime Clerk's website), unless otherwise agreed to by the Debtors.

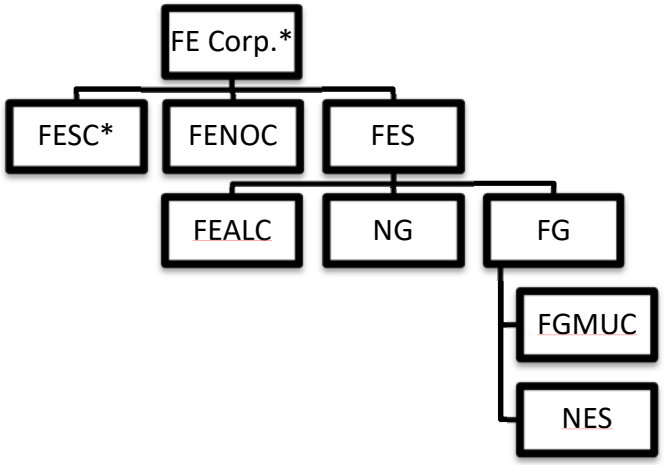
IF YOU HAVE ANY QUESTIONS ABOUT THE VOTING PROCESS, PLEASE CONTACT THE SOLICITATION AGENT. ANY BALLOT RECEIVED AFTER THE VOTING DEADLINE OR OTHERWISE NOT IN COMPLIANCE WITH THE WILL NOT BE COUNTED EXCEPT IN THE DEBTORS' SOLE DISCRETION.

III. The Debtors' Business Operations and Capital Structure

A. Overview of the Debtors' Corporate Structure.

Each of the Debtors is a direct or indirect subsidiary of FE Corp. FE Corp. is also the ultimate parent company to multiple other non-Debtor entities. These non-Debtor entities include FE Corp.'s regulated distribution and transmission utility businesses, regulated generation business, and FirstEnergy Service Company ("FESC"), which provides various intercompany services to the Debtors, as well as to the other FE Non-Debtor Parties.

The following chart is a simplified representation of the Debtors' corporate structure as of the Petition Date: [10]



As of December 31, 2018, FES reported total assets of approximately $6.1 billion, and FENOC reported total assets of approximately $1.1 billion. For the period April 1, 2018 through December 31, 2018, FES's consolidated revenues were approximately $1.9 billion, and FENOC's revenue was approximately $357,000.

B. The Debtors' Business Operations

FES and its management team have significant experience as leaders in the electricity industry. As of the Petition Date, FES had three distinct business units:

- FES's competitive electricity generation through its fossil generation plants owned by FG and its subsidiary FGMUC (the "Fossil Business");
- FES's competitive electricity generation through its nuclear generation plants owned by NG and operated by FENOC (the "Nuclear Business"); and

FES's competitive retail electricity sales and related operations (the "Retail Business").

1. FES

FES was organized under the laws of Ohio in 1997. FES sells power and provides energy-related products and services to retail and wholesale customers primarily in Illinois, Maryland, Michigan, New Jersey, Ohio and Pennsylvania. FES employs 35 individuals. FES's corporate group is comprised of: (i) FG, the owner and operator of the fossil generation plants; (ii) FG's subsidiaries, including FGMUC and Norton Energy Storage L.L.C. ("NES"); (iii) NG, the owner of the nuclear generation plants; and (iv) FE Aircraft Leasing Corp. ("FE Aircraft").

[10] Asterisks in the chart reflect non-Debtor entities.

2. FG

FG was organized under the laws of Ohio in 2000. FG owns and operates the coal powered W.H. Sammis Plant in Stratton, OH, which is composed of seven units and five Electro-Motive Diesels ("EMDs") and has a net demonstrated capacity ("Net Demonstrated Capacity") of 2,210 MWs along with the natural gas and oil powered West Lorain Plant in Lorain, OH, which is composed of six units and has a Net Demonstrated Capacity of 545 MWs of electricity (the "West Lorain Plant"). The Debtors entered into an asset purchase agreement for the sale of the West Lorain Plant and anticipate closing the sale in the first quarter of 2019.

Additionally, FG owns Unit 2 and Unit 3 and approximately 6% of Unit 1 at the coal-fired Bruce Mansfield Plant in Shippingport, PA, which is composed of three units and has a Net Demonstrated Capacity of 2,490 MWs (the "Bruce Mansfield Plant"). The remainder of Mansfield Unit 1 is owned by other parties and leased by FG under a sale-leaseback arrangement (the "Mansfield Sale-Leaseback Transaction"). Mansfield Units 1 and 2 were deactivated as of February 5, 2019. The Debtors plan to deactivate Unit 3 in June 2021.

In connection with the FE Settlement Agreement, FG is also seeking authorization to acquire the Pleasants Power Plant in Pleasant County, West Virginia (the "Pleasants Power Plant"), which is comprised of two 650 megawatt coal-fired units.[11]

FG currently sells the entire generation output from its plants to FES. FG also maintains contracts to purchase the fuel necessary to produce its generation. FG has 549 employees.

(a) FGMUC

FGMUC is a subsidiary of FG and was organized under the laws of Ohio in 2007. FG owns Units 2 and 3 of the Bruce Mansfield Plant, and operates all three units pursuant to an operating agreement, which generally provides that FG will operate and dispatch the Bruce Mansfield Plant according to PJM criteria. Separately, FG has assigned its leasehold interests in the Mansfield Sale-Leaseback Transaction to FGMUC. FGMUC and FG are parties to a power purchase agreement pursuant to which FGMUC sells the entire output from Unit 1 of the Bruce Mansfield Plant to FG. Under the power purchase agreement, FG has agreed to purchase the entire output as well as to arrange for all transmission, generation costs, losses, and related services at and from the specified delivery point. FGMUC does not have any employees.

(b) NES

NES is a subsidiary of FG and was organized under the laws of Delaware in 1999. NES is a non-operating entity that owns 92 acres of surface property in Norton, OH, and the rights to use the Norton Mine (formerly known as the Barberton Mine) for compressed air storage. NES also does not have any employees.

[11] *See Debtors' Motion in Furtherance of Settlement Agreement for Entry of an Order (I) Authorizing, Nunc Pro Tunc to December 31, 2018, FirstEnergy Generation, LLC's Entry Into and Assumption of the Pleasants Power Station Asset Purchase Agreement; (II) Authorizing FirstEnergy Generation, LLC's Entry Into the Disposal Agreement on the Closing Date; (III) Authorizing the Debtors' Performance Under Such Agreements; (IV) Authorizing the Transfer of the Pleasants Power Station to the Debtors; and (IV) Granting Related Relief* [Docket No. 2052].

3. NG

NG was organized under the laws of Ohio in 2005. NG owns four nuclear generating units, composed of two units at the Beaver Valley Power Station in Shippingport, PA ("Beaver Valley"), one unit at the Davis-Besse Nuclear Power Station in Oak Harbor, OH ("Davis-Besse"), and one unit at the Perry Nuclear Power Plant in Perry, OH ("Perry"). NG's nuclear plants have a Net Demonstrated Capacity of 4,048 MWs. However, the Debtors have initiated the steps to deactivate the Beaver Valley, Davis-Besse and Perry plants.

The U.S. Nuclear Regulatory Commission ("NRC") requires that licensees set aside sufficient funding for radiological decommissioning of nuclear power reactors. The range of funding required to be set aside depends on many factors, including the timing and sequence of the decommissioning program to be employed, the method of decommissioning cost analysis, the size and design of the reactor and facility, its location, labor costs and certain radioactive waste management costs. Pursuant to this mandate, NG has obligations to fund four separate nuclear decommissioning trusts ("NDTs"), one for each unit. As of December 31, 2018, the NDTs had assets of approximately $1.8 billion.

The following table summarizes the current operating license expiration for NG's nuclear facilities in service:

Station	In-Service Date	Current License Expiration
Beaver Valley Unit 1	1976	2036
Beaver Valley Unit 2	1987	2047
Perry	1986	2026[12]
Davis-Besse	1977	2037

4. FENOC

FENOC was organized under the laws of Ohio in 1998. FENOC is an affiliate of FES and a direct subsidiary of FE Corp. Pursuant to a Master Nuclear Operating Agreement and NRC requirements, FENOC operates the four nuclear generation units owned by NG. FENOC provides engineering, supervisory, operating, maintenance, and other services that may be required to operate and maintain the nuclear facilities. FENOC renders these services at cost. FENOC also provides certain services to non-Debtor affiliates, which are paid by the direct charge method through non-Debtor FESC. FENOC has 2,219 employees.

[12] Perry is capable of filing for a license renewal that would add 20 years to the operating license, resulting in a license expiration of 2046.

5. FESC

Non-Debtor FESC was organized under the laws of Ohio in 2001. FESC is a direct subsidiary of non-Debtor FE Corp. and an affiliate of FES and FENOC. FESC provides vital shared services ("Shared Services"), such as payroll and procurement for the Debtors, as well as non-Debtor FE Corp. and its non-Debtor subsidiaries. The services are integral to the Debtors' business operations, and also generate significant cost savings for the various entities.

In accordance with the FE Settlement Agreement, FESC and the Debtors assumed pursuant to Section 365 of the Bankruptcy Code, an amended shared services agreement (the "Amended Shared Services Agreement"), which was approved by the Court as part of the Debtors' entry into the FE Settlement Agreement. Pursuant to the Amended Shared Services Agreement, the Debtors will have access to shared services through the earlier of (i) 30 days after receipt of a written notice of payment default that goes uncured or (ii) June 30, 2020. The Debtors are in the process of separating their businesses from those of the FE Non-Debtor Parties, as set forth in the FE Settlement Agreement. The Debtors will have the ability, pursuant to the terms of the Amended Shared Services Agreement, to "step-down" the level of services they receive over time as the process of separating their businesses proceeds. Once the Debtors have fully separated from the FE Non-Debtor Parties, they will no longer receive services pursuant to the Amended Shared Services Agreement. On January 15, 2019, the Debtors received a written notice of payment default under the Amended Shared Services Agreement relating to a dispute over the Debtors' obligations to pay FESC for portions of the costs associated with a voluntary employee retirement program offered to FESC employees. As of the date hereof, the Debtors and the FE Non-Debtor Parties are attempting to resolve the matter without litigation.

The shared services provided under the Amended Shared Services Agreement include, among other things, certain:

- legal functions;
- human resources functions;
- treasury functions;
- enterprise and market risk management functions;
- controller functions;
- federal, state, and local tax services;
- financial planning functions;
- strategy and business development functions;
- information technology and infrastructure services;
- external affairs, including political and regulatory advocacy;
- investor and media relations;
- corporate secretarial, security, compliance, and ethics issues;

- internal auditing and Sarbanes-Oxley compliance;
- supply chain services;
- business services administration;
- facility design and construction and real estate management; and
- generation support services, including fleet engineering, operations and outage support.

C. Capital Structure of the Debtors

1. FES Debt

As of the Petition Date, FES had approximately $1.5 billion of funded indebtedness in addition to the indebtedness of FG and NG that it has guaranteed. That amount included approximately $700 million of a secured revolving credit facility provided by FE Corp.,[13] $332 million in outstanding principal amount of 6.05% unsecured notes due 2021, and $363 million in outstanding principal amount of 6.80% of unsecured notes due 2039. FES also had a $150 million credit facility with Allegheny Energy Supply Company, LLC ("AE Supply"), under which $102 million was due and owing on April 2, 2018.

2. FG and NG Debt

FG has approximately $1 billion of funded indebtedness in addition to the indebtedness of FES and NG that it has guaranteed. That amount includes $328 million in outstanding principal amount of secured PCNs that support tax-exempt pollution control revenue bonds ("PCRBs") and $677 million in outstanding principal amount of unsecured fixed-rate PCNs that support additional tax-exempt PCRBs. The PCRBs are issued by various Ohio and Pennsylvania state authorities and the secured PCNs are secured by first mortgage bonds issued by FG which are in turn secured by a first lien security interest granted by FG on substantially all of its property, plant, and equipment used in the generation and production of electricity.

As discussed above, FG is also the lessee under a sale-leaseback transaction related to Unit 1 of the Bruce Mansfield Plant pursuant to which FG made semi-annual payments to the six lessor trusts. FES guarantees the payment and performance obligations of FG under the Mansfield Sale-Leaseback Transaction. In connection with the Mansfield Sale-Leaseback Transaction, the lessor trusts issued notes secured by, inter alia, the owner/lessors' interests in Mansfield Unit 1 to a pass-through trust that issued and sold pass-through trust certificates publicly, of which $769 million in aggregate principal amount remains outstanding.

Pursuant to the Mansfield Sale-Leaseback Transaction, FG agreed to indemnify the owner participants, the lessors, the owner trustee, the indenture trustee, the pass-through trustee, and their respective affiliates (the "Tax Indemnitees") under tax indemnity agreements (the "Tax Indemnity Agreements"). The Tax Indemnity Agreements generally indemnify the Tax Indemnitees in the event any

[13] The secured revolving credit facility is $500 million for general purposes (of which $500 million has been drawn) and $200 million for surety support (of which $200 million has been pledged). The secured revolving credit facility is secured by first mortgage bonds issued by FG and NG, which are in turn secured by a first lien security interest granted by FG and NG, as applicable, on substantially all of their respective property, plant, and equipment used and useful in the generation and production of electric energy, including the plants referenced above. The secured revolving credit facility is also guaranteed by FG and NG.

party suffers a loss of the tax benefits or has taxes imposed as a result of the transactions contemplated by the Mansfield Sale-Leaseback Transaction. Similar to FG's payment and performance obligations under the Mansfield Facility Lease Agreements, FES has agreed to guarantee FG's obligations under the Tax Indemnity Agreements.

As discussed in greater detail herein, the Debtors have sought to reject certain agreements entered into with respect to the Mansfield Sale-Leaseback Transaction and have entered into a settlement pursuant to which certain claims arising from the rejection will be allowed and the interests in Unit 1 of the Bruce Mansfield Plant will be assigned to the Debtors.

NG has approximately $1.1 billion of funded indebtedness in addition to the indebtedness of FES and FG that it has guaranteed. That number includes $285 million of secured PCNs that support tax-exempt PCRBs and $842 million of unsecured PCNs that support additional tax-exempt PCRBs. The secured PCNs are secured by first mortgage bonds issued by NG which are in turn secured by a first lien security interest granted by NG on substantially all of its property, plant, and equipment used and useful in the generation and production of electricity.

3. Guarantees

On March 26, 2007, FG and NG each entered into downstream guarantees with FES, and FES entered into upstream guarantees with FG and NG. The downstream and upstream guarantees covered the following identical enumerated categories of outstanding indebtedness: (i) all obligations of the entity for borrowed money, or with respect to deposits or advances of any kind, or for the deferred purchase price or property or services, excluding, however, trade accounts payable incurred in the ordinary course of business; (ii) all obligations of the entity evidenced by bonds, debentures, notes, or similar instruments; (iii) all obligations of the entity upon which interest charges are customarily paid; (iv) all obligations under leases that shall have been or should be, in accordance with generally accepted accounting principles in the United States, in effect from time to time, recorded as capital leases in respect of which the entity is liable as lessee; (v) reimbursement obligations of the entity (whether contingent or otherwise) in respect of letters of credit, bankers' acceptances, surety or other bonds and similar instruments; and (vi) obligations of the entity under direct or indirect guarantees in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to above. These guarantees do not include, among other things, (x) indebtedness that provides that such indebtedness is not entitled to the benefits of the guaranty and (y) any indebtedness owing to any FE Corp. subsidiary.

IV. The Events Leading to the Debtors' Financial Difficulties

A. History of the Debtors

Non-Debtor FE Corp., the ultimate parent company of each of the Debtors in these Chapter 11 Cases, is a public utility holding company headquartered in Akron, Ohio. FE Corp. had its beginning through the merger of Ohio Edison Company and the former Centerior Energy Corporation in 1997. Subsequent to the completion of the merger, FE Corp. was the 11th largest investor-owned electric system in the nation, based on annual electric sales of 64 million MWhs.

In 2001, FE Corp. doubled its revenue (to more than $12 billion) and its customers served (to more than 4.3 million) when it merged with the former GPU, Inc. ("GPU"), a company that served 2.1 million customers in Pennsylvania and New Jersey.

A decade after the GPU merger, in 2011, FE Corp. completed another merger with the former Allegheny Energy, Inc. ("AE"), a company that served 1.6 million customers in Pennsylvania, West Virginia, Maryland and Virginia. The AE merger more than doubled the size of FE Corp.'s coal fired fleet.

Non-Debtor AE Supply was organized under the laws of the State of Delaware in 1999. AE Supply provided energy-related products and services to Debtor FES until the termination of the relevant PPA in April 2017. AE Supply, together with FES and its subsidiaries, comprised FE Corp.'s competitive energy services ("CES") reportable operating segment. AE Supply continues to provide capacity to FES and also purchases fuel from the Debtors.

FE Corp. is both a secured creditor and an unsecured creditor of FES and an active participant in the Debtors' chapter 11 cases. On the Petition Date, FE Corp. was owed $700 million on account of the secured revolving credit facility and approximately $1.4 billion in unsecured debt obligations, including claims asserted against multiple Debtors. As discussed herein, each of these claims is being waived pursuant to the FE Settlement Agreement. In addition, FE Corp., FESC, and other non-Debtor affiliates are parties to various intercompany agreements with the Debtors and FE Corp. has guaranteed certain other obligations of the Debtors. As described throughout this Disclosure Statement, intercompany considerations have played a key role in the Debtors' Chapter 11 Cases.

B. Impairments to the Value of the Debtors' Business

In July 2016, as part of an ongoing process to evaluate its overall generation business, FE Corp. and FES filed an 8-K with the SEC, announcing their intent to exit the 136 MW Bay Shore Unit 1 generating station by October 2020 and to deactivate Units 1-4 of the W.H. Sammis generating station totaling 720 MWs by May 2020, resulting in a $647 million ($517 million at FES) non-cash pre-tax impairment charge in the second quarter of 2016.

Furthermore, in a November 2016 8-K and 10-Q filed with the SEC, FE Corp. announced that it had begun a strategic review of its competitive operations as it transitioned to a fully regulated utility with a target to implement its exit from competitive operations by mid-2018. FE Corp. indicated its intent to exit the merchant generation business and its exploration of various strategic options that could include a bankruptcy filing of FES and certain of its subsidiaries. Moody's subsequently downgraded the credit rating of FES to Caa1.

In their Form 10-K filed with the SEC on February 21, 2017, FE Corp. and FES reported that, due to the stress of weak energy prices, inadequate results from recent capacity auctions and poor demand forecasts that have lowered the value of the business, the competitive business continued to be managed conservatively. The CES segment's contract sales were expected to decline from 53 million MWhs in 2016 to 40-45 million MWhs in 2017 and to 35-40 million MWhs in 2018. While the reduced contract sales were expected to decrease potential collateral requirements, market price volatility was also anticipated to significantly impact the competitive generation businesses' financial results due to the increased exposure to the wholesale spot market.

Additionally, as a result of FE Corp.'s targeted exit from competitive operations by mid-2018, significantly before the end of certain long-lived assets' original useful lives, CES recorded a non-cash pre-tax impairment charge of $9.2 billion ($8 billion at FES) in the fourth quarter of 2016 to reduce the carrying value of certain assets to their estimated value, including long-lived assets, such as generating plants and nuclear fuel, as well as other assets such as materials and supplies. Further, as reported in its Form 10-K on February 20, 2018, FES concluded that its nuclear facilities would likely be either

deactivated or sold before the end of their estimated useful lives,[14] and FES recorded a pre-tax charge of $2.0 billion in the fourth quarter of 2017 to fully impair the nuclear facilities, including the generating plants and nuclear fuel as well as to reserve against the value of materials and supplies inventory and to increase its asset retirement obligation.

C. Regulatory and Legislative Developments

1. NRC Matters

Under NRC regulations, nuclear operators are subject not only to rigorous nuclear safety requirements, but also certain financial assurance obligations. For example, the NRC requires that nuclear power plant licensees must provide financial assurance that adequate funds will be available to decommission their facilities at the time permanent termination of operations is expected. The NRC establishes funding obligations that must be set aside for each reactor, using a formula set forth in its regulations. As of December 31, 2018, there was approximately $1.8 billion accumulated in NDTs pursuant to NRC requirements, as discussed above. The values of NDTs fluctuate based on market conditions.

NRC regulations also require that nuclear operators manage spent nuclear fuel generated from their facilities until its pickup by the U.S. Department of Energy ("DOE"). Such costs generally include, among other things, the costs of constructing and maintaining independent fuel storage installations. NG largely recovers spent fuel management costs from the DOE, pursuant to a settlement agreement with the government resulting from DOE's breach of an agreement to pick up the spent nuclear fuel by a specified earlier date. In addition, NG may be able to draw from excess resources in one or more of its NDTs to fund spent fuel management.

NRC regulations require that nuclear operators provide assurance of funding for the decommissioning of independent spent fuel storage installations. NG has funded a $10 million supplemental trust since 2016 to support the decommissioning of these facilities.

Since May 2016, FES has provided a parental financial support agreement to NG of up to $400 for expenses of operating the nuclear units safely and meeting NRC requirements until the units permanently cease operations. The NRC prohibits NG from taking any action to void the support agreement without its consent. The parental support agreement provides additional assurance that merchant nuclear power plants, including NG's nuclear units, have the necessary financial resources available to maintain safe operations, particularly in the event of an unplanned outage lasting six months or more.

Finally, NRC regulations also require maintenance of insurance for on-site property damage and for nuclear liability. NG maintains all necessary insurance.

2. FERC Matter: Ohio ESP IV PPA

On August 4, 2014, FE Corp.'s Ohio subsidiaries (the "Ohio Companies") filed an application with the Public Utilities Commission of Ohio (the "PUCO") seeking approval of their Electric Security Plan IV ("ESP IV"), which included a proposed rider retail rate stability provision (the "Rider RRS"), which would flow through to customers either charges or credits representing the net result of the price paid to FES through an eight-year Federal Energy Regulatory Commission ("FERC")-jurisdictional PPA

[14] Ultimately, the Debtors filed deactivation notices for the nuclear power plants on March 28, 2018.

(the "ESP IV PPA") against the revenues received from selling such output into the PJM markets.[15] On March 31, 2016, the PUCO issued an Opinion and Order adopting and approving the Ohio companies' stipulated ESP IV with modifications. FES and the Ohio Companies entered into the ESP IV PPA on April 1, 2016.

On January 27, 2016, certain parties filed a complaint with FERC against FES and the Ohio Companies requesting FERC review the ESP IV PPA under Section 205 of the Federal Power Act. On April 27, 2016, FERC issued an order granting the complaint, prohibiting any transactions under the ESP IV PPA pending authorization by FERC, and directing FES to submit the ESP IV PPA for FERC review if the parties desired to transact under the agreement. In so doing, given timing constraints of the ESP IV proceeding before PUCO, FERC essentially eliminated the possibility of FES ever transacting under the ESP IV PPA, which would have provided much-needed income and cash flow support to FES.

FES and the Ohio Companies did not file the ESP IV PPA for FERC review but rather agreed to suspend the ESP IV PPA. FES and the Ohio companies subsequently advised FERC of this course of action.[16]

3. Other Federal Developments

In April 2017, Secretary of Energy Rick Perry (the "Secretary") directed DOE staff to conduct a study and issue a report exploring critical issues central to protecting the long-term reliability of the electric grid. Specifically, the Secretary directed staff to analyze, among other things, (i) the extent to which regulatory burdens and other federal/state policies are responsible for the premature retirement of "baseload" generation resources (e.g., coal and nuclear generating stations), and (ii) whether the wholesale electricity markets are adequately compensating grid resilience attributes such as "on-site fuel" (i.e., having sufficient quantities of fuel located on the site of the plant).

DOE staff issued its report on August 23, 2017. The report concluded that baseload generation retirements have occurred for a number of reasons, with low natural gas prices being a predominant cause. It did not mandate any specific action with respect to the compensation for generation resources, but it encouraged FERC to consider how to appropriately compensate market participants for services that are necessary to support grid resilience.

On September 28, 2017, the Secretary submitted a Notice of Proposed Rulemaking to FERC for consideration (the "NOPR"). The NOPR directed FERC to consider adopting a new rule that would require PJM and certain other RTOs to set wholesale prices for certain eligible generation resources at levels that would provide full recovery of costs and a return on equity. Eligibility would have required, among other things, having (i) a 90-day fuel supply on-site and (ii) the ability to provide "essential reliability services." After reviewing extensive stakeholder comments, FERC issued an order on January 8, 2018, declining to adopt the rule proposed in the DOE NOPR. FERC concluded that the record did not support taking the action proposed in the NOPR and terminated the NOPR proceeding. FERC contemporaneously initiated a new proceeding to further examine resiliency issues in PJM and other RTO/ISO markets. Parties sought rehearing of FERC's order. FERC has not acted on the rehearing requests. At FERC's direction, each RTO/ISO submitted a compliance filing on March 9, 2018,

[15] This PPA only applied to the Sammis Power Plant, Davis-Besse Nuclear Plant, and FES's OVEC obligations.

[16] On January 19, 2017, FERC issued an order accepting compliance filings by FES, its subsidiaries, and the Ohio Companies updating their respective market-based rate tariffs to clarify that affiliate sales restrictions under the tariffs apply to the ESP IV PPA, and also that the ESP IV PPA does not affect certain other waivers of its affiliate restrictions rules FERC previously granted these entities.

responding to FERC inquiries related to the resilience of the electric grid. Parties filed reply comments on May 9, 2018. FERC has taken no further action in this proceeding.

On March 29, 2018, FES submitted to the Secretary a Request for Emergency Order Pursuant to Federal Power Act Section 202(c). FES requested that the Secretary find that an emergency condition exists in the PJM region and issue a Federal Power Act Section 202(c) order directing that certain existing nuclear and coal-fired generators in the PJM region enter into contracts with PJM that provide for recovery of costs through cost-based rates. The Secretary has not yet responded to the request.

4. State Developments

In April 2017, legislation was introduced before the Ohio General Assembly that would create a zero-emission nuclear ("ZEN") credit to compensate nuclear power plants for environmental, energy security, and other attributes benefitting the state and its retail customers. The April 2017 legislation provided for ZEN credits to last up to 16 years. The Ohio House Public Utilities Committee held hearings but did not advance the April 2017 legislation. In October 2017, new legislation was introduced before the Ohio General Assembly providing for a similar ZEN program. The new legislation provided for an approximately 12-year lifespan for the program. The legislative session ended in 2018 without the proposed legislation becoming law.

Similar ZEN-type programs have been implemented in Illinois, New York and New Jersey. Opponents of the Illinois and New York programs filed lawsuits in federal district courts in both states arguing, among other things, that the programs are preempted by FERC's exclusive jurisdiction under the Federal Power Act. Both the federal district court in Illinois and New York dismissed the lawsuits last year, finding that the states had authority to implement the programs. These decisions were affirmed in the Seventh and Second Circuits, respectively. A petition for certiorari is currently pending before the U.S. Supreme Court, though the federal government (through DOJ and FERC) has not joined opponents of state programs in arguing the programs are preempted.

Proposed legislation in Pennsylvania has recently been announced that would amend the existing Pennsylvania Alternative Energy Portfolio Standards Act, recognizing nuclear generation for its contribution to the state's zero-carbon energy production and allowing nuclear generators to participate in Pennsylvania's alternative energy portfolio program. State legislation may be introduced this year in Ohio that would similarly recognized nuclear power's contributions to zero-carbon energy production.

D. Rail Arbitration

1. Arbitration Proceeding with BSNF and CSX

On August 3, 2015, FG submitted to the American Arbitration Association ("AAA") in New York, New York, a demand for arbitration and statement of claim against BNSF Railway Company ("BNSF") and CSX Transportation, Inc. ("CSX"), seeking a declaration that the Mercury and Air Toxics Standards ("MATS") constituted a force majeure event that excused FG's performance under its coal transportation contract with these parties. Specifically, the dispute arises from a contract for the transportation by BNSF and CSX of a minimum of 3.5 million tons of coal annually through 2025 to certain coal-fired power plants owned by FG in Ohio. The arbitration panel issued a decision on April 12, 2017, finding that FG's performance under the contract was not excused by force majeure and that it breached and repudiated the contract.

On April 27, 2017, BNSF, CSX, FE Corp., and FG (the "Rail Claims Settlement Parties") entered into a term sheet setting forth the material terms and conditions of a settlement and directing the Rail

Claims Settlement Parties to enter into a settlement agreement (the "Rail Claims Settlement Agreement"). On May 1, 2017, the Rail Claims Settlement Parties executed the Rail Claims Settlement Agreement where FG agreed to pay BNSF and CSX $109,000,000 in cash, in three installments. The first installment of $37,000,000 was paid on May 1, 2017. The second installment of $36,000,000 was to be paid on or before May 1, 2018 and the third installment of $36,000,000 was to be paid on or before May 1, 2019. The Rail Claims Settlement Agreement was guaranteed by FE Corp., whereby FE Corp. guaranteed the payment of the entire amount payable by FG under the Rail Claims Settlement Agreement. FE Corp. paid the remaining settlement amount to BNSF and CSX shortly after the Petition Date. As part of the settlement with FE Corp. approved by the Bankruptcy Court on September 27, 2018 [Docket No. 1465], FE Corp. will waive its claim under the guarantee upon the Plan Effective Date (as defined in the settlement agreement).

2. Arbitration Proceeding with BNSF and NS

On December 22, 2016, FG received a demand for arbitration and statement of claim from BNSF and Norfolk Southern Corporation ("NS"), who are the counterparties to a coal transportation contract (the "BNSF/NS Contract") covering the delivery of 2.5 million tons annually through 2025, for FG's coal-fired Bay Shore Units 2-4, deactivated on or about September 1, 2012, which FG contends was a result of the EPA's MATS, and for FG's W.H. Sammis Plant. The demand for arbitration was submitted to the AAA office in Washington, D.C. against FG alleging, among other things, that FG breached the contract in 2015 and 2016 and breached and repudiated the contract for years 2017-2025. The counterparties alleged that the coal transportation contract required FG to transport a minimum of 2.5 million tons annually to these destinations or pay the contractual shortfall penalty for any non-transported tons, and that FG breached and repudiated the contract by failing and being unable or unwilling to do so. The counterparties sought damages, including lost profits and/or liquidated damages under the contract, as well as a declaratory judgment that FG's claim that MATS constituted a force majeure under the contract was invalid. FG asserted defenses in the arbitration, including that the deactivation of Bay Shore Units 2-4 as a result of the EPA's MATS constituted a force majeure under the contract that excused FG's performance, as well as other contractual defenses of impossibility, impracticability, and frustration of purpose. FG contended that these defenses relieved it of any liability to the counterparties under the contract.

Prior to the Petition Date, the parties had selected arbitrators, engaged in discovery and had exchanged expert reports. The parties also entered into a binding stipulation, that was so-ordered by the arbitrators, that limited the damages that the counterparties could seek to contractual liquidated damages, and that dismissed with prejudice any claim for actual damages. Also prior to the Petition Date, the counterparties filed motions seeking partial summary judgment in their favor on certain issues relating to liability. FG filed oppositions to these motions. The counterparties' replies in support of these motions were not submitted as a result of the intervening FG bankruptcy filing.

3. Federal Litigation with BNSF

On March 16, 2017, BNSF filed a complaint in the United States District Court for the Northern District of Texas, Fort Worth Division against FG, alleging that FG breached and repudiated a coal transportation contract with BNSF (the "BNSF/FE Contract") that is related to the BNSF/NS Contract. In that lawsuit, BNSF alleged that FG had breached and repudiated the BNSF/FE Contract and sought damages therefrom. In response, FG filed a motion to dismiss, or in the alternative to transfer venue, or to stay the proceeding pending the outcome of the arbitration regarding the BNSF/NS Contract. Before the Court ruled on this motion, the parties agreed to temporarily stay the proceedings. After the expiry of the stay, the case was restored to the Court's active docket. Prior to the Petition Date, in December 2017, the parties agreed to dismiss the proceeding without prejudice. The

parties also agreed to toll the running of any statutes of limitations and the application of any equitable defenses through 30 days after the receipt of a final award in the arbitration regarding the BNSF/NS Contract.

E. Bruce Mansfield Event

On January 10, 2018, a fire damaged certain scrubbers, the stack, and other plant property and systems associated with Units 1 and 2 of the Bruce Mansfield Plant. The event arose during a scheduled maintenance outage of Unit 1 of the Bruce Mansfield Plant. The fires were controlled and extinguished with the help of local fire departments, and there were no major injuries to plant personnel or the response team. Unit 3 was offline during the event and was unaffected.

Following the event, the Debtors notified the appropriate insurers and assembled a group of FES representatives and their agents and advisors (the "Mansfield Recovery Team") composed of individuals from operations, risk management, senior management, legal advisors, and other Debtor advisors. At the recommendation of the Mansfield Recovery Team, the Debtors engaged Burns & McDonnell to perform a root cause analysis to ascertain the cause(s) of the fire incident, and ultimately to perform a comprehensive assessment of the damage sustained as a result of the fire and a comprehensive cost estimate for the repair or replacement of damaged property. This estimate was submitted to the Debtors' insurers, who provided input and feedback concerning the expected costs of any repair and replacement efforts.

The Debtors' insurers have been actively engaged in this loss since the Debtors provided notice. Once the Debtors' counsel has completed its analysis, the Debtors will tender their claim or claims to the insurers for payment. The Debtors may elect to repair and replace the damaged property or receive the actual cash value of the property. The Debtors have not made an election yet.

On November 7, 2018, the Debtors filed decommissioning notices related to the Bruce Mansfield Units 1, 2 and 3. The Debtors deactivated Units 1 and 2 of the Bruce Mansfield Plant on February 5, 2019 and Unit 3 of the Bruce Mansfield Plant is scheduled to be deactivated beginning in June 2021.

F. Permanent Shutdown and Defueling of Nuclear Units in Advance of Decommissioning

A nuclear power plant licensee is required to notify the NRC when it decides to permanently shut down a nuclear power plant in advance of facility decommissioning. Notifying the NRC of a permanent shutdown is a two-part process. First, once an NRC licensee decides to "permanently cease operations," it must submit a written certification to the NRC within 30 days of making this determination, and inform the NRC of the expected shutdown date. On March 28, 2018, FES notified PJM on behalf of NG regarding the Debtors' decision to permanently cease operations and deactivate their four nuclear power units. On April 25, 2018, FENOC submitted its written certification to the NRC that FES has decided to permanently cease operations at the Davis-Besse Nuclear Power Station by May 31, 2020, Beaver Valley Power Station Unit 1 and the Perry Nuclear Power Plan by May 31, 2021, and the Beaver Valley Power Station, Unit 2 by October 31, 2021.

Second, when nuclear fuel is permanently removed from the reactor vessel after permanent shutdown, an NRC licensee must submit another written certification to the NRC that the reactor has been permanently defueled. Under the NRC's regulation in 10 C.F.R. 50.82, after both certifications have been docketed by the NRC, the license of the shutdown unit no longer authorizes operation of the reactor or loading of fuel into the reactor. Accordingly, when all of the nuclear fuel is permanently removed from each of the four nuclear power units' reactor vessels, FENOC will submit the second written certification to the NRC for each unit, terminating each unit's operating authority.

Prior to filing the second certification, FENOC maintains the ability to withdraw the first certification of permanent shutdown if circumstances change. In addition, the first certification does not by itself affect FENOC's or NG's NRC licenses or the NRC requirements relating to safe operation of the nuclear power units.

Although filing of the first shutdown notice does not change NRC license requirements, it does trigger certain NRC requirements related to decommissioning planning, and may impact certain requirements as to decommissioning planning and funding assurance. For example, within two years of submitting the certification of the permanent cessation of operating of a unit, the licensees must submit a Post-Shutdown Decommissioning Activities Report to the NRC, and site-specific decommissioning cost estimate, including the cost of managing irradiated fuel. In addition, the licensees must submit an irradiated fuel management plan.

FENOC has started to undertake the necessary steps to prepare for facility shutdown and defueling, and to plan for and commence facility decommissioning.

G. Cash Position and Liquidity Developments

In the months leading up to the date of the Petition Date, the Debtors faced several significant constraints on their liquidity. As of December 31, 2017, FES had unsecured debt ratings of Ca at Moody's, C at S&P and C at Fitch. These ratings, together with the negative outlook from each of the rating agencies, posed issues related to the Debtors' ability to hedge the generation business with retail sales and wholesale sales due to collateral requirements that otherwise reduce available liquidity.

As of the Petition Date, FES had approximately $516 million of PCNs subject to automatic puts or maturing between April and December 2018 and approximately $1.3 billion of PCNs subject to automatic puts or maturing between 2019 and 2021. Additionally, FES had approximately $102 million of unsecured debt maturing in April 2018 and $332 million of unsecured debt maturing in 2021.

On December 6, 2016, FE Corp. and certain subsidiaries entered into new syndicated credit facilities and concurrently terminated existing syndicated credit facilities that were to expire in March 2019. Specifically, FES and AE Supply terminated an unsecured $1.5 billion credit facility with certain third-party financial institutions (commitments of $900 million and $600 million for FES and AE Supply, respectively) and FES entered into a new, two-year secured credit facility with FE Corp. (the "FE-FES Secured Facility"). Pursuant to the FE-FES Secured Facility, FE Corp. provided (i) a committed line of credit to FES of up to $500 million and (ii) additional credit support of up to $200 million which were ultimately used to cover a $169 million surety with respect to Little Blue Run and a $31 million surety bond with respect to Hatfield, with both surety bonds benefiting the Pennsylvania Department of Environmental Protection, as designated in writing to FE Corp.[17]

On March 9, 2018, FES drew down $500 million under the FE-FES Secured Facility. On March 16, 2018, the Debtors exited the non-utility money pool administered by FESC (the "Non-Utility Money Pool") and established a new Debtors-only money pool (the "FES Money Pool"). As of January 31, 2019, FES and its Debtor subsidiaries had $1.1 billion of cash on hand, and FENOC had $24 million of cash on hand.

[17] Little Blue Run and Hatfield are landfill sites where the waste by-product of FG and AE Supply's (respectively) coal powered plants was deposited. FG has certain remediation obligations with respect to those sites and has outstanding surety bonds with respect to such obligations.

V. Material Events in the Chapter 11 Cases

A. Appointment of the Official Committee of Unsecured Creditors.

Pursuant to section 1102 of the Bankruptcy Code, on April 11, 2018 the United States Trustee for the Northern District of Ohio (the "U.S. Trustee") appointed a committee of unsecured creditors [Docket No. 279; as amended in Docket No. 1034]. The Committee is composed of the following members: (a) BNSF Railway Company; (b) Enerfab Power & Industrial, Inc.; (c) International Brotherhood of Electrical Workers, Local 272; (d) PKMJ Technical Services, Inc. dba Rolls-Royce; (e) Schwebel Baking Company; (f) the Bank of New York Mellon Trust Company, N.A.; and (g) Wilmington Savings Fund Society, FSB, as Trustee. The Committee subsequently retained Milbank, Tweed, Hadley & McCloy LLP as lead counsel, Hahn Loeser & Parks LLP as local counsel, PJT Partners LP as investment banker, and FTI Consulting, Inc., as financial advisor.

B. First and Second Day Motions.

1. First Day Motions.

(a) Motion for Joint Administration of the Debtors' Chapter 11 Cases.

On the Petition Date, the Debtors filed the *Motion for Joint Administration of the Debtors' Chapter 11 Cases* [Docket No. 3] (the "Joint Administration Motion"). The Debtors requested the joint administration of all of the Debtors' cases under one consolidated caption. On April 3, 2018, the Bankruptcy Court approved the Joint Administration Motion [Docket No. 126].

(b) Cash Management.

On the Petition Date, the Debtors filed the *Motion of Debtors for Entry of Interim and Final Orders (A) Authorizing Debtors to (I) Continue Using Their Existing Cash Management System and (II) Maintain Existing Business Accounts and Business Forms; (B) Authorizing Continued Intercompany Transactions; (C) Granting Postpetition Intercompany Claims Administrative Expense Priority; and (D) Granting Related Relief* [Docket No. 10] (the "Cash Management Motion"). Pursuant to the Cash Management Motion, the Debtors sought the authority to continue to operate their consolidated cash management system, maintain existing bank accounts, use business forms in their present form without reference to Debtors' status as debtors in possession, continue to use certain investment accounts, close existing bank accounts and open new accounts, and continue certain intercompany and netting arrangements between and among the Debtors and their Debtor and non-Debtor affiliates on an a super-priority administrative expense basis.

The Bankruptcy Court granted the relief requested in the Cash Management Motion on an interim basis on April 4, 2018 [Docket No. 155] and on a final basis on May 8, 2018 [Docket No. 488].

(c) Wages and Benefits.

On the Petition Date, the Debtors filed the *Debtors' Motion for Entry of Interim and Final Orders Authorizing the Debtors to (A) Pay Certain Prepetition Compensation and Reimbursable Employee Expenses, (B) Pay and Honor Employee and Retiree Medical and Other Benefits (C) Continue to Participate in FE Corp.'s Employee Compensation, Welfare, Retiree Benefit and Pension Plans and Programs, and (D) Continue to Participate in FE Corp.'s Workers' Compensation Program and Modify the Automatic Stay with Respect Thereto* [Docket No. 53] (the "Wages Motion"). Pursuant to the Wages Motion, the Debtors sought the authority to pay certain prepetition wages and honor certain prepetition

employee benefit obligations (as well as pay certain administrative costs related to those wages and benefits) to ensure that their business operations could continue in the ordinary course.

The Bankruptcy Court granted the relief requested in the Wages Motion on an interim basis on April 3, 2018 [Docket No. 147] and on a final basis on May 8, 2018 [Docket No. 491].

(d) Taxes and Fees.

On the Petition Date, the Debtors filed the *Debtors' Motion for Entry of Interim and Final Orders Authorizing the Debtors to Pay Certain Prepetition Taxes and Fees* [Docket No. 16] (the "Taxes Motion"). Pursuant to the Taxes Motion, the Debtors sought the authority to pay certain taxes and fees that accrue or arise in the ordinary course of business. The Bankruptcy Court granted the relief requested in the Taxes Motion on an interim basis on April 4, 2018 [Docket No. 166] authorizing payment of amounts not to exceed $4,807,900.00, and on a final basis on May 8, 2018 [Docket No. 490], authorizing the total payment of amounts not to exceed $77,355,626.27, inclusive of the amount approved on an interim basis.

(e) Customer Programs.

On the Petition Date, the Debtors filed the *Debtors' Motion for Entry of an Order Authorizing the Debtors to (I) Maintain and Administer Customer Programs and to Perform Under Customer Agreements, (II) Honor Obligations Related Thereto, and (III) Establish Procedures for Notifying Customers in the Debtors' Chapter 11 Cases* [Docket No. 18] (the "Customer Programs Motion"). The Debtors sought entry of an order authorizing the Debtors to: (i) maintain and administer all of their Customer Programs and to perform under the Customer Agreements (each as defined in the Customer Programs Motion) and in the ordinary course of business; (ii) honor all commitments owing on account of all of the Customer Programs and Customer Agreements; and (iii) establish the Customer Noticing Procedures to provide notice to Customers (each as defined in the Customer Programs Motion) of certain events during the chapter 11 cases.

On April 4, 2018, the Bankruptcy Court granted the relief requested in the Customer Programs Motion on a final basis, authorizing the Debtors to continue customer programs in the ordinary course of business and consistent with the Debtors' historical practices [Docket No. 161].

(f) Hedging and Trading Arrangements.

On the Petition Date, the Debtors filed the *Debtors' Motion for Entry of Interim and Final Orders Authorizing FirstEnergy Solutions Corp. to (A) Continue Performing Under Prepetition Hedging and Trading Arrangements, (B) Pledge Collateral and Honor Obligations Thereunder, and (C) Enter into and Perform Under Trading Continuation Agreements and New Postpetition Hedging and Trading Arrangements* (the "Hedging and Trading Motion"). Pursuant to the Hedging and Trading Motion, the Debtors sought authority for FES to: (i) continue performing under its hedging and trading arrangements and to honor, pay, or otherwise satisfy any and all obligations thereunder, including prepetition obligations, in a manner consistent with prepetition practices; (ii) enter into trading continuation agreements and new postpetition hedging and trading arrangements in the ordinary course of business; and (iii) pledge collateral in the form of cash, letters of credit, and, in certain limited circumstances, liens, on account of FES's prepetition and postpetition hedging and trading arrangements.

On April 4, 2018, the Bankruptcy Court granted the relief requested in the Hedging and Trading Motion on an interim basis [Docket No. 165]. On May 8, 2018, the Bankruptcy Court granted the relief on a final basis [Docket No. 489].

(g) Critical Vendors.

On the Petition Date, the Debtors filed the *Debtors' Motion for Entry of Interim and Final Orders Authorizing the Debtors to Pay Prepetition Critical Vendors Claims* [Docket No. 7] (the "Critical Vendors Motion"). Pursuant to the Critical Vendors Motion, the Debtors sought the authority to pay certain prepetition Claims held by certain critical trade vendors that are essential to the Debtors' ongoing business operations.

On April 4, 2018, the Bankruptcy Court granted the relief requested in the Critical Vendors Motion on an interim basis [Docket No. 162]. On May 8, 2018 [Docket No. 487], the Bankruptcy Court approved the relief requested in the Critical Vendors Motion on a final basis.

(h) Utilities Motion.

On the Petition Date, the Debtors filed the *Debtors' Motion for Entry of Interim and Final Orders Determining Adequate Assurance for Payment of Future Utility Services* [Docket No. 11] (the "Utilities Motion"). The Debtors sought orders (i) determining adequate assurance of payment for future Utility Services (as defined in the Utilities Motion); (ii) prohibiting Utility Providers (as defined in the Utilities Motion) from altering, refusing or discontinuing services to the Debtors on account of outstanding prepetition invoices; (iii) establishing procedures concerning requests for additional assurance; and (iv) granting certain related relief.

On April 3, 2018, the Bankruptcy Court entered an interim order granting the relief sought in the Utilities Motion [Docket No. 153] and on April 26, 2018 the Court entered a final order [Docket No. 425].

(i) Insurance.

On the Petition Date, the Debtors filed the *Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to Continue their Prepetition Insurance Program and (II) Authorizing the Debtors to Pay Any Prepetition Premiums and Related Obligations* [Docket No. 20] (the "Insurance Motion"). The Debtors sought entry of an order (i) authorizing the Debtors to continue their prepetition insurance program and (ii) authorizing the Debtors to pay any prepetition premiums and related obligations.

On April 4, 2018, the Bankruptcy Court entered an order granting the relief requested in the Insurance Motion [Docket No. 168].

(j) Surety Bonds.

On the Petition Date, the Debtors filed the *Debtors' Motion to Approve Continued Surety Bond Program* [Docket No. 17] (the "Surety Bond Motion"). The Debtors sought orders authorizing the Debtors to continue and renew, in their sole discretion, their Surety Bond Program (as defined in the Surety Bond Motion) on an uninterrupted basis, including the maintenance and posting of collateral in accordance with applicable agreements.

On April 4, 2018, the Bankruptcy Court entered an interim order granting the relief sought in the Surety Bond Motion [Docket No. 167] and on April 26, 2018 the Court entered a final order [Docket No. 426].

(k) Shippers, Warehousemen, and Materialmen.

On the Petition Date, the Debtors filed the *Debtors' Motion for Entry of Interim and Final Orders Authorizing the Debtors to (A) Grant Administrative Expense Priority to All Undisputed Obligations for Goods and Services Ordered Prepetition and Delivered Postpetition and Satisfy Such Obligations in the Ordinary Course of Business and (B) Pay Prepetition Claims of Shippers Warehousemen and Materialmen* [Docket No. 8] (the "Shippers, Warehousemen, and Materialmen Motion"). The Debtors sought entry of orders authorizing the Debtors to: (i) grant administrative expense priority to all undisputed obligations for goods and services ordered prepetition and delivered to the Debtors at the final destination postpetition and satisfy such obligations in the ordinary course of business and (ii) pay prepetition claims of Shippers, Warehousemen and Materialmen (each as defined in the Shippers, Warehousemen and Materialmen Motion) in the ordinary course of business.

On April 3, 2018, the Bankruptcy Court entered an interim order granting the relief sought in the Shippers, Warehousemen and Materialmen Motion [Docket No. 163], authorizing the Debtors to remit payments not to exceed $1.8 million during the Interim Period. On May 8, 2018 the Court entered a final order [Docket No. 486], authorizing the Debtors to remit payments not to exceed $4.5 million in the aggregate, unless otherwise ordered by the Court.

(l) Intercompany Agreements.

On the Petition Date, the Debtors filed the *Motion of Debtors for Entry of Interim and Final Orders Authorizing Continued Performance of Obligations Under Intercompany and Shared Services Agreements* [Docket No. 12] (the "Intercompany Agreements Motion"), seeking the authority to continue performing under certain intercompany and shared services agreements in the ordinary course of business.

On April 3, 2018, the Bankruptcy Court entered an interim order granting the relief sought in the Intercompany Agreements Motion [Docket No. 151]. The Debtors filed an Amended Notice of Motion on April 16, 2018 [Docket No. 310], a Second Amended Notice of Motion on April 30, 2018 [Docket No. 446], a Third Amended Notice of Motion on May 9, 2018 [Docket No. 508], a Fourth Amended Notice of Motion on June 4, 2018 [Docket No. 673], a Fifth Amended Notice of Motion on July 6, 2018 [Docket No. 898], a Sixth Amended Notice of Motion on August 8, 2018 [Docket No. 1111], and a Seventh Amended Notice of Motion on September 4, 2018 [Docket No. 1270], an Eighth Amended Notice of Motion on October 30, 2018 [Docket No. 1604], a Ninth Amended Notice of Motion on January 3, 2019 [Docket No. 1900], and finally a notice of adjournment of the hearing on the Intercompany Agreements Motion on January 25, 2019 [Docket No. 2023]. In connection with the Debtors' entry into the Restructuring Support Agreement, the hearing on the Intercompany Agreements Motion has been adjourned without a hearing date and without prejudice to the Debtors' ability to re-notice the Intercompany Agreements Motion.

C. Procedural Motions.

On the Petition Date the Debtors also filed a number of procedural motions pertaining to case management matters. Specifically, the Debtors filed: (i) the *Debtors' Motion for Entry of an Order Extending Time to File Schedules and Statements* (the "Schedules Motion") [Docket No. 9]; (ii) the *Debtors' Motion to Approve Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members* (the "Interim Compensation Motion") [Docket No. 22]; the *Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to (A) Prepare a Consolidated List of Creditors in Lieu of Submitting a Formatted Mailing Matrix and (B) File a Consolidated List of the Debtors' Fifty Largest Unsecured Creditors, (III) Approving the Form and Manner of Notifying Creditors of Commencement of these Chapter 11 Cases, and (III) Granting Related Relief* (the "Creditor Matrix

Motion") [Docket No. 13]; (iv) the *Debtors' Motion to Authorize: (I) the Establishment of Omnibus Hearing Dates; and (II) Certain Case Management Procedures* (the "Case Management Motion") [Docket No. 19]; and (v) the *Motion for Entry of an Order Authorizing the Debtors to Employ and Compensate Professionals Utilized in the Ordinary Course of Business* (the "Ordinary Course Professionals Motion") [Docket No. 23].

The Bankruptcy Court entered an order granting the relief requested in the Schedules Motion on April 4, 2018 [Docket No. 164]. The Bankruptcy Court entered an order granting the relief requested in the Interim Compensation Motion on April 26, 2018 [Docket No. 427]. The Bankruptcy Court entered an order granting the relief requested in the Creditor Matrix Motion on April 4, 2018 [Docket No. 160]. The Bankruptcy Court entered an amended order granting the relief requested in the Case Management Motion on April 12, 2018 [Docket No. 280]. The Bankruptcy Court entered an order granting the relief requested in the Ordinary Course Professionals Motion on April 26, 2018 [Docket No. 428].

D. Retention of Professionals.

The Debtors filed applications and the Bankruptcy Court entered orders for the retention of various professionals (collectively, the "Debtors' Retained Professionals") to assist in carrying out their duties as debtors in possession and to represent their interests in the Chapter 11 Cases:

- Akin Gump Strauss Hauer & Feld LLP, as counsel [Docket Nos. 234, 860]
- Prime Clerk LLC, as claims, noticing and solicitation agent [Docket Nos. 21, 152]
- Alvarez & Marsal North America, LLC, as chief restructuring officer and financial advisor [Docket Nos. 205, 431]
- Brouse McDowell LPA, as local counsel [Docket Nos. 235, 433]
- Willkie Farr & Gallagher LLP, as special investigation counsel to the independent directors of FES and conflicts counsel to the Debtors [Docket Nos. 236, 861]
- Hogan Lovells US LLP, as special counsel for nuclear regulatory matters [Docket Nos. 237, 435]
- KPMG LLP, as tax consultants [Docket Nos. 238, 492]
- Quinn Emanuel Urquhart & Sullivan, LLP, as special litigation counsel [Docket Nos. 239, 436]
- Lazard Fréres & Co. LLC, as investment banker [Docket Nos. 240, 493]
- Sitrick and Company, Inc., as corporate communications consultant [Docket Nos. 241, 500]
- ICF Natural Resources, LLC, as energy markets advisor [Docket Nos. 242, 494]
- Stark & Knoll, LLC, as local counsel to Willkie Farr & Gallagher LLP [Docket Nos. 458, 723]
- BDO, USA, LLP as accountant and auditor to the Debtors [Docket Nos. 1560 and 1782]

- Honigman, Miller, Schwartz and Cohn LLP as counsel to the Independent Manager of FG [Docket Nos. 1562 and 1725]

- Ropes & Gray LLP as counsel to the Independent Manager of NG [Docket Nos. 1545 and 1724]

- Middle River Power, LLC as Technical Advisor to the Debtors [Docket Nos. 1876 and 2001]

In addition to the above professionals, the Debtors also retained law firms and other professionals as "ordinary course professionals" to advise them with respect to certain of the Debtors' daily business operations, including specialized litigation advice, litigation services, and business advisory services related to corporate financial, tax, regulatory, and environmental matters, in accordance with that order approving the Ordinary Course Professionals Motion.

Between the Petition Date and December 31, 2018, (a) the Debtors have paid approximately $47.7 million in Professional Fee Claims to the Debtors' Retained Professionals and (b) the Debtors have paid approximately $36.1 million in Professional Fee Claims to non-Debtor professionals, in each case pursuant to the Interim Compensation Order.

E. Exclusivity.

Under section 1121 of the Bankruptcy Code, a debtor has the exclusive right to file and solicit acceptance of a plan or plans of reorganization for an initial period of 120 days from the date on which the debtor filed for voluntary relief (the "Filing Exclusive Period"). If a debtor files a plan during the Filing Exclusive Period, then the debtor has the exclusive right for 180 days from the commencement date to solicit acceptances of such plan (the "Solicitation Exclusive Period" and, together with the Filing Exclusive Period, the "Exclusive Periods"). During the Exclusive Periods, no other party in interest may file a competing plan of reorganization. Additionally, a court may extend these periods upon the request of a party in interest up to a maximum of 18 months from the commencement of a debtor's chapter 11 cases.

The Debtors' initial Filing Exclusive Period and Solicitation Exclusive Period were set to expire on July 30, 2018, and September 27, 2018, respectively. On June 27, 2018, the Debtors filed the *Debtors' Motion for Entry of an Order Extending the Exclusive Periods to File a Chapter 11 Plan and Solicit Acceptances Pursuant to Section 1121 of the Bankruptcy Code* [Docket No. 850] (the "First Exclusivity Motion"). The Debtors requested a 180-day extension of the Filing Exclusive Period to January 28, 2019 and the Solicitation Exclusive Period to March 29, 2019. On July 18, 2018 the Court entered an order extending the Filing Exclusive Period to November 26, 2018 and the Solicitation Exclusive Period to January 25, 2019 [Docket No. 988].

On October 23, 2018 the Debtors filed the *Debtors' Second Motion for Entry of an Order Extending the Exclusive Periods to File a Chapter 11 Plan and Solicit Acceptances Pursuant to Section 1121 of the Bankruptcy Code* [Docket No. 1571] (the "Second Exclusivity Motion"). The Debtors requested an extension of the Filing Exclusive Period to March 26, 2019 and the Solicitation Exclusive Period to May 24, 2019. The Court entered an Order granting an extension of the Filing Exclusive Period to February 25, 2019 and the Solicitation Exclusive Period to April 26, 2019 on November 20, 2018 [Docket No. 1726].

On January 15, 2019, the Debtors filed the *Debtors' Third Motion for Entry of an Order Extending the Exclusive Periods to File a Chapter 11 Plan and Solicit Acceptances Pursuant to Section 1121 of the Bankruptcy Code* [Docket No. 1967] (the "Third Exclusivity Motion"). The Debtors

requested an extension of the Filing Exclusive Period to May 24, 2019 and the Solicitation Exclusive Period to July 24, 2019. The Court entered an Order granting an extension of the Filing Exclusive Period to May 13, 2019 and the Solicitation Exclusive Period to July 9, 2019 [Docket No. 2084].

F. Other Bankruptcy Motions, Applications, and Filings.

To minimize disruption to the Debtors' operations and in pursuit of consummation of the Restructuring and to maximize the Debtors' liquidity, upon the commencement of the Chapter 11 Cases, the Debtors sought the relief in the motions summarized below.

1. Assumption and Rejection of Executory Contracts and Unexpired Leases.

(a) Rejection of Various Executory Contracts.

The Debtors filed a number of motions seeking to reject financially burdensome executory contracts and leases and thereby increase the liquidity of the Debtors' estates. The Court approved two omnibus orders authorizing the Debtors to reject certain executory contracts and unexpired leases.[18] The Debtors were also granted the authority to reject specific supply contracts, services contracts and leases.[19]

(b) Rejection of Certain Long-Term Power Purchase Agreements.

As part of their efforts to increase liquidity, the Debtors filed a number of motions to reject various burdensome power purchase agreements ("PPAs") to which they are a party.[20]

Specifically, in the OVEC Rejection Motion, the Debtors sought authority to reject a multi-party PPA (the "OVEC ICPA") with the Ohio Valley Electric Corporation ("OVEC"), pursuant to which FES and several other power companies "sponsor" and purchase power generated by fossil fuel plants owned and operated by OVEC. The OVEC ICPA obligates FES to purchase 4.85% of the power that OVEC's fossil-fuel plants generate at an uneconomic rate until either the year 2040 or OVEC ceases to operate.

In the Energy Contracts Rejection Motion, the Debtors sought authority to reject eight renewable PPAs (and one additional PPA that later expired on its own terms). Since the Energy Contracts Rejection Motion was filed on April 1, 2018, the Debtors have worked with many of the PPA counterparties to

[18] *See Second Omnibus Order Authorizing the Debtors to Reject Certain Executory Contracts and Unexpired Leases* [Docket No. 725]; *First Omnibus Order Authorizing the Debtors to Reject Certain Executory Contracts and Unexpired Leases* [Docket No. 501].

[19] *See Order Authorizing Debtors to Reject Certain Uranium Supply Executory Contracts* Nunc Pro Tunc *to the Petition Date* [Docket No. 429]; *Order Authorizing FirstEnergy Generation, LLC to Reject Certain Rail Transportation Executory Contracts* Nunc Pro Tunc *to the Petition Date* [Docket No. 430]; *Order (I) Authorizing the Debtors to Reject a Certain Energy Contract and (II) Granting Related Relief* [Docket No. 1165]; *Order (A) Authorizing FirstEnergy Nuclear Operating Company to Reject a Certain Uranium Enrichment Services Contract, (B) Authorizing FirstEnergy Nuclear Operating Company to Enter Into and Perform Under a New Uranium Enrichment Services Contract; and (C) Granting Related Relief* [Docket No. 1194]; *Order Authorizing the Debtors to Reject Certain Unexpired Leases* [Docket No. 1569].

[20] *See e.g. Motion to Reject Lease or Executory Contract/Motion for Entry of an Order Authorizing FirstEnergy Solutions Corp. and FirstEnergy Generation, LLC to Reject a Certain Multi-Party Intercompany Power Purchase Agreement with the Ohio Valley Electric Corporation as of the Petition Date* [Docket No. 44] (the "OVEC Rejection Motion"); *Motion to Reject Lease or Executory Contract/Motion for Entry of an Order Authorizing FirstEnergy Solutions Corp. and FirstEnergy Generation, LLC to Reject Certain Energy Contracts as of the Petition Date* [Docket No. 45] (the "Energy Contracts Rejection Motion"), and collectively with the OVEC Motion, the "PPA Motions").

resolve issues raised by the Energy Contracts Rejection Motion. Specifically, the Debtors entered into six stipulations under which the parties to the PPAs agreed to the negotiation of their respective PPAs. In five of the stipulations, the contract counterparties also agreed to the amount of their Claims against FES arising from such rejection.[21]

In connection with seeking to reject the remaining power contracts, the Debtors have been engaged in litigation regarding this Court's jurisdiction over such rejections. Specifically, the Debtors first secured an ex parte temporary restraining order and, after briefing and oral argument, a preliminary injunction that protects the Court's jurisdiction over the PPA Motions and enjoins the FERC from interfering with the Court's jurisdiction. The Debtors engaged in discovery with the remaining contract counterparties and parties in interest that have objected to the PPA Motions, in advance of an evidentiary hearing before the Court regarding the PPA Motions on July 31, 2018. The Court held a hearing regarding the standard upon which the Court should adjudicate the PPA Motions on June 26, 2018, during which it found the business judgment standard applies to the rejection of PPAs. The Sixth Circuit has authorized a direct appeal of the FERC Preliminary Injunction, which remains pending at the time of filing this Disclosure Statement.

After a hearing on the merits of the PPA Rejection Motions on July 31, 2018, the Court entered orders granting the rejections requested in the motions (the "Rejection Orders"). The Debtors' professionals then prepared for and participated in a hearing pertaining to requests of the Ohio Valley Electric Corporation and Maryland Solar LLC for direct certification of appeal of the Rejection Orders to the Sixth Circuit Court of Appeals on August 28, 2018 (the "Direct Certification Hearing").[22] On August 31, 2018, the Bankruptcy Court certified the Rejection Orders for direct appeal to the Sixth Circuit [Docket No. 1262]. The Sixth Circuit has authorized the direct appeals of the Rejection Orders, consolidated the appeal with the direct appeal of the FERC Preliminary Injunction, and the appeal remains pending at this time.

2. Sale Motions.

(a) Sale of the Bay Shore Facilities.

On May 11, 2018, the Debtors filed a motion (the "Bay Shore Motion")[23] seeking an Order authorizing the assumption of an asset purchase agreement for the sale of the Bay Shore Cogeneration

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[21] *See Order Granting Debtors' Motion to Approve Stipulation Between Debtors and North Allegheny Wind LLC Regarding Rejection of Certain Energy Contracts* [Docket No. 770]; *Order Granting Debtors' Motion to Approve Stipulation Between Debtors and High Trail Wind Farm, LLC Regarding Rejection of Certain Energy Contracts* [Docket No. 734]; *Order Granting Debtors' Motion to Approve Stipulation Between Debtors and Casselman Windpower LLC Regarding Rejection of Certain Energy Contracts as of the Petition Date* [Docket No. 733]; *Order Granting Debtors' Motion to Approve Stipulation Between Debtors and Blue Creek Wind Farm LLC Regarding Rejection of Certain Executory Contracts as of the Petition Date* [Docket No. 732]; *Order Granting Debtors' Motion to Approve Stipulation Between Debtors and Allegheny Ridge Wind Farm, LLC Regarding Rejection of Certain Energy Contracts as of the Petition Date* [Docket No. 731]; *Order Granting Debtors' Motion to Approve Stipulation Between Debtors and Meyersdale Windpower, LLC Regarding Rejection of Certain Energy Contracts as of the Petition Date* [Docket No. 502].

[22] *See Ohio Valley Electric Corporation's Motion to Certify Rejection Order for Direct Appeal to the United States Court of Appeals for the Sixth Circuit* [Docket No. 1123]; *Ohio Valley Electric Corporation's Motion for Expedited Consideration of Motion to Certify Rejection Order for Direct Appeal to the United States Court of Appeals for the Sixth Circuit* [Docket No. 1124]; *Maryland Solar's Joinder to Ohio Valley Electric Corporations Motion to Certify Rejection Order for Direct Appeal to the United States Court of Appeals for the Sixth Circuit* [Docket No. 1242].

[23] *Motion for Entry of an Order (I) Authorizing the Assumption of the Asset Purchase Agreement for the Sale of the Bay Shore Facilities and Related Assets; (II) Authorizing the Sale of Certain Assets of the Debtors Free and Clear of*

Facility in Oregon, OH and its ancillary facilities, buildings and other structures (the "Bay Shore Facilities"). The Debtors ultimately determined that this sale would maximize value for all stakeholders as part of the Debtors' overall restructuring efforts. Prior to the Petition Date, the Debtors worked with their advisors on an extensive marketing process. Ultimately, an agreement was reached subject to which the buyer agreed to purchase the Bay Shore Facilities from Debtor FG and non-Debtor affiliate Bay Shore Power Company ("BSPC") for approximately $38.7 million. The Debtors contemporaneously executed an allocation agreement with BSPC where under FG would receive approximately $5 million of the $38.7 million purchase price upon the closing of the sale.

The Court entered an order granting the relief requested in the Bay Shore Motion on July 13, 2018 [Docket No. 959]. The sale of the Bay Shore Facilities was consummated on July 31, 2018. The approximately $5 million of proceeds allocable to FG have been deposited with the Mortgage Trustee under the FEG Mortgage Indenture (each as defined in the Bay Shore Motion).

(b) Sale of the Aircraft Assets.

On June 12, 2018, the Court approved the *Order Granting the Debtors' Motion for Entry of an Order (I) Authorizing the Assumption of the Aircraft Purchase Agreements; (II) Authorizing the Sale of the Aircraft Assets of Certain Debtors Free and Clear of all Liens, Claims, Interests and Encumbrances and (III) Granting Related Relief* (the "Aircraft Sale Order") [Docket No. 724]. Specifically, the Aircraft Sale Order and the corresponding motion (the "Aircraft Sale Motion") provided for the sale of two passenger aircraft, owned by the Debtors, for a combined $25.5 million purchase price to FE Corp. The sales of these aircraft were consummated on June 22, 2018.

(c) Retail Customer Business.

Prior to the Petition Date, the Debtors' investment banker, Lazard, Freres & Co. LLC ("Lazard"), began a marketing process for FES's retail power sales business (the "Retail Customer Business"). On July 9, 2018, the Debtors filed the *Motion of Debtors Pursuant to 11 U.S.C. §§ 105, 363, 364, 365 and 503 and Fed. R. Bankr. P. 2002, 6004, and 6006 for Entry of (I) Order Approving (A) Bid Procedures, (B) Procedures for Assumption and Assignment of Certain Executory Contracts and Related Notices, (C) Notice of Auction and Sale Hearing, and (D) Related Relief and (II) Order (A) Approving the Sale of the Debtors' Retail Power Sales Assets Free and Clear of Liens, Encumbrances, and Other Interests, (B) Approving Assumption and Assignment of Certain Executory Contracts, and (C) Granting Related Relief* (the "Retail Sale Motion") [Docket No. 908]. Exelon Generation Company, LLC ("Exelon") was selected as the stalking horse bidder for the sale of the Retail Customer Business, subject to the receipt of higher or otherwise better offers at an auction. An order approving the bid procedures related to the sale of the Retail Customer Business was entered on August 3, 2018 (the "Bid Procedures Order") [Docket No. 1098].

No additional bids were received by the bid deadline, and the Debtors cancelled the auction. The Debtors adjourned the hearing on the Retail Sale Motion while discussing with the Ad Hoc Noteholder Group and the Mansfield Certificateholders Group their desire to retain the Retail Customer Business as part of the Reorganized Debtors' go-forward operations.

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all Liens, Claims and Interests, Other Than Permitted Liens Pursuant to the Asset Purchase Agreement; (III) Approving the Purchase Price Allocation Agreement Among the Sellers; (IV) Authorizing the Debtors' Assumption and Assignment of Certain Executory Contracts and Unexpired Leases According to Certain Procedures; and (V) Granting Related Relief [Docket No. 525].

On November 26, 2018, Exelon filed a Complaint for Declaratory Judgment and Injunctive Relief [Adv. Pro. Docket No. 1] and a Motion for Preliminary Injunction Against FirstEnergy Solutions Corp. [Adv. Pro. Docket No. 2]. In the Complaint and Preliminary Injunction Motion, Exelon asserted that FES is in breach of certain terms and conditions of an Asset Purchase Agreement dated as of July 9, 2018, as amended, by and between FES and Exelon (the "Retail APA") and, accordingly, that FES should be prohibited from terminating the Retail APA pursuant to either Section 10.01(b) or Section 10.01(d)(ii) of the Retail APA. FES disputes Exelon's assertions and contests any claim in the Complaint or the Preliminary Injunction Motion that FES is in breach of any of its obligations under the Retail APA. On November 30, 2018, the Bankruptcy Court entered a Stipulation and Agreed Order By and Among FirstEnergy Solutions Corp. and Exelon Generation Company, LLC Regarding Resolution of Motion for Preliminary Injunction [Adv. Pro. Docket No. 11] (the "Initial Exelon Stipulation"). Under the Initial Exelon Stipulation FES agreed not to terminate the Retail APA pursuant to either Section 10.01(b) or 10.01(d)(ii) of the Retail APA before ten (10) days after a final resolution of this dispute, *provided, however*, that FES remained entitled to terminate the Retail APA at any time under any other applicable provision thereof, including, but not limited to, Section 10.01(i) of the Retail APA. On January 23, 2019, the Debtors and Exelon entered into, and the Bankruptcy Court entered, a Stipulation and Agreement Order [Adv. Pro. Docket No. 31] (the "Final Exelon Stipulation") related to Exelon's Complaint. Pursuant to the Final Exelon Stipulation, the Debtors terminated the Retail APA pursuant to Section 10.01(i) of the Retail APA, effective January 22, 2019, and paid a termination fee and expense reimbursement to Exelon in accordance with the terms of the Retail APA. The Debtors also released certain amounts deposited in escrow.

(d) Sale of West Lorain

On November 20, 2018, the Debtors filed the *Motion of FirstEnergy Generation, LLC Pursuant to 11 U.S.C. §§ 105, 363, 365, and 503 and Fed. R. Bankr. P. 2002, 6004, and 6006 for Entry of (i) Order Approving (a) Bid Procedures, (b) Procedures for Assumption and Assignment of Certain Executory Contracts and Related Notices, (c) Notice of Auction and Sale Hearing, and (d) Related Relief and (ii) Order (a) Approving the Sale of FirstEnergy Generation, LLC's West Lorain Assets Free and Clear of Liens, Claims, Encumbrances and Other Interests, (b) Approving Assumption and Assignment of Certain Executory Contracts and Related Cure Amounts and (c) Granting Related Relief* [Docket No. 1730] pursuant to which the Debtors sought authorization to establish bidding procedures and to sell FG's West Lorain Power Plant. Vermillion Power, LLC was selected to be the stalking horse purchaser for the West Lorain Power Plant and related assets, subject to the receipt of higher or otherwise better offers at an auction. A hearing to approve bid procedures for the sale was held on December 18, 2018 and the Bankruptcy Court entered an order approving the bid procedures on December 19, 2018 [Docket No. 1830]. An auction for the West Lorain Power Plant was scheduled for January 15, 2019. No alternative bids for the assets were received by the bid deadline and as a result, the auction was cancelled. A hearing to approve the sale of the West Lorain Power Plant was held on January 25, 2019 and the Bankruptcy Court entered an order approving the sale of the West Lorain Plant to Vermillion Power L.L.C. on such date [Docket No. 2018]. The sale of the West Lorain Power Plant is expected to close in the first quarter of 2019.

(e) Acquisition of the Pleasants Power Plant

On February 1, 2019, the Debtors filed a motion (the "Pleasants Motion")[24] pursuant to which the Debtors are seeking authorization to acquire the Pleasants Power Plant pursuant to the FE Settlement Agreement. A hearing on the Pleasants Motion is scheduled for March 7, 2019.

3. Bar Date Motion and the Claims Objection Process.

On July 30, 2018, the Debtors filed the *Motion of Debtors for Entry of an Order (A) Setting Bar Dates for Filing Proofs of Claim and Requests for Payment Under Section 503(b)(9) of the Bankruptcy Code, (B) Establishing Amended Schedules Bar Date and Rejection Damages Bar Date, (C) Approving the Form and Manner for Filing Proofs of Claim and Request for Payment Under Section 503(b)(9) of the Bankruptcy Code, and (D) Approving Notice Thereof* (the "Bar Date Motion") [Docket No. 1068] and on August 22, 2018, the Court entered the corresponding order (the "Bar Date Order") [Docket No. 1199]. This Order established October 15, 2018 as the bar date for filing proofs of claim for nongovernmental units, as well as for filing proofs of claim for governmental units and further established deadlines for filing proofs of claim by claimants affected by any amendments to the Debtors' schedules and for damages resulting from the rejection of any executory contract or unexpired lease of the Debtors (collectively, the "Bar Date"). In excess of 1,000 proofs of claim have been filed.

The Debtors, along with their advisors, commenced a review and analysis of the Proofs of Claim before the Bar Date and have continued such work thereafter. During the ongoing review period, the advisors reviewed, analyzed and considered the merits of certain of the Proofs of Claim. Specifically, the Debtors' advisors (i) oversaw the creation of the official claims register maintained by Prime Clerk LLC; (ii) identified asserted claims that should be disallowed, expunged, reclassified, modified or reduced (collectively, the "Disputed Claims"); (iii) conferred with the Debtors' employees and professional advisors to assess the validity of the Claims and obtain additional source documents (particularly where Claims lacked sufficient documentation to analyze their validity); (iv) reviewed the Debtors' omnibus objections to Claims (collectively, the "Omnibus Objections"); and (v) ultimately drafted the schedules annexed to the Omnibus Objections. On November 9, 2018, the Debtors filed the First through Sixth Omnibus Objections [Docket Nos. 1660, 1662, 1664, 1666, 1668, and 1670]. On December 11, 2018 the Court entered orders sustaining the First through Sixth Omnibus Objections [Docket Nos. 1808, 1809, 1810, 1811, 1827, and 1828]. On December 13, 2018, the Debtors filed the *Motion of the Debtors for Entry of an Order (a) Approving Omnibus Claims Objection Procedures and (b) Authorizing the Debtors to File Substantive Omnibus Objections to Claims Pursuant to Bankruptcy Rule 3007(c)* (the "Claims Objection Procedure Motion") [Docket No. 1738]. The Court entered the Order approving the Claims Objection Procedure Motion on December 14, 2018 [Docket No. 1816]. Additionally, on December 14, 2018, the Debtors filed the Seventh Omnibus Objection [Docket No. 1841] and Eighth Omnibus Objection [Docket No. 1844]. On January 6, 2019, the Court entered an order sustaining the Seventh Omnibus Objection [Docket No. 1977] and an order sustaining the Eighth Omnibus Objection [Docket No. 1978]. Additionally, on February 8, 2019, the Debtors filed the Ninth Omnibus Objection [Docket No. 2096], the Tenth Omnibus Objection [Docket No. 2099] and the Eleventh Omnibus Objection [Docket No. 2102].

[24] *Debtors' Motion in Furtherance of Settlement Agreement for Entry of an Order (I) Authorizing, Nunc Pro Tunc to December 31, 2018, FirstEnergy Generation, LLC's Entry Into and Assumption of the Pleasants Power Station Asset Purchase Agreement; (II) Authorizing FirstEnergy Generation, LLC's Entry Into the Disposal Agreement on the Closing Date; (III) Authorizing the Debtors' Performance Under Such Agreements; (IV) Authorizing the Transfer of the Pleasants Power Station to the Debtors; and (IV) Granting Related Relief* [Docket No. 2052]

4. Employee Incentive and Retention Plans.

In addition to the first day motion authorizing the Debtors to pay compensation and continue benefit programs for the Debtors' employees, the Debtors filed a motion seeking approval to continue their annual incentive compensation programs and to continue participation in the 2016-2018 cycle of the FirstEnergy Corp. Long Term Incentive Plan. The Court entered an order granting this motion on May 15, 2018.[25] The Debtors also filed a motion seeking approval to continue their employee retention plans (the "Retention Plans Motion"). On May 15, 2018, the Court approved the continuation of the Debtors' employee retention programs,[26] other than with respect to the proposed 2018 key employee retention plan for FENOC (the "2018 FENOC KERP").

On June 6, 2018, Utility Workers Union of America, Local 270, AFL-CIO, and International Brotherhood of Electrical Workers Locals 29, 245, and 1413, AFL-CIO (collectively, the "Unions") filed an objection (the "Unions' Objection") to the Retention Plans Motion relating to the 2018 FENOC KERP.[27] Evidentiary hearings on the 2018 FENOC KERP were held on July 18, August 10, August 13, 14, 17 and 27. On September 18, 2018, the Court entered a memorandum decision denying the Retention Plans Motion with respect to the 2018 FENOC KERP with leave to amend (the "Memorandum Decision").[28]

Following the Memorandum Decision, the Debtors negotiated at arm's-length and in good faith with the Unions, with input from the Committee, to develop a consensual retention arrangement for certain represented employees at the Debtors' nuclear power generation facilities. Ultimately, the Debtors and the Unions reached an agreement (the "Revised FENOC Proposal," together with the 2018 FENOC KERP, the "Amended 2018 FENOC KERP").[29] On November 30, 2018, the Court entered an order approving the Amended 2018 FENOC KERP.[30]

On January 28, 2019, the Debtors filed the *Debtors' Motion for Entry of an Order Approving the 2019 FES KERP* [Docket No. 2027] (the "2019 FES KERP Motion"). In the 2019 FES KERP Motion, the Debtors are seeking approval of a key employee retention plan covering nine key employees of FES and six key employees of FG (the "2019 FES KERP"). The maximum aggregate cost of the 2019 FES KERP is approximately $1.2 million with an average cost per individual participant of approximately $66,000. A hearing on the 2019 FES KERP Motion is scheduled for March 4, 2019.

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[25] *See Order Authorizing the Debtors to (I) Continue to Participate in and Honor Payments Due to the Debtors' Employees in Connection with FE Corp's Long-Term Incentive Program and (II) Continue the Debtors' Annual Incentive Programs* [Docket No. 541].

[26] *See Order Authorizing the Debtors to Continue and Make Payments Due and Owing Under the Debtors' Retention Plans* [Docket No. 542].

[27] *See Objection by Utility Workers Union of America, Local 270, AFL-CIO, and International Brotherhood of Electrical Workers Locals 29, 245 and 1413, AFL-CIO, to Debtors' Motion for Entry of an Order Authorizing the Debtors to Continue and Make Payments Due and Owning Under the Retention Plans* [Docket No. 707].

[28] *See Memorandum Decision Denying Debtors' Motion for Authority to Continue and Make Payments Due and Owing Under the 2018 FENOC Key Employee Retention Plan, With Leave to Amend* [Docket No. 1398].

[29] *See Notice of Filing of Supplement to Debtors' Amended Motion for Entry of an Order Authorizing the Debtors to Continue and Make Payments Due and Owing Under the Debtors Retention Plans* [Docket No. 1759].

[30] *See Order Authorizing the Debtors to Continue and Make Payments Due and Owing Under the Debtors Retention Plans* [Docket No. 1773].

G. Events Leading Up to the Plan

1. The Process Support Agreement.

On March 30, 2018,[31] prior to the Petition Date, the Debtors entered into an agreement (the "Process Support Agreement")[32] with, inter alia, (a) members of the Ad Hoc Noteholder Group, (b) members of the Mansfield Certificateholders Group, (c) MetLife in its capacity as owner participant in five of the six owner/lessor trusts under the Bruce Mansfield Sale-Leaseback Transaction, (d) U.S. Bank Trust National Association, in its capacity as owner trustee of five of the six owner/lessor trusts under the Bruce Mansfield Sale-Leaseback Transaction and (e) Wilmington Savings Fund Society, FSB, solely in its capacity as indenture trustee for certain notes and certificates issued in connection with the Bruce Mansfield Sale-Leaseback Transaction (collectively, the "PSA Supporting Parties"). The Process Support Agreement set forth certain agreements and understandings with respect to the Debtors' and the PSA Supporting Parties' conduct during the chapter 11 cases, including consulting with certain PSA Supporting Parties with respect to the Debtors' motions and applications seeking "first day" relief, working cooperatively on the implementation of the Debtors' employee retention and severance programs, establishing a protocol for reorganization efforts for the Debtors' businesses, and confirming the payment of certain professional fees. The Process Support Agreement also incorporated a protocol (the "Mansfield Issues Protocol") that established a process for resolving or litigating certain Claims arising from the rejection of the Mansfield Facility Lease Agreements and certain related agreements, as well as processes for consultation and cooperation with respect to the operation of Mansfield Unit 1 during the Chapter 11 Cases and the insurance issues arising from the January 10, 2018 fire at the Bruce Mansfield Plant. While the Committee had not yet been formed at the time of the initial execution of the Process Support Agreement, following the negotiation and incorporation of certain modifications, the Committee became a party to the Process Support Agreement solely for purposes of the Mansfield Issues Protocol.

2. The Standstill Agreement and the Intercompany Protocol.

On March 30, 2018 the Debtors entered into a protocol (the "Intercompany Protocol") and an agreement (the "Standstill Agreement") with FE Corp. and certain PSA Supporting Parties with respect to the investigation and resolution of claims between the Debtors, on the one hand, and the FE Non-Debtor Parties, on the other hand (the "FE Non-Debtor Claims"). The Intercompany Protocol established a process for coordinated and orderly discovery regarding the FE Non-Debtor Claims. Under the Standstill Agreement, the parties agreed not to seek the appointment of an examiner or otherwise commence litigation with respect to intercompany claims outside the Intercompany Protocol while the Standstill Agreement and the Intercompany Protocol remained in place. While the Committee had not yet been formed at the time of the initial execution of the Intercompany Protocol and the Standstill Agreement, following the negotiation and incorporation of certain modifications, the Committee became a party to the Intercompany Protocol and the Standstill Agreement, as amended and restated, prior to this Court's approval of those agreements on May 9, 2018.

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[31] Prior to the Petition Date the Debtors engaged in discussions with parties including but not limited to: (i) the members of the ad hoc group of certain holders of (x) pollution control revenue bonds supported by notes (the "PCNs") issued by FG and NG and (y) certain unsecured notes (the "FES Notes") issued by FES (collectively, the "Ad Hoc Noteholder Group"); and (ii) the members of the ad hoc group of certain holders of pass-through certificates issued in connection with the Mansfield Sale-Leaseback Transaction (the "Mansfield Certificateholders Group").

[32] The Process Support Agreement was approved May 9, 2018 by the *Order (I) Authorizing the Debtors to Assume (A) The Process Support Agreement and (B) the Standstill Agreement and (II) Granting Related Relief* [Docket No. 509].

On April 5, 2018, the Debtors filed the *Motion of Debtors for Entry of Order (I) Authorizing the Debtors to Assume (A) the Process Support Agreement and (B) The Standstill Agreement and (II) Granting Related Relief* [Docket No. 203] (the "Pre-Filing Agreements Motion"). In the Pre-Filing Agreements Motion the Debtors sought authority to assume the Process Support Agreement and the Standstill Agreement (collectively, the "Pre-Filing Agreements"). The Court entered an order authorizing the relief requested in the Pre-Filing Agreements Motion on May 9, 2018 [Docket No. 509]. The Debtors have since filed twelve notices regarding immaterial modifications to the Process Support Agreement[33] and one notice regarding modifications to the Standstill Agreement.[34]

Ultimately, the Intercompany Protocol and the Standstill Agreement provided the framework to continue and conclude the investigation of potential claims and causes of action against the FE Non-Debtor Parties and for the Settlement Parties (as defined below) to negotiate the FE Settlement Agreement (as defined below).

3. The FE Settlement Agreement.

Given the long-standing historical relationship between the Debtors and FE Corp. and its affiliates and subsidiaries other than the Debtors (the "FE Non-Debtor Parties"), the Debtors undertook a significant investigation into: (a) the potential prosecution of claims and causes of action against the Debtors' ultimate parent and the other FE Non-Debtor Parties and (b) the potential prosecution of claims and causes of action by the FE Non-Debtor Parties against the Debtors. As discussed in greater detail below, approximately one year before the Petition Date, the independent directors of FES (the "Independent Directors") retained independent legal and financial advisors to conduct an investigation into the prepetition relationship and dealings of the Debtors and the FE Non-Debtor Parties. After its formation, and in connection with the advisors to the Independent Directors, the Committee and its advisors also conducted an investigation of the prepetition relationship and dealings between the Debtors and the FE Non-Debtor Parties.

In November 2016, all then-existing directors on the boards of FES and FENOC who were then-employees of the FE Non-Debtor Parties stepped down from such boards, and certain Independent Directors for FES were appointed. Following the appointment of the FES Independent Directors, on February 28, 2017, the FES board created an Intercompany Investigation Committee, which was charged with conducting an investigation into the historical intercompany relationships and transactions between the Debtors, on the one hand, and the FE Non-Debtor Parties, on the other hand. The Intercompany Investigation Committee retained the services of Willkie Farr & Gallagher LLP ("Willkie Farr"). Opportune, LLP ("Opportune") was retained by Willkie Farr with the Intercompany Investigation Committee's approval on May 9, 2017 to provide financial consulting services primarily in connection with a solvency analysis of the Debtors as that might relate to the validity of any claims or causes of action the Debtors would have against the FE Non-Debtor Parties.

Prior to and following the Petition Date, the Intercompany Investigation Committee conducted an investigation which was aimed at identifying and assessing the viability and quantum of claims the Debtors and their creditors could potentially assert against the FE Non-Debtor Parties in connection with historical intercompany relationships and transactions. Willkie Farr examined numerous transactions between the Debtors and the FE Non-Debtor Parties, including (i) the Non-Utility Money Pool and cash management system; (ii) the shared services agreements among the FE Non-Debtor Parties and certain of the Debtors (the "Shared Services Agreements"); (iii) the Tax Allocation Agreement; (iv) the single-employer defined benefit pension plan covering substantially all employees of FE Corp. and its

[33] *See* [Docket Nos. 592, 768, 871, 962, 1052, 1132, 1464, 1613, 1850, 1928, 2021, and 2032.]

[34] *See* [Docket No. 1084].

subsidiaries, including FES; (v) dividends paid by FES to FE Corp. and equity investments from FE Corp. to FES; (vi) transactions between AE Supply and FES, including under power purchase agreements, FES's operation of facilities owned by AE Supply, AE Supply's sale of coal to FES and the AE Supply/FES Intercompany Note; (vii) the termination of FES's then-existing credit facility and the execution of the FE/FES Revolver under which FG and NG provided security; (viii) prepetition asset sales and sale-leaseback transactions involving FG and NG; (ix) aircraft leasing; (x) the announced closures of the Bay Shore Power Plant and certain units at the W.H. Sammis Power Plant; (xi) shared "dispatch" of power bidding and generation between the Debtors and the FE Non-Debtor Parties; and (xii) other intercompany arrangements such as other power sale and purchase agreements and operating agreements. Willkie Farr's investigation of these transactions explored numerous potential claims. The potential claims investigated and analyzed by Willke Farr and the Debtors included: (a) avoidance actions; (b) equitable actions regarding claims; (c) fiduciary duty claims; (d) constructive trust claims; (e) unjust enrichment claims; (f) claims for unconscionable contracts and contracts of adhesion; and (g) claims for fraud, breach of contract, and tortious interference. In addition to potential claims related to intercompany transactions, including but not limited to those described above, the Debtors considered the viability of veil piercing/alter ego or substantive consolidation claims involving FE Corp. and its subsidiaries.

Pursuant to the Standstill Agreement, the Debtors provided the advisors to the Supporting Parties (as defined in the Pre-Filing Agreements) and the Committee with copies of the report prepared by Willkie Farr as part of its intercompany investigation and with the underlying discovery materials that FE Corp. had provided to Willkie Farr. Following, the Petition Date, Willkie Farr issued additional discovery requests to the FE Non-Debtor Parties in order to finalize its investigation. Likewise, the Committee propounded its own discovery requests as part of its independent investigation. As part of these subsequent investigations, Willkie Farr and the Committee were ultimately provided more than 1.7 million pages of documents (including those received as part of Willkie Farr's prepetition investigation). They also conducted an additional nine depositions of the FE Non-Debtor Parties' personnel, three interviews of the Debtors' personnel, and one interview of the Independent Directors, in order to finalize the investigations into potential claims and causes of action against the FE Non-Debtor Parties.

On April 23, 2018, the FE Non-Debtor Parties, the Ad Hoc Noteholder Group and the Mansfield Certificateholders Group reached an initial agreement in principle (the "Agreement in Principle") with respect to the settlement and compromise of certain claims and causes of action between the Debtors, on the one hand, and the FE Non-Debtor Parties, on the other hand. The Agreement in Principle contemplated that FE Corp. and the Ad Hoc Noteholders Group and Mansfield Certificateholders Group would negotiate with the Debtors and the Committee over the terms of a final settlement to be reached no later than June 15, 2018, which date was later extended to August 1, 2018. After hard-fought negotiations, including numerous in-person negotiation sessions in Akron, Ohio, the Debtors and the FE Non-Debtor Parties, the Ad Hoc Noteholder Group, Mansfield Certificateholders Group and the Committee (collectively, the "Settlement Parties") ultimately entered into a settlement agreement (the "FE Settlement Agreement") on August 26, 2018.

The FE Settlement Agreement provides significant financial benefits to the Debtors, including that the FE Non-Debtor Parties will, among other things, (i) contribute a $225 million cash payment to the Debtors' estates, not subject to setoff or reduction (the "FE Settlement Cash"); (ii) issue to the Debtors certain unsecured notes (the "New FE Notes") in the aggregate principal amount of $628 million;[35] (iii)

[35] This $628 million principal amount will be reduced by any cash paid by FE Corp. to the Debtors under the Tax Allocation Agreement for the tax benefits related to the sale or deactivation, prior to or on the Effective Date, of all or any portion of a nuclear or fossil plant, excluding the West Lorain Power Plant. Additionally, the FE Settlement

waive all prepetition claims that the FE Non-Debtor Parties could have asserted in the Chapter 11 Cases, as well as certain postpetition administrative expense claims; (iv) provide continued Shared Services to the Debtors, while providing the Debtors with a credit for up to $112.5 million for such services to be billed to the Debtors postpetition; (v) pay certain employee and retiree obligations; (vi) continue to perform under the Tax Allocation Agreement for all periods or portions thereof ending on or before the Effective Date, continue to perform under the Tax Allocation Agreement for tax year 2018 as modified by the FE Settlement Agreement, and, with respect to tax year 2018, provide a guarantee that the FE Non-Debtor Parties will make a cash payment of at least $66 million for the use of the Debtors' NOLs for tax year 2018; (vii) agree that the FE Non-Debtor Parties' will not take a worthless stock deduction with effect prior to the Effective Date; and (viii) contribute the Pleasants Power Plant comprised of two 650 megawatt coal-fired units in Pleasant County, West Virginia to the Debtors, and in connection with any transfer of the Pleasants Power Plant, pay up to $18 million of the costs associated with a planned maintenance outage at the facility.

The claims being waived pursuant to the FE Settlement Agreement include, but are not limited to: (i) prepetition claims for Money Pool Balances of approximately $4,000,000; (ii) claims (both prepetition and postpetition) arising under the $700,000,000 FE/FES Revolver, which was fully drawn or utilized as of the Petition Date (totaling $700 million); (iii) claims (both prepetition and postpetition) arising from FE Corp.'s guarantee of FG's obligations under a prepetition settlement with BNSF and CSX relating to a rail transportation contract dispute in an amount of approximately $109,000,000; (iv) claims (both prepetition and postpetition) arising under an unsecured revolving credit note issued in favor of AE Supply in an outstanding principal amount of approximately $102,000,000; (v) claims arising from FE Corp.'s ownership interests in Mansfield 2007 Trust F, including any tax or other indemnity claims arising from the rejection of the Mansfield Facility Documents, which claim FE Corp. has asserted in the amount of approximately $58,000,000; (vi) claims arising from the FE Non-Debtor Parties' performance under certain employee benefit plans, including pension and long-term incentive plans, that apply to the Debtors' employees; and (vii) claims in respect of any overpayment that may have been made to certain of the Debtors by FE Corp. pursuant to the Tax Allocation Agreement for the tax year 2017.

In short, the FE Settlement Agreement provides that the FE Non-Debtor Parties will contribute significant value to the Debtors' estates in the form of more than $1.1 billion in cash and debt instruments, the Pleasants Power Plant (which has value to the Debtors), comprehensive waivers of approximately $2 billion worth of secured and unsecured claims, and the provision of ongoing Shared Services and tax and workforce support through the Chapter 11 Cases.

As discussed herein, in exchange for the FE Settlement Value, the Debtors agreed as part of the FE Settlement Agreement that they would include the releases, including the Third Party Release, in any plan of reorganization. Failure to obtain Bankruptcy Court approval of the releases, including the Third Party Release, would jeopardize the Debtors' ability to realize the FE Settlement Value and the ability of the Debtors to consummate the Plan.

4. Negotiations with the Creditor Groups.

Prior to the Petition Date, the Debtors began discussions with the Ad Hoc Noteholders Group and the Mansfield Certificateholders Group on potential reorganization strategies for the Chapter 11 Cases. These discussions continued during the early months of the Chapter 11 Cases and grew in intensity following the Bankruptcy Court's entry of the FE Settlement Order. The Debtors spent the fourth quarter of 2018 engaged in numerous rounds of discussions with the Ad Hoc Noteholders Group and the

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Agreement provides a mechanism for FE Corp. to make a payment to the Debtors in an amount equal to the difference, if any, between the principal amount of the New FE Notes and the market price of the New FE Notes.

Mansfield Certificateholders Group. During this period, the Debtors also encouraged and attempted to facilitate discussions between and among the Ad Hoc Noteholders Group, the Mansfield Certificateholders Group, the FES Creditor Group, and the Committee. Each side made numerous proposals and counterproposals on a variety of different plan terms and structures.

The Debtors also engaged with their Independent Directors and Managers on the various proposals and the Independent Directors and Managers engaged in a separate round of negotiations over the terms of a plan that would be acceptable to the Independent Directors and Managers. In November 2016, all then-existing directors on the boards of FES and FENOC who were then-employees of the FE Non-Debtor Parties stepped down from such boards, and two independent directors were appointed—John C. Blickle and James C. Boland—in addition to three members of FES and FENOC management. In March 2018, Sam Belcher, a director and member of FES and FENOC management, stepped down from the boards of FES and FENOC, and on April 9, 2018, Joseph M. Gingo was appointed as a third independent director of FES. As discussed above, the Independent Directors of FES are advised by Willkie Farr. In August 2018, Raphael T. Wallander was appointed as independent manager of NG and Charles Sweet was appointed as independent manager of FG. Mr. Wallander and Mr. Sweet are represented by Ropes & Gray LLP and Honigman LLP, respectively.

Ultimately, at the end of 2018, the Debtors were able to reach agreement on the framework for a plan with the Ad Hoc Noteholders Group and the Mansfield Certificateholders Group.

Subsequently, the Debtors, the Ad Hoc Noteholders Group and the Mansfield Certificateholders Group engaged in further negotiations with the FES Creditor Group and the Committee. Each party made numerous proposals and counterproposals on a variety of terms and structures. Additionally the parties had numerous in-person negotiation sessions. Ultimately, on January 23, 2019, the Ad Hoc Noteholders Group, the Mansfield Certificateholders Group, the FES Creditor Group (collectively, the "Consenting Creditors"), the Debtors and the Committee entered into the Restructuring Support Agreement pursuant to which the parties agreed to the terms for a proposed plan of reorganization for the Debtors.

5. Investigation of Inter-Debtor Claims.

The Debtors filed their schedules of assets and liabilities on May 15, 2018, which reflected the Inter-Debtor Claims that existed on the Debtors' books and records as of the Petition Date. The Debtors listed the Inter-Debtor Claims as contingent, unliquidated, and/or disputed. The Debtors, including the Independent Directors and Managers and their respective counsel, have conducted an extensive analysis of the Inter-Debtor Claims, including without limitation, those Inter-Debtor Claims arising under the Inter-Debtor PPAs. Specifically, the Debtors and the Independent Directors and Managers and their respective counsel analyzed, among other things, whether and in what amount the Inter-Debtor Claims should be treated as Allowed Claims, subject to any adjustments based on defenses and arguments with respect thereto. The Debtors shared information and supporting materials with the advisors to the Independent Directors, independent managers of FG and NG (the "Independent Managers" and together with the Independent Directors, the "Independent Directors and Managers"), the Ad Hoc Noteholders Group, the Mansfield Certificateholders Group, the FES Creditor Group, and the Committee. The Debtors' financial advisor Alvarez & Marsal North America LLC reviewed the Debtors' books and records and the accrual of balances under the Inter-Debtor PPAs. The Independent Directors and Managers also reviewed documentation underlying the Inter-Debtor PPAs and conducted interviews with relevant personnel from the Debtors to understand the historical functioning of the Inter-Debtor PPAs. The Independent Directors and Managers and their respective counsel also communicated regularly with the Ad Hoc Noteholder Group, the Mansfield Certificateholders Group, the FES Creditor Group and the Committee, as part of this process.

The information obtained in this investigation of the Inter-Debtor Claims informed the bargaining positions taken by parties in the negotiation of the Plan Settlement and the resolution of Inter-Debtor Claims incorporated therein.

H. Settlement of Claims and Causes of Action.

In addition to incorporating the terms of the FE Settlement Agreement, the Plan Settlement comprises the resolution of the following disputed matters:

- First, the Plan resolves potential litigation surrounding the allocation of value and consideration received under the FE Settlement Agreement among the Debtors. As previewed for the Court in a number of the objections filed to the FE Settlement Agreement, the creditors of each of the Debtors were keenly focused on issues of allocation and distribution of the FE Settlement Value. The Plan sets forth an agreed-upon allocation of the FE Settlement Value among certain of the Debtors' Estates based on the Debtors' analysis of the various claims and causes of action settled as part of the FE Settlement Agreement, among other considerations.

- Second, the Plan resolves potential litigation surrounding the allowance and treatment of Inter-Debtor Claims. As discussed in more detail below, the Debtors have incurred substantial pre- and postpetition Inter-Debtor Claims. The Plan resolves potential litigation over the allowance and treatment of the Inter-Debtor Claims by allowing the Inter-Debtor Claims at agreed upon amounts (in certain instances reflecting a discount on the asserted claims) and disallowing other Inter-Debtor Claims, and providing that Holders of the Inter-Debtor Claims will not vote on the Plan, that prepetition Inter-Debtor Claims will receive their Pro Rata share of Unsecured Distributable Value at the applicable Debtor, and that the relative allocations of Unsecured Distributable Value between the Debtors shall be fixed except with respect to the ultimate recoveries on prepetition Inter-Debtor Claims.

- Third, the Plan incorporates a settlement of potential disputes surrounding the allocation of Administrative Claims between and among the Debtors. FES currently pays all disbursements on account of all of the Debtors, including Professional Fees and other costs of administration. The Plan incorporates a fixed allocation of projected Administrative Claims, as well as projected Priority Tax Claims, Other Priority Claims and Other Secured Claims among the Debtors and, accordingly, provides greater certainty to Creditors of the various Debtors as to their projected recoveries under the Plan.

- Fourth, the Plan incorporates the Mansfield Settlement and resolves potential litigation surrounding the rejection of the Mansfield Facility Documents and related agreements, as well as litigation surrounding the amount of any claim or claims arising from such rejection.

- Fifth, the Plan incorporates a settlement between and among the Debtors, the Committee, the Ad Hoc Noteholder Group, the FES Creditor Group and the Mansfield Certificateholders Group concerning the allocation of New FES Common Stock between the holders of Unsecured Bondholder Claims and General Unsecured Claims and overall allocations of value between and among the Debtors' estates.

Beginning in the fall of 2018, following the entry of the FE Settlement Order, the Debtors, including through their Independent Directors and Managers, actively engaged in good-faith negotiations with their largest creditor constituencies to negotiate the terms of a restructuring proposal that could form the basis of a confirmable chapter 11 plan. In order for the Debtors' various competing creditor constituencies, their Independent Directors and Managers, and the Committee to come to an agreement, the Debtors conducted a series of meetings and diligence sessions and responded to numerous data and information requests from the advisors to these constituencies, regarding, among other things, the Inter-Debtor Claims, and the transactions and agreements that gave rise to such claims. In addition, numerous in-person negotiation sessions were held with various professionals and representatives of these parties at which the parties discussed their views and positions with respect to the issues now resolved through the Plan Settlement.

On January 23, 2019, after almost five months of ongoing negotiations, the Consenting Creditors, the Committee, and the Debtors, with the approval of the Debtors' Independent Directors and Managers, reached an agreement in principle on the material terms of a plan of reorganization, as set forth in the plan term sheet attached to the Restructuring Support Agreement. The Debtors' boards of directors, upon the advice and recommendation of the Debtors' advisors, as well as the Independent Directors and Managers, upon the advice and recommendation of their respective advisors, concluded that the Plan represents the best path forward for the Debtors, their Estates and all parties in interest, not only because the Plan is supported by the Committee and creditor constituencies representing a substantial majority of the Debtors' claims, but because, critically, it reflects a consensual resolution of a number of complicated inter-Debtor and inter-creditor issues.

The Plan Settlement is a global and integrated settlement of numerous litigable issues surrounding the treatment of Claims and the allocation of value between and among the various Debtors' estates. Each of the integrated components of the Plan Settlement was a necessary condition for each of the other components of the Plan Settlement, and none of the integrated terms can be unwound or undone without impacting every other element of the Plan.

The following is a summary of the Plan Settlement.

1. Allocation of FE Settlement Value Among the Estates.

The FE Settlement Agreement did not allocate the FE Settlement Value among the individual Debtors' Estates. Certain parties raised objections to the FE Settlement Motion on the grounds that the FE Settlement Agreement did not specify an allocation methodology or otherwise provide for the distribution of the FE Settlement Value among the Debtors' estates. Indeed, certain parties argued that it was impossible to evaluate whether the FE Settlement Agreement was fair and equitable because it did not allocate the FE Settlement Value among the Debtors' estates.

Certain parties asserted that the lion's share of the FE Settlement Value should be allocated to FES because, among other things, (i) many of the claims against the FE Non-Debtor Parties resolved through the FE Settlement Agreement were claims belonging to FES, and (ii) portions of the FE Settlement Value related to compensation to be paid to the Debtors for the continued use by FE Non-Debtor Parties of the Debtors' tax attributes, a substantial portion of which were owned by FES.

Other parties asserted that the FE Settlement Value was in consideration for substantially more than the probability-weighted value of the claims being resolved in the FE Settlement Agreement, and that such value should be distributed among the Debtors in accordance with alternative legal theories. Specifically, certain parties asserted that a large portion of the FE Settlement Value should be attributable to potential substantive consolidation claims and veil piercing or alter ego claims against the FE Non-

Debtor Parties, which should be allocated to the various Debtors based on the estimated Allowed Claims against each Debtor estate. Additionally, parties argued that credit should be given to other claims and causes of action resolved in the FE Settlement Agreement belonging to estates other than FES, including, without limitation, claims by NG arising from the purchase of interests of certain non-Debtor affiliates in sale-leaseback arrangements relating to NG's nuclear generation facilities.

Any litigation of the allocation of the FE Settlement Value would almost certainly have involved the assessment, on an individual basis, of the various claims and causes of action settled in the FE Settlement Agreement, the value attributable to such claims and causes of action, and the proper entitlement to the benefit of such claims and causes of action. As none of the claims and causes of action against the FE Non-Debtor Parties were ultimately litigated, this would have been an intensive process, involving numerous litigants, substantial further discovery and a trial before the Bankruptcy Court.

As the objections to the FE Settlement Motion demonstrate, the creditors of each of the Debtors, as well as the Independent Directors and Managers, were focused on issues of allocation and distribution of the FE Settlement Value. In the negotiations that led to the Plan Settlement, the creditor constituencies and the Independent Directors and Managers with their counsel discussed a variety of allocation theories based on the perceived strengths and weaknesses of various claims. The Debtors, the Independent Directors and Managers, the Consenting Creditors, and the Committee considered numerous methodologies to effectuate a fair and equitable allocation of the FE Settlement Value.

Ultimately, the allocation of the FE Settlement Value was resolved as part of the global, integrated Plan Settlement. The Plan Settlement resolves the potential litigation surrounding the allocation of the FE Settlement Value by setting forth an agreed-upon allocation of the FE Settlement Value among certain of the Debtors' Estates based on the Debtors' and the Independent Directors and Managers' analysis of the various claims and causes of action settled as part of the FE Settlement Agreement. Absent the Plan Settlement, the Debtors would likely have been forced to engage in highly contentious and expensive litigation with certain creditors, which would have resulted in substantial delay and uncertainty and the dissipation of significant estate resources.

The FE Settlement Value contributed to the Estates as part of the FE Settlement Agreement will be paid to the Estates in accordance with the terms of the Plan, the FE Settlement Agreement, and the FE Settlement Order. The Plan allocates the direct consideration provided to the Debtors under the FE Settlement Agreement (in particular, the New FES Notes, the $225 million settlement payment, the value of the Pleasants Power Plant and the $112.5 million credit provided with respect to shared services) which is estimated to be $1,046,500,000 (the "FE Settlement Consideration"). Pursuant to the Plan, the FE Settlement Consideration shall be allocated among the Debtor entities as follows:

- FES: 57.5%
- FG: 23.4%
- NG: 15.1%
- FGMUC: 1.3%
- FENOC: 2.7%

2. Inter-Debtor Claims.[36]

Another key component of the Plan Settlement is the resolution of disputes regarding the allowance and treatment of the Inter-Debtor Claims between and among the Debtors. Among the Inter-Debtor Claims are Claims arising from contractual arrangements relating to the sale and purchase of power between and among FES and FG, FES and NG, and FG and FGMUC (the "Inter-Debtor PPAs" and the claims arising thereunder, the "Inter-Debtor PPA Claims").[37] Under the Inter-Debtor PPAs, FG and NG sell all of their power generation to FES, which in turn sells the purchased power into the PJM markets at prevailing market rates. Under an additional Inter-Debtor PPA, FGMUC sells the power generated by Unit 1 of the Bruce Mansfield Plant to FG, which FG then sells to FES under the aforementioned Inter-Debtor PPA between FG and FES. With the exception of the Inter-Debtor PPA between FG and FGMUC, [38] the Inter-Debtor PPAs had a one-year term, ending on December 31 of each year, subject to automatic renewal for additional one-year terms unless a party provided written notice of termination 60 days prior to the end of the term.[39] The price paid by the purchasing Debtor under the Inter-Debtor PPAs is calculated by formulas set forth in the agreements that have been established to ensure that the generating entities recover their costs from producing the power plus a small profit. At various points in time, the price paid by FES (or FG in the case of the FGMUC arrangement) with respect to the Inter-Debtor PPAs has been higher or lower than the prevailing market price at which FES sold the power into the PJM markets.

The Debtors and the Independent Directors and Managers, with the assistance of their advisors, conducted an investigation of the Inter-Debtor PPAs, and analyzed the appropriate treatment of the Inter-Debtor PPA Claims in these Chapter 11 Cases. As part of their investigation, the Debtors considered whether the Inter-Debtor PPA Claims should be treated as Allowed Claims, subjected to any discounts or adjustments based on the applicable pricing methodologies under the Inter-Debtor PPAs, avoided as fraudulent conveyances, or recharacterized as equity contributions or dividends.

In addition to the Inter-Debtor PPA Claims, the Debtors analyzed:

- potential Claims of FENOC against FES relating to, among other things, prepetition cash management transactions and shared services rendered prepetition in March 2018 but billed postpetition in April 2018;
- Claims arising under the Revolving Credit Note between FES and FG, dated January 31, 2013;
- Claims arising under the Revolving Credit Note between FES and NG, dated March 29, 2013;
- Claims arising under promissory notes among all Debtor entities, dated March 19, 2018;

[36] The information and statements contained herein are not, and are in no event to be construed as, an admission of any fact or liability by the Debtors or any other Person.

[37] Specifically, the Inter-Debtor PPA Claims arise from: (i) the Nuclear Power Supply Agreement between FES and NG, dated August 10, 2006; (ii) the Power Supply Agreement between FES and FG, dated January 1, 2007; and (iii) the Power Supply Agreement between FGMUC and FG, dated December 17, 2007.

[38] The Inter-Debtor PPA between FG and FGMUC provides that it remains in effect for the term of the Mansfield Sale-Leaseback Transaction.

[39] The Inter-Debtor PPAs were amended effective October 31, 2018 to provide that from and after January 1, 2019, the applicable Inter-Debtor PPA remains in effect for successive six-month periods unless terminated by either party upon at least 60 days written notice prior to the end of the then-current six-month term.

- any potential Claims relating to the Non-Utility Money Pool Agreement, dated June 1, 2003; and

- any potential Claims relating to the FES Money Pool Agreement, dated March 16, 2018.

As part of the Debtors' analysis of the Inter-Debtor Claims, the Debtors' financial advisor, Alvarez & Marsal North America LLC ("A&M"), reviewed the Debtors' books and records and the accrual of balances under the Inter-Debtor Claims. A&M and the Debtors' other advisors also reviewed documentation underlying the Inter-Debtor PPAs and other Inter-Debtor Claims and conducted informal interviews with relevant personnel from the Debtors and the FE Non-Debtor Parties to understand the historical functioning of the arrangements giving rise to the Inter-Debtor Claims. The Debtors shared their analyses and supporting materials with the advisors to the Independent Directors and Managers, the Consenting Creditors, and the Committee.

As noted above, the Debtors' analysis of the Inter-Debtor Claims covered numerous legal theories under which claims could potentially be pursued, including avoidance, fraudulent conveyance, recharacterization, substantive consolidation, and equitable subordination. These analyses guided the settlement of the Inter-Debtor Claims at the allowed amounts and priorities set forth in subsection (e) below.

a. Avoidance Actions

Fraudulent transfer actions may be brought under section 548 of the Bankruptcy Code, and state law causes of action under fraudulent transfer theories may be brought pursuant to section 544(b) of the Bankruptcy Code. While the precise analysis of state law causes of action for both actual and constructive fraudulent transfer claims varies by state, certain general principles are set forth below.

An actual fraudulent transfer will be found where a transfer of property is made or an obligation is incurred with actual intent to hinder, delay or defraud present or future creditors. Actual intent often is proven by pointing to certain "badges of fraud" which include, but are not limited to: (i) a close relationship between the parties to the transaction; (ii) lack or inadequacy of consideration; (iii) knowledge of the transferor's inability to satisfy liabilities; (iv) retention of control over property after the transfer; (v) whether the transfer was disclosed or concealed; and (vi) whether the transfer was of substantially all of the transferor's assets.

A constructive fraudulent transfer will be found where: (i) a transfer of property was made or an obligation was incurred for less than reasonably equivalent value; and (ii) the transferor either (a) was insolvent at the time or was rendered insolvent as a result of such transfer; (b) was left with unreasonably small capital as a result of the transfer or (c) intended to or believe it would incur debts beyond its ability to pay as they matured.

In their analysis of the Inter-Debtor Claims, the Debtors assessed potential constructive fraudulent transfer claims under sections 548(a)(1)(B) and 544(b) of the Bankruptcy Code and under Ohio state law with respect to the Inter-Debtor PPAs. Under a constructive fraudulent transfer theory, a plaintiff would argue that charges under the Inter-Debtor PPAs, for which FES did not receive reasonably equivalent value, while insolvent, should be avoided. A putative fraudulent conveyance claim would likely allege that discrete monthly Inter-Debtor PPA charges incurred during the lookback and insolvency periods, or the aggregate balance owing to such Inter-Debtor PPA charges during the periods, far exceeded the price that FES received from selling the power purchased under the Inter-Debtor PPAs on the open market, and therefore, failed to provide FES with fair consideration for the obligations incurred. The adjudication of any avoidance actions related to the Inter-Debtor Obligations would have been a very

fact-intensive undertaking that would have required expert testimony, including, without limitation, with respect to the date of insolvency of FES, and the difference between the contract price and the market price for power generated under the Inter-Debtor PPAs as it relates to whether FES received reasonably equivalent value under the Inter-Debtor PPAs, and the value of other benefits received by FES from the Inter-Debtor PPAs.

In response, the defendants in any fraudulent conveyance action (namely, NG, FG or FGMUC) would argue, among other things, that analyzing discrete monthly Inter-Debtor PPA charges as potential fraudulent transfers is improper because the Inter-Debtor PPAs are long-term supply contracts meant to lock in prices and manage risk over an extended period of time. Instead, a court should look at the risk-hedging aspects of the Inter-Debtor PPAs and the historical charges and revenue received over the life of the contracts, or during any one-year term of the contracts rather than for any given month. The defendants would also assert that there has been no transfer under the Inter-Debtor PPAs during the applicable statute of limitation periods, as applicable law protects payments under a contract from avoidance unless the underlying contract is also avoidable, and the automatic renewal of the contracts originally entered into well beyond the lookback period do not constitute separate transfers or obligations.

Another potential defense to a constructive fraudulent transfer claim would be that the transfers made under the Inter-Debtor PPAs were subject to the "forward contract safe harbor" of 11 U.S.C. § 546(e). Under 11 U.S.C. § 546(e), a trustee cannot avoid transfers that are a settlement payment made by or to a forward contract merchant pursuant to a forward contract. In order to successfully assert this defense, the defendants would have to establish that (i) the Inter-Debtor PPAs are forward contracts, (ii) the delivery of power under the Inter-Debtor PPAs is a "settlement payment" and (iii) one or both parties to the Inter-Debtor PPAs are forward contract merchants.

The defendants would also assert that FES received other benefits from the Inter-Debtor PPAs beyond the power itself, making the overall value FES received under the agreements reasonably equivalent to the price it paid under the contracts. For example, access to power generated by FG and NG provided a hedge to FES's retail business against fluctuating market prices. Additionally, the Inter-Debtor PPAs helped to reduce FES's cash collateral requirements with PJM.[40]

Litigation of any avoidance actions pertaining to the Inter-Debtor Claims would have required extensive discovery and fact finding, as well as expert testimony, which would have been a significant drain on estate resources, and likely would have taken an extended period of time to resolve. The Plan Settlement incorporates a settlement related to the Inter-Debtor Claims, which includes a settlement of these issues and enables the Debtors to avoid the delay, expense, and uncertainty that would have resulted from any litigation.

b. Recharacterization

The parties to the Plan Settlement also analyzed whether any of the Inter-Debtor Claims could be recharacterized as equity. The underlying question for debt recharacterization is whether the parties intended the transaction to be one of equity or debt. Within the Sixth Circuit, courts look to numerous factors in determining whether debt should be recharacterized as equity, including (i) the names given to the instruments (absence of notes or other instruments reflecting debt suggests that an advance may be a

[40] Entities that purchase power from PJM (like FES does to provide power to its retail customers) are required to post cash collateral to reduce the risk that PJM will not be paid for the power it sells. However, PJM allows entities that sell power to PJM (like FES does through the power purchased from FG and NG under the Inter-Debtor PPAs) to partly offset cash collateral requirements against the amounts that they sell to PJM. Thus, the power purchased by FES under the Inter-Debtor PPAs enabled FES to post less cash collateral with PJM.

capital contribution rather than a loan); (ii) the presence or absence of a fixed maturity date and schedule of payments (the absence of a fixed maturity date and payment schedule suggests that an advance may be a capital contribution rather than a loan); (iii) the presence or absence of a fixed rate of interest and interest payments (the absence of a fixed interest rate and regularly scheduled interest payments suggests that an advance may be a capital contribution rather than a loan); (iv) the source of repayments (repayment that is dependent on the success of the borrower's business suggests that an advance may be a capital contribution rather than a loan); (v) the adequacy or inadequacy of capitalization (thin or inadequate capitalization at the time of the initial capitalization and/or at the time of an advance suggests that the advance may be a capital contribution rather than a loan); (vi) the identity of interests between the creditor and the stockholder (evidence that a shareholder made an advance in proportion to such shareholder's equity interest suggests that such advance may be a capital contribution rather than a loan); (vii) the security for the advances (the absence of collateral securing an advance suggests that the advance may be a capital contribution rather than a loan); (viii) the corporation's ability to obtain financing from outside lending institutions (the fact that the debtor had other financing options available on similar terms at the time an advance is made is generally thought to suggest that a transaction is a loan rather than a capital contribution); (ix) the extent to which the advances were subordinated to the claims of outside creditors (subordination of a creditor's advances to the claims of other creditors suggests that the advance may be a capital contribution rather than a loan); (x) the extent to which the advances were used to acquire capital assets (the use of advances to meet the debtor's daily needs, rather than for the purchase of capital assets, suggests that advances may be loans rather than infusions of equity); and (xi) the presence or absence of a sinking ship fund to provide repayments (the failure to establish a sinking fund for repayment suggests that an advance may be a capital contribution rather than a loan).[41] No single factor is determinative, and courts may analyze some or all of these factors in determining whether to recharacterize intercompany claims as equity.

The adjudication of any recharacterization claims would have been complicated and fact-intensive. A plaintiff could argue that certain of these factors suggest that the Inter-Debtor Claims should be recharacterized as equity. However, other factors, including the names given to the instruments and the presence of fixed maturity dates suggest that recharacterization would be inappropriate with respect to the Inter-Debtor Claims. Additionally, given a lack of applicable case law, it is unclear whether a claim held by a subsidiary could legally be treated as "equity" in the subsidiary's parent, notwithstanding other Autostyle factors weighing in favor of recharacterization. The Plan Settlement incorporates a settlement related to the Inter-Debtor Claims, which includes a settlement of these issues and enables the Debtors to avoid the delay, expense, and uncertainty that would have resulted from any litigation.

c. Substantive Consolidation

The Debtors also analyzed the viability of potential arguments for substantive consolidation, in which a plaintiff would assert that the Court should utilize its equitable powers to consolidate the Debtors' Estates and treat their assets and liabilities as combined. In such an action, the Court would likely apply the Third Circuit's "Owens Corning Test," which provides that substantive consolidation is appropriate if (i) prepetition, the entities sought to be consolidated "disregarded separateness so significantly their creditors relied on the breakdown of entity borders and treated them as one legal entity" (the "Separateness Prong") or (ii) the "assets and liabilities [of the entities sought to be consolidated] are so scrambled that separating them is prohibitive and hurts all creditors" (the "Entanglement Prong").[42] Under the Separateness Prong, a plaintiff must show not only that the entities to be consolidated demonstrated a significant disregard of corporate separateness, but also that creditors actually relied on such a breakdown of entity borders. Courts in the Sixth Circuit have required specific facts to be pled

[41] *See Bayer Corp. v. MascoTech, Inc. (In re Autostyle Plastics, Inc.)*, 269 F.3d 726, 749–50 (6th Cir. 2001).

[42] *See In re Owens Corning*, 419 F.3d 195 (3d Cir. 2005).

showing that creditors relied on the unity of the parties to be consolidated.[43] Under the Entanglement Prong, there must be evidence that the entities to be consolidated cannot distinguish between their assets or that such a determination would be extremely difficult and unduly expensive. Evidence must show that "the time and expense necessary even to attempt to unscramble [the entities] [is] so substantial as to threaten the realization of any net assets for all the creditors" or "no accurate identification and allocation of assets is possible."[44] The Debtors also analyzed the viability of potential arguments for substantive consolidation under the D.C. Circuit's "Auto-Train Test,"[45] which provides that substantive consolidation is appropriate when the proponent of consolidation has demonstrated that (i) there is a "substantial identity" between the entities to be consolidated and (ii) consolidation is necessary to avoid some harm or to realize some benefit.

Substantive consolidation is an extraordinary legal remedy, which would require legally complex and factually intensive analysis. Litigating these issues would undoubtedly demand lengthy discovery and fact and expert testimony regarding the entanglements between the various Debtor entities and creditor reliance on the separateness or interrelatedness of the Debtors, resulting in expensive, protracted litigation that could jeopardize distributions to creditors. Moreover, substantive consolidation is considered to be an "extreme" remedy to be used only "sparingly." The Plan Settlement incorporates a settlement related to potential substantive consolidation claims that could have been raised in connection with the Inter-Debtor Claims or otherwise, enabling the Debtors to avoid the delay, expense, and uncertainty that would have resulted from this litigation.

As settlement for, among other things, assertions that the Debtors' Estates should be substantively consolidated, the Plan Settlement further provides that (i) $45.75 million of the aggregate Unsecured Distributable Value otherwise available for distribution to Unsecured Bondholder Claims shall be reallocated to Holders of Single-Box Unsecured Claims against the various Debtors ratably based on the allocation of FE Settlement Value to such Debtors; (ii) the portion of the Reallocation Pool allocable to NG shall in turn be reallocated pro rata to Holders of Allowed Single-Box Unsecured Claims against FES; and (iii) in connection with the resolution of the FENOC Postpetition Claim Against FES, $12.5 million of the aggregate distributable value available at FES through the treatment of FENOC Postpetition Claim Against FES that would have otherwise been distributed to Holders of Unsecured Bondholder Claims shall be reallocated to Holders of Single-Box Unsecured Claims against FES and holders of claims against both FENOC and FES. As a further term of the settlement of potential Inter-Debtor Claims and substantive consolidation arguments between FENOC and FES, holders of claims against FENOC and FES will be entitled to elect to receive equity in the Reorganized Debtors in lieu of cash, up to the amount of the Claim against FENOC guaranteed by FES.

d. Equitable Subordination

In conducting an analysis of the Inter-Debtor Claims, the Debtors also reviewed the viability of potential actions to equitably subordinate such claims. The Bankruptcy Code allows for the subordination of otherwise allowed claims on equitable principles.[46] This is an unusual remedy that is only applied in limited circumstances, and courts in the Sixth Circuit "use great caution" when considering equitable

[43] *See, e.g.*, *In re Howland*, No. 16-5499, 2017 WL 24750 at *6 (6th Cir. Jan. 3, 2017) (dismissing claim for substantive consolidation where there were no allegations of misleading financial information being distributed to creditors); *In re American Camshaft Specialties, Inc.*, 410 B.R. 765, 789 (Bankr. E.D. Mich. 2009) (dismissing claim for substantive consolidation where there was no allegation of specific acts that showed a disregard for separateness, notwithstanding that the entities held joint board meetings).

[44] *In re Augie/Restivo Banking Co.*, 860 F.2d 515, 519 (2d Cir. 1988).

[45] *See In re Auto-Train Corp., Inc.*, 810 F.2d 270, 277 (D.C. Cir. 1987).

[46] 11 U.S.C. § 510(c).

subordination as a remedy.[47] In order to bring a successful equitable subordination claim, a plaintiff would have to show that: (i) the claimant engaged in some type of inequitable conduct; (ii) the misconduct must have resulted in injury to the creditors of the bankrupt entity or conferred an unfair advantage on the claimant; and (iii) equitable subordination of the claim is not inconsistent with the provisions of bankruptcy law.[48] Although the Debtors' analysis did not uncover any evidence that would support a claim for equitable subordination, litigating a potential equitable subordination action would still carry legal risks and substantial costs.

As discussed in greater detail above, litigation of these and any other similar claims would be extremely time consuming and expensive. Fraudulent conveyance, recharacterization, substantive consolidation, equitable subordination and similar issues are highly complex and factually intensive, requiring extensive discovery and expert testimony addressing solvency, valuation, contemporaneous exchange of value, arms-length terms, accounting practices, and allocation issues. Absent consensual resolution, fully litigating these issues would significantly diminish the resources of the Debtors' Estates and substantially delay the ability to confirm any chapter 11 plan of reorganization. With these considerations in mind, after analyzing the Inter-Debtor Claims, the Debtors, in consultation with the Committee, the Consenting Creditors and the Independent Directors and Managers, determined that the Inter-Debtor Claims should be treated as set forth in the Plan.

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits under the Plan, the Plan shall constitute a good faith settlement of any and all potential or actual objections to the validity or allowance of the Inter-Debtor Claims. Entry of the Confirmation Order shall constitute approval of the Allowed amount of the Inter-Debtor Claims in accordance with the Plan Settlement.

e. Allowance of Inter-Debtor Claims Under the Plan Settlement

Pursuant to the Plan Settlement, the Inter-Debtor Claims shall be allowed as follows:

- FG Prepetition Inter-Debtor Claims against FES – Allowed as Unsecured Claims in the aggregate amount of $1,488,190,630 (representing a 15% discount to the aggregate asserted amount of such Claims, which equals $1,750,812,506);

- NG Prepetition Inter-Debtor Claims against FES – Allowed as Unsecured Claims in the aggregate amount of $1,670,896,976 (representing a 4.7% discount to the aggregate asserted amount of such Claims, which equals $1,753,302,179);

- FG Postpetition Inter-Debtor Claims against FES – Claims shall be Allowed as super-priority Administrative Claims in an amount equal to $120,291,389, which reflects a 65% discount to the total amount estimated to accrue by June 30, 2019 of $343,689,684;

- NG Postpetition Inter-Debtor Claims against FES – Claims shall be Allowed as super-priority Administrative Claims in an amount equal to $238,431,879 (which reflects an agreement to, subject to Consummation of the Plan, forgo any claim on any additional amounts that may accrue from and after June 30, 2019);

[47] *In re Autostyle Plastics, Inc.*, 269 F.3d 726, 745 (6th Cir. 2001).

[48] *See In re Baker & Getty Financial Srvs., Inc.*, 974 F.2d 712 717–18 (6th Cir. 1992).

- FGMUC Prepetition Inter-Debtor Claims against FG –Allowed as Unsecured Claims in the aggregate amount of $901,881,812 (representing a 15% discount to the aggregate asserted amounts of such Claims, which equals $1,061,037,426);

- FGMUC Postpetition Inter-Debtor Claims against FG – disallowed in full (which claims were forecasted to equal $54,485,339 as of June 30, 2019, but which resolution takes into account that Unit 1 of the Bruce Mansfield Plant has not operated consistently since the January 2018 fire and Units 1 and 2 were deactivated in February 2019);

- FENOC Postpetition Inter-Debtor Claims against FES – Claims shall be Allowed (i) as super-priority Administrative Claims in the amount of $2,000,000 and (ii) as an Unsecured Claim in the aggregate amount of $28,000,000, which claim was originally scheduled as a $30,000,000 Administrative Claim, *provided, however* that all amounts comprising the claim were accrued prepetition; and

- FENOC Postpetition Inter-Debtor Claims against NG – claims shall be Allowed as super-priority Administrative Claims in the amount of $69,929,041 (which reflects an agreement to, subject to Consummation of the Plan, forgo any claim on any additional amounts that may accrue from an after June 30, 2019).

Additionally, as part of the Plan Settlement, and in consideration of arguments that the Debtors' Estates should be substantively consolidated, $45.75 million of the aggregate Unsecured Distributable Value otherwise available for distribution to Holders of Unsecured Bondholder Claims shall be reallocated to holders of Single-Box Unsecured Claims against the various Debtors ratably based on the allocation of FE Settlement Consideration to such Debtors (the "Reallocation Pool"). For the avoidance of doubt, Postpetition Inter-Debtor Claims shall not receive a recovery from the Reallocation Pool.

The portion of the Reallocation Pool allocable to NG (the "NG Reallocation Pool") shall, in turn, be re-allocated ratably to Holders of Allowed FES Single-Box Unsecured Claims. For the avoidance of doubt, prepetition Inter-Debtor Claims will not receive any portion of the NG Reallocation Pool.

In connection with the resolution of the FENOC Postpetition Claims against FES, $12.5 million of the aggregate Unsecured Distributable Value otherwise available for distribution to the Holders of Unsecured Bondholder Claims shall be re-allocated to Holders of FES Single-Box Unsecured Claims and Holders of FENOC-FES Unsecured Claims (the "FENOC-FES Claim Reallocation"). For the avoidance of doubt, prepetition Inter-Debtor Claims will not receive a recovery from the FENOC-FES Claim Reallocation. The settlement of the Inter-Debtor Claims incorporated into the Plan Settlement was one component of a global, integrated settlement of numerous issues, not solely a settlement of issues related to the resolution of the Inter-Debtor Claims alone.

3. The Mansfield Settlement.

Pursuant to the Mansfield Facility Lease Agreements, FG is lessee of a 93.825% undivided interest in Unit 1 of the Bruce Mansfield Plant ("Mansfield Unit 1"). FG owns the remaining 6.175% of Mansfield Unit 1 not subject to the Mansfield Facility Lease Agreements. Additionally, FG owns Units 2 and 3 of the Bruce Mansfield Plant, as well as all of the common and shared facilities of the Bruce Mansfield Plant. The Mansfield Facility Lease Agreements were executed as part of the Mansfield Sale-Leaseback Transaction, which is governed by six substantially similar participation agreements. Pursuant to the participation agreements and other operative Mansfield Sale-Leaseback Transaction documents, FG sold six separate portions of its ownership interest in Mansfield Unit 1 to six lessor trusts. The lessor

trusts, in turn, leased their interests in Mansfield Unit 1 back to FG. The terms of the Mansfield Facility Lease Agreements initially expire on June 13, 2040.

On April 1, 2018, the Debtors filed a motion to reject the Mansfield Facility Lease Agreements and certain related agreements.[49] On May 9, 2018, the Court approved the Process Support Agreement and the Mansfield Issues Protocol, which established a process for resolving or litigating certain Claims arising from the rejection of the Mansfield Facility Documents, as well as processes for consultation and cooperation with respect to the operation of Mansfield Unit 1 during the Chapter 11 Cases and the insurance issues arising from the January 10, 2018 fire at the Bruce Mansfield Plant.[50]

The parties' participation in the Mansfield Issues Protocol ultimately led to the Mansfield Settlement, which resolves potential litigation regarding (i) the rejection of the Mansfield Facility Documents and the amount of any Claim or Claims arising from such rejection; and (ii) the future ownership of Mansfield Unit 1, including the entitlement to any insurance proceeds from the January 10, 2018 fire at the Bruce Mansfield Plant. Specifically, the Mansfield Settlement provides that:

- the Mansfield Certificate Claims will be allowed in the amount of $786,763,400.00;
- the Mansfield Certificate Claims will be allowed as Unsecured Claims against each of FGMUC, FG, NG and FES;
- the 93.825% undivided interest in Mansfield Unit 1 that is the subject to the leveraged sale and leaseback transaction and any and all insurance proceeds to which the Mansfield Indenture Trustee might otherwise be entitled will be treated as unencumbered property of the Debtors' estates;
- any insurance proceeds recovered on account of Mansfield Unit 1 and any additional value attributable to Mansfield Unit 1 will be transferred to NG;
- the Confirmation Order shall serve as an order authorizing the rejection, *nunc pro tunc* to the Petition Date, of the Mansfield Facility Lease Agreements; and
- $10 million of the aggregate Unsecured Distributable Value otherwise available for distribution to the holders of Mansfield Certificate Claims shall be reallocated to the Holders of the Unsecured PCN Claims and FES Notes Claims.

Any litigation of issues pertaining to the rejection of the Mansfield Facility Lease Agreements would have involved a litigation of the size of the resulting rejection damages Claim, which would be subject to dispute based on whether the statutory cap under section 502(b)(6) of the Bankruptcy Code applicable to nonresidential real property leases should apply to such claim. This question would turn on whether (a) the Mansfield Facility Lease Agreements were "true leases" or were more appropriately characterized as financings and (b) whether the portion of Mansfield Unit 1 subject to the Mansfield Facility Lease Agreements constitutes real property or personal property. There would also be litigation regarding the Debtors against which the Mansfield parties could assert the rejection damages Claims, including whether the upstream guarantee from NG to FES would apply such that these Claims could be asserted against NG.

[49] *See Motion of the Debtors for Entry of an Order Authorizing the Debtors to Reject Certain Lease Agreements* [Docket No. 64].

[50] *See Order (I) Authorizing the Debtors to Assume (A) The Process Support Agreement and (B) the Standstill Agreement and (II) Granting Related Relief* [Docket No. 509].

Section 502(b)(6) of the Bankruptcy Code caps the claim of a lessor for damages resulting from termination of a lease of nonresidential real property at the greater of one year's rent, without acceleration, or 15 percent, not to exceed three years, of the remaining lease term. Where a lease term runs for a substantial period after rejection, as it does in these cases, the cap can significantly reduce the claim a lessor is entitled to assert against the estate. The 502(b)(6) cap only applies to "true leases" as opposed to financing agreements, and only to leases of real property, as opposed to personal property. In order for the cap to apply, the Debtors would have been required to prevail on both of these issues (i.e., that the Mansfield Facility Lease Agreements constitute "true leases" as opposed to financings, and that the property subject thereto consists of real property as opposed to personal property).

In determining whether a lease is a "true lease" or financing arrangement, courts look beyond the form of the agreement to the economic substance of the transaction to determine whether a transaction is more in the nature of a lease or a financing. When analyzing a sale-leaseback transaction such as the Mansfield Sale-Leaseback Transaction, this analysis is complicated because these transactions are done for financial reasons and have characteristics of both a "true lease" and a financing arrangement. The question of whether the property subject to the Mansfield Sale-Leaseback Transaction constitutes real property or personal property is also not straightforward. While the Debtors believe that the Bruce Mansfield Plant is permanently affixed to the real estate on which it sits and therefore has the character of real property, the Mansfield Sale-Leaseback Transaction involved the conveyance of a partial (i.e., 93.85%) interest in discrete pieces of machinery and equipment that the Mansfield Certificateholders Group would argue is removable, among other relevant factors, and, therefore, constitutes personal property. Litigating these issues would have involved extensive discovery and expert testimony on highly technical issues of fact. And the stakes in such litigation would have been high: if the Court were to have determined that the 502(b)(6) cap applied, the Debtors estimate that the rejection damages claim would be approximately $236 million. Conversely, if the Court were to have determined that the 502(b)(6) cap did not apply, the rejection damages claim could have been as much as $1.57 billion.

With respect to potential obligors on any rejection damages claims it is undisputed that the Mansfield Indenture Trustee could assert claims at FG, FGMUC and FES. Specifically, FES entered into a parent guarantee of FG's obligations under the Mansfield Sale-Leaseback Transaction. The Mansfield Certificateholders Group has asserted that the general upstream guarantee by NG in favor of FES results in the rejection damages Claims being assertable at NG. Specifically, the Mansfield Certificateholders Group would argue that the lease rejection damages are "FES Indebtedness" subject to NG's guarantees because they are, among other categories of FES Indebtedness, "obligations of FES for borrowed money" and "obligations of FES evidenced by bonds, debentures, notes or similar instruments." While FES, NG and FG would argue, among other things, that FES and FG did not borrow funds or have a direct obligation to make payments in respect of any notes or similar instruments in connection with the Mansfield Sale-Leaseback Transaction, there is a risk that a court might find that, in a general sense, FG's rent payment obligations, as part of a structured financing transaction, were tantamount to debt service payments that would fall within the spirit of the guarantees. The Mansfield Certificateholders Group would also argue that the Mansfield Facility Lease Agreements are "capital leases in respect of which FES is liable as lessee." The Debtors would argue that FES is not liable as a lessee and the Mansfield Sale-Leaseback Transaction is not recorded as a capital lease on FES's or FG's books and records. The Mansfield Certificateholders Group may counter that the Mansfield Sale-Leaseback Transaction should have been treated as a capital lease under generally accepted accounting principles.

Issues around claims allowance are not the only issues resolved by the Mansfield Settlement. With respect to the postpetition operation of Mansfield Unit 1, the Debtors would likely have had to engage in disputes relating to, among other things: (i) administrative expense claims and other postpetition claims against the Debtors stemming from the operation of Mansfield Unit 1; (ii) entitlement to revenue arising from capacity or energy generation by Mansfield Unit 1; (iii) any penalties or other

liabilities arising from capacity or energy generation by Mansfield Unit 1; and (iv) any costs incurred by FG arising from its operation of Mansfield Unit 1. Further, the Debtors would likely have been forced to litigate disputes related to the use and/or allocation of insurance proceeds arising from the January 10, 2018 fire at the Bruce Mansfield Plant. Litigation of these and other issues would have consumed substantial time and significant estate resources.

The Plan contemplates that entry of the Confirmation Order, pursuant to Bankruptcy Rule 9019 and section 1123 of the Bankruptcy Code, will constitute approval of the Mansfield Settlement, on the terms set forth in the Plan. The Mansfield Settlement constitutes a good faith compromise and settlement of the Claims held by Mansfield Indenture Trustee and potential objections to the amount, priority and availability or applicability of any guarantees related to such Claims. The Mansfield Settlement further contemplates that ownership of the Bruce Mansfield Plant will be transferred to FG and authorizes the parties to the Mansfield Settlement to take any actions necessary in furtherance of that transfer, including any necessary regulatory filings or filings with FERC. On the Effective Date, the Mansfield Facility Documents shall be deemed rejected *nunc pro tunc* to the Petition Date.

The Mansfield Settlement, as incorporated into the Plan Settlement was one component of a global, integrated settlement of numerous issues, not solely a settlement of issues related to the Mansfield Facility Lease Agreements or the rejection thereof.

4. Settlement of Allocation of Value Among the Debtors' Creditors.

In addition to the settlements related to the allocation of FE Settlement Value, Inter-Debtor Claims and the issues stemming from the Mansfield Sale-Leaseback Transaction discussed above, the global Plan Settlement also contains settlements of issues relating to the allocation of value among the Debtors' creditors, which are equally essential to the Plan Settlement.

The Plan Settlement also provides for the allocation of the proceeds of the prepetition inter-company revolving credit facility between FES, as borrower, FE Corp., as lender, and FG and NG as guarantors (the "FE/FES Revolver"). During negotiations of the Plan Settlement, FES and its creditors asserted that all of the proceeds of the FE/FES Revolver should be allocated to FES, as FES was the borrower and the proceeds are held in a bank account owned by FES. FG and NG, as well as certain of the creditor parties, asserted that substantial amounts of the proceeds should be allocated to those entities, as those entities provided guarantees to FE Corp. secured by the generating assets of those entities, and FES would not have been able to obtain similar financing without such secured guarantees. Under the Plan Settlement, $475 million of the FE/FES Revolver will be allocated to FES, and the remaining $25 million will be allocated to FG.

In light of the ongoing business of the Debtors, the potential substantial time between confirmation of the Plan and the Plan Effective Date, and inherent uncertainty of future market conditions, the Plan Settlement also incorporates a mechanism to maintain the allocation of value among the Debtors' Estates resulting from the Plan Settlement.

The Plan allocates the value of the Debtors' estates to each Debtor entity, which allocation will only be subject to adjustment based on the actual recoveries (to the extent different from the estimated recoveries reflected in the Plan Settlement) on prepetition Inter-Debtor Claims due to changes in the estimated amount of Allowed Unsecured Claims by virtue of the settlement or adjudication of all other prepetition Claims asserted against the various Debtors (to the extent different from the projected Allowed Claims reflected in the Plan Settlement). Then, each Class of General Unsecured Claims and Unsecured Bondholder Claims (other than Inter-Debtor Claims and Convenience Claims) is determined to have a Distributable Value Split based on a fixed, assumed Allowed amount of postpetition Inter-Debtor

Claims as of June 30, 2019 after taking into account the discounts embodied in the Plan Settlement and the various reallocations of value incorporated into the Plan Settlement. Any difference in the amount of aggregate Distributable Value as of the Plan Effective Date (positive or negative) will be allocated to Classes of General Unsecured Claims and Unsecured Bondholder Claims (other than Inter-Debtor Claims and Convenience Claims) in accordance with the Distributable Value Splits.

Pursuant to the Plan Settlement, the Plan establishes a Distributable Value for each Debtor entity and fixes the Distributable Value Splits in accordance with such value after taking into account the various reallocations embodied in the Plan Settlement. The reasonableness of the Distributable Value for each Debtor in accordance with the Plan Settlement is supported by the valuation analysis conducted by Lazard Frères & Co. LLC ("Lazard"), the Debtors' investment banker, and attached to the Disclosure Statement as Exhibit E.

Specifically, based on the estimated Allowed Claims against the Debtors as of the Effective Date, the Plan Settlement results in the following Distributable Value Splits:

Distributable Value Splits		
	Class	Distributable Value Splits
General Unsecured Claims		
FES/FENOC Unsecured Claims	A5	1.4%
FES Single-Box Unsecured Claims	A6	7.2%
Mansfield TIA Claim	A7	1.7%
FG Single-Box Unsecured Claims	B7	2.4%
Mansfield TIA Claim	B8	1.0%
NG Single-Box Unsecured Claims	C6	-
NG-FENOC Unsecured Claims against NG	C7	1.0%
FES-FENOC Unsecured Claims against FENOC	D3	1.5%
FENOC Single-Box Unsecured Claims	D4	0.4%
NG-FENOC Unsecured Claims against FENOC	D5	0.5%
FGMUC Single-Box Unsecured Claims	E4	0.1%
Mansfield TIA Claim	E5	0.6%
Total General Unsecured Claims		**17.9%**
Bondholders		
Unsecured PCN / FES Note Claims Against FES	A3	20.3%
Mansfield Certificate Claims Against FES	A4	7.1%
Unsecured PCN/FES Note Claims Against FG	B5	12.0%
Mansfield Certificate Claims Against FG	B6	3.7%
Unsecured PCN/FES Notes Claims Against NG	C4	26.8%
Mansfield Certificate Claims Against NG	C5	9.4%
Mansfield Certificate Claims Against FGMUC	E3	2.8%
Total Bondholders Claims		**82.1%**
Total		**100.0%**

The projected Distributable Value Splits are only subject to adjustments based on the ultimate allowance of prepetition Unsecured Claims against the Debtors, which in turn, impact the recoveries on prepetition Inter-Debtor Claims that are a component of Distributable Value for each Debtor. The purpose of the Distributable Value Splits is to provide certainty to creditor parties as to the benefits of the Plan Settlement being provided to such creditors. Specifically, the freezing of the Distributable Value Splits avoids any single party taking disproportionate risk on Administrative Claims, Priority Tax Claims, Other Priority Claims or Other Secured Claims being Allowed in higher than estimated amounts, and shares that risk ratably among the Debtors based on the Distributable Value Splits. This mechanism also eliminates any single party taking risk on fluctuations in the market price for energy that could potentially alter creditor recoveries based on the continued accrual of postpetition claims under the Inter-Debtor

PPAs. The fixing of the Distributable Value Splits was a necessary condition for the parties' agreement to the Plan Settlement.

The Plan also provides for Holders of General Unsecured Claims against FES, FG and NG to have the option to elect to receive equity in the Reorganized Debtors instead of cash, which was a necessary precondition for the Committee to agree to support the Distributable Value Splits, the FENOC/FES Claim Reallocation, the Reallocation Pools and the NG Reallocation.

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits under the Plan, the Plan shall constitute a good faith compromise and settlement of those matters resolved pursuant to the Plan Settlement. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of each of the compromises and settlements contemplated in the Plan and comprising the Plan Settlement, and the Bankruptcy Court's findings shall constitute its determination that such compromises and settlements are in the best interests of the Debtors, their Estates, Creditors and other parties-in-interest, and are fair, equitable and within the range of reasonableness. Each of the provisions of the Plan, as it pertains to the Plan Settlement, is and shall be deemed non-severable from each other and from all of the remaining terms of the Plan. Each of the individual settlements comprising the Plan Settlement was a necessary condition for each of the other settlements contained in the Plan Settlements and none of these settlements can be unwound or undone without impacting every other element of the Plan and jeopardizing the overall Plan Settlement to the detriment of the Debtors, their estates and their creditors and other parties in interest. The Plan Settlements were achieved after months of good faith negotiations between and among the Debtors, their key creditor constituencies and the Committee, and have the support of the Independent Directors and Managers.

Given the numerous inter-related litigation issues that would arise from any attempt to litigate the various elements of the Plan Settlement, it is clear to the Debtors that the uncertainty and costs associated with any such litigation would impact the recoveries for all creditor constituencies. As part of the Plan Settlement, each Debtor, with the support of the Independent Directors and Managers, the Committee, and the Consenting Creditors has agreed to compromises contained in the Plan Settlement and would not support the Plan Settlement without each individual element of the Plan Settlement. The Debtors with the support of the Independent Directors and Managers, the Consenting Creditors and the Committee have concluded that the compromises set forth in the Plan Settlement are reasonable and that it is in the best interest of the Debtors' Estates and their creditors to incorporate the Plan Settlement in the Plan.

5. Allocated Administrative Expenses.

For the purposes of the Plan Settlement, the Allocated Administrative Expenses were allocated among the Debtor entities on a ratable basis based on the estimated amount of Unsecured Non-Priority Claims against each Debtor, taking into account any guarantee claims against such Debtor; provided that to the extent an Estimated Administrative Expense was directly attributable to a particular Debtor such claim was allocated to that particular Debtor. Notwithstanding the foregoing, to the extent aggregate Allowed amount of Administrative Claims, Priority Claims, Other Priority Claims and Other Secured Claims differ from the Estimated Administrative Expenses, such difference, whether positive or negative, shall be allocated among the Classes of General Unsecured Claims and Unsecured Bondholder Claims (other than Inter-Debtor Claims and Convenience Claims) Pro Rata based on their respective Distributable Value Splits. Notwithstanding the foregoing, to the extent there are Allowed Administrative Claims arising from the PPA Appeal Proceeding Contracts, any such Claims shall be directly allocated to FES.

For the purposes of the Plan Settlement, certain components of Distributable Value were fixed. To the extent the sum of (i) the aggregate actual amount of accounts receivable for FENOC, FES, FG, NG and FGMUC as of the Effective Date and (ii) the actual amount of Cash in the FES bank accounts, other than the proceeds from the FE/FES Revolver, as of the Effective Date, differs from the sum of (x) the projected aggregate amount of the accounts receivable for FENOC, FES, FG, NG, and FGMUC as of the Effective Date used for the purposes of the Plan Settlement and (y) the projected amount of Cash in the FES bank accounts, other than the proceeds from the FE/FES Revolver, as of the Effective Date used for purposes of the Plan Settlement, such difference, whether positive or negative, shall be allocated among the Classes of General Unsecured Claims and Unsecured Bondholder Claims (other than Inter-Debtor Claims and Convenience Claims) Pro Rata based on their respective Distributable Value Splits.

Prior to the Effective Date, the Debtors will calculate, in accordance with the terms and conditions of this Plan, (i) the final Distributable Value Splits applicable to the Classes of General Unsecured Claims and Unsecured Bondholder Claims (other than Inter-Debtor Claims and Convenience Claims), (ii) the updated estimated Allowed amount of Administrative Claims, Priority Tax Claims, Other Priority Claims and Other Secured Claims, and (iii) the allocation of the Distributable Value Adjustment to such Classes. Prior to the Effective Date, the Debtors shall consult with the advisors to the Committee, the Ad Hoc Noteholders Group, the Mansfield Certificateholders Group and the FES Creditors Group with respect to such calculations. Additionally, prior to the Effective Date, the Debtors, with the reasonable consent of the Requisite Supporting Parties and the Committee shall determine an amount of cash, if any, necessary to reserve for Administrative Claims that have not been Allowed and remain disputed as of the Effective Date.

I. Debtor Releases, Third Party Releases and Exculpations.

The releases set forth in the Plan were another key component of the Plan Settlement and the FE Settlement Agreement. In particular, the FE Non-Debtor Parties would not have entered into the FE Settlement Agreement and provided the FE Settlement Value, which serves as a cornerstone of the Debtors' restructuring efforts, absent the Debtors' agreement to include the FE Non-Debtor Parties' Third Party Releases in the Plan.

The FE Non-Debtor Parties' Third Party Releases provide that on and after the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the FE Non-Debtor Released Parties to facilitate and implement the Plan, each Holder of a Claim or Interest is deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged each FE Non-Debtor Released Party[51] from any and all Claims and Causes of Action, including any derivative claims asserted or assertable on behalf of any of the Debtors, the Reorganized Debtors, or their Estates or Affiliates, as applicable, that such Entity would have been legally entitled to assert in its own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from in whole or in part, the Debtors, the Debtors' capital structure, the assertion or enforcement of rights and remedies against the Debtors, the Debtors' in- or out-of-court restructuring discussions, intercompany transactions between or among the Debtors and/or their Affiliates, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claims or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the PCNs, the FES

[51] "FE Non-Debtor Released Parties" means, collectively, the FE Non-Debtor Parties and each of their respective current and former officers, directors, members, shareholders, employees, advisors, attorneys, professionals, accountants, investment bankers, consultants, agents, and other representatives (including their respective officers, directors, employees, members and professionals), each solely in their capacity as such.

Notes, the Mansfield Facility Documents, the Chapter 11 Cases and related adversary proceedings, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Plan Support Agreement, Process Support Agreement, the Standstill Agreement, the FE Settlement Agreement, the Disclosure Statement, the Plan, or any Restructuring Transactions, contract, instrument, release, or other agreement or document created or entered into in connection with the foregoing, including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion, the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any obligations of any Entity arising after the Effective Date under the Plan, the Confirmation Order, any Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement, as defined below) executed to implement the Plan.

The release provisions of the Plan further contemplate, among other things, the release of any and all Causes of Action, including any derivative claims, asserted on behalf of the Debtors, that each Debtor would have been legally entitled to assert (whether individually or collectively) against the FE Non-Debtor Parties. The terms of the FE Settlement Agreement are also incorporated into the Plan. The FE Settlement Agreement provided that as of the Settlement Effective Date (as defined in the FE Settlement Agreement) each of the Debtors, the Committee, the Ad Hoc Noteholder Group and the Mansfield Certificateholders Group would each release the FE Non-Debtor Parties of and from all claims and Causes of Action, that could be asserted against any of the FE Non-Debtor Released Parties based on or in any way relating to, or in any manner arising from, in whole or in part, or out of (i) any Debtor, their businesses, or their property; (ii) any claims or Causes of Action against the FE Non-Debtor Released Parties or their property arising in connection with any intercompany transactions or other matters arising in or related to the conduct of the Debtors' businesses; or (iii) the formulation, preparation, negotiation, dissemination, implementation, administration, or consummation of the FE Settlement Agreement, or any other agreement or document related to the FE Settlement Agreement or the claims or Causes of Action resolved by the Settlement Agreement. The Plan provides similar releases by the Debtors for all such claims through the Effective Date, as well as claims related to the Plan.

In addition, the FE Non-Debtor Parties' Third Party release contains a release by all Holders of Claims or Interests against the Debtors of claims against the FE Non-Debtor Released Parties, from any and all claims and Causes of Action whatsoever, arising from or in any way related to (i) the Debtors, the Reorganized Debtors, their businesses, or their property; (ii) any Causes of Action against the FE Non-Debtor Released Parties or their property arising in connection with any intercompany transactions and other matters arising in the conduct of the Debtors' businesses; (iii) the Chapter 11 Cases; (iv) the formulation, preparation, negotiation, dissemination, implementation, administration, Confirmation or Consummation of the Plan, the Plan Supplement, any contract, employee pension or benefit plan, instrument, release, or other agreement or document related to any Debtor, the Chapter 11 Cases or the Plan, modified, amended, terminated, or entered into in connection with either the Plan, or any agreement between the Debtors and any FE Non-Debtor Released Party; or (v) any other act taken or omitted to be taken in connection with the Chapter 11 Cases, including, without limitation, acts or omissions occurring after the Effective Date in connection with distributions made consistent with the terms of the Plan.

In addition, the Plan contains certain releases (as described more fully in Article VI hereof), including (i) a release by the Debtors of claims against the Released Parties,[52] (ii) a release of the FE Non-

[52] "Released Parties" means, collectively, the Debtor Released Parties, the FE Non-Debtor Released Parties and the Other Released Parties.

Debtor Parties by the Consenting Creditors and the Committee and (iii) a third-party release by all Holders of Claims or Interests against the Debtors of claims against the Debtors, the Reorganized Debtors, and the Debtor Released Parties and Other Released Parties from any and all claims and Causes of Action whatsoever, arising from or in any way related to (i) the Debtors, the Reorganized Debtors, their businesses, or their property; (ii) any Causes of Action against the FE Non-Debtor Released Parties or their property arising in connection with any intercompany transactions and other matters arising in the conduct of the Debtors' businesses; (iii) the Chapter 11 Cases; (iv) the formulation, preparation, negotiation, dissemination, implementation, administration, Confirmation or Consummation of the Plan, the Plan Supplement, any contract, employee pension or benefit plan, instrument, release, or other agreement or document related to any Debtor, the Chapter 11 Cases or the Plan, modified, amended, terminated, or entered into in connection with either the Plan, or any agreement between the Debtors and any Debtor Released Party or Other Released Party; or (v) any other act taken or omitted to be taken in connection with the Chapter 11 Cases, including, without limitation, acts or omissions occurring after the Effective Date in connection with distributions made consistent with the terms of the Plan.

The Plan also provides that the Debtors and the other Exculpated Parties will be exculpated from liability in connection with the negotiation and documentation of the Process Support Agreement, the Standstill Agreement, the Plan, the Disclosure Statement and any documents entered into in connection with the Plan, other than for gross negligence or willful misconduct. Each of the Exculpated Parties played a key role in the plan negotiation process and in the negotiation and implementation of the FE Settlement Agreement and the Plan Settlement. Thus, each of the Exculpated Parties made a substantial contribution to the Debtors' restructuring efforts and played an integral role in working towards an expeditious resolution of these Chapter 11 Cases.

The Debtors believe that the releases, exculpations, and injunctions set forth in the Plan are appropriate. If the Debtors do not provide the releases described in the Plan to the FE Non-Debtor Parties, the FE Non-Debtor Parties would have a right to terminate the Settlement Agreement. Not only would such a termination cause the Debtors to lose access to the significant consideration they are set to receive under the FE Settlement Agreement, but the Debtors' estates would also be burdened with approximately $2 billion of claims that would have otherwise been waived. The Debtors, their leadership (including the Debtors' independent directors) and their professionals have closely examined the legal justifications for providing the Third Party Releases. As will be discussed in detail in the Debtors' brief in support of the confirmation of the Plan, the Debtors' believe that the facts and circumstances of these chapter 11 cases justify the grant of the Third Party Releases.

VI. Summary of the Plan

SECTION VI OF THIS DISCLOSURE STATEMENT IS INTENDED ONLY TO PROVIDE A SUMMARY OF THE KEY TERMS, STRUCTURE, CLASSIFICATION, TREATMENT, AND IMPLEMENTATION OF THE PLAN, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE ENTIRE PLAN, EXHIBITS TO THE PLAN, AND THE PLAN SUPPLEMENT. ALTHOUGH THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT INCLUDE SUMMARIES OF THE PROVISIONS CONTAINED IN THE PLAN AND IN DOCUMENTS REFERRED TO THEREIN, THIS DISCLOSURE STATEMENT DOES NOT PURPORT TO BE A PRECISE OR COMPLETE STATEMENT OF ALL RELATED TERMS AND PROVISIONS, AND SHOULD NOT BE RELIED ON FOR A COMPREHENSIVE DISCUSSION OF THE PLAN. INSTEAD, REFERENCE IS MADE TO THE PLAN AND ALL SUCH DOCUMENTS FOR THE FULL AND COMPLETE STATEMENTS OF SUCH TERMS AND PROVISIONS. THE PLAN ITSELF (INCLUDING ATTACHMENTS AND THE PLAN SUPPLEMENT) WILL CONTROL THE TREATMENT OF HOLDERS OF CLAIMS AND INTERESTS UNDER THE PLAN. TO THE EXTENT THERE ARE ANY INCONSISTENCIES

BETWEEN THIS SECTION VI AND THE PLAN (INCLUDING ANY ATTACHMENTS TO THE PLAN) AND THE PLAN SUPPLEMENT, THE PLAN AND THE PLAN SUPPLEMENT SHALL GOVERN.

A. Classification of Claims and Interests.

Claims and Interests, except for Administrative Claims and Priority Tax Claims, are classified in the Classes set forth in Article III of the Plan. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim also is classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and has not been paid, released, or otherwise satisfied before the applicable Effective Date. The Debtors reserve the right to assert that the treatment provided to Holders of Claims and Interests pursuant to Article III.B of the Plan renders such Holders Unimpaired.

The Plan constitutes a separate chapter 11 plan of reorganization for each Debtor, as applicable, and shall include the classifications set forth below. Subject to Article III.D of the Plan, to the extent that a Class contains Claims or Interests only with respect to one or more particular Debtor, such Class applies solely to such Debtor. The chart beginning on page 7 represents the classification of Claims and Interests for the Debtors pursuant to the Plan.

B. Treatment of Claims and Interests.

1. Elimination of Vacant Clauses.

Any Class of Claims or Interests that, as of the commencement of the Confirmation Hearing, does not have at least one Holder of a Claim or Interest that is Allowed in an amount greater than zero for voting purposes pursuant to the Disclosure Statement Order shall be considered vacant, deemed eliminated from the Plan for purposes of voting to accept or reject the Plan, and disregarded for purposes of determining whether the Plan satisfies section 1129(a)(8) of the Bankruptcy Code with respect to that Class.

2. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code.

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by one or more of the Classes entitled to vote pursuant to Article III.B of the Plan. The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests.

3. Controversy Concerning Impairment.

If a controversy arises as to whether any Claims or Interests, or any Class of Claims or Interests, are Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

4. Equity Election Conditions.

As noted in Article III.B of the Plan and as disclosed on the Bankruptcy Court's public docket in the *Notice of the Debtors' Entry into a Restructuring Support Agreement and of the Record Date for*

Equity Elections under the Debtors' Plan of Reorganization filed with the Bankruptcy Court on January 23, 2019 [Docket No. 1995], Holders of Claims in Classes A5, A6, B7, C6, C7, and D3 have an option on their ballots to accept or reject the Plan to elect to receive a distribution in the form of New FES Common Stock instead of a distribution in the form of Cash if such Holder certifies on its ballot to accept or reject the Plan or by such other method acceptable to the Debtors with the consent of the Requisite Supporting Parties (as defined in the Restructuring Support Agreement) and the Committee, that the Holder (i) was the beneficial holder of such Claims as of the applicable Equity Election Record Date and has not sold, transferred, or provided a participation in, or directly or implicitly agreed to do so following the applicable Equity Election Record Date or (ii) is otherwise a party to the Restructuring Support Agreement and the beneficial holder of such Claims and such Claims were subject to the Restructuring Support Agreement as of the applicable Equity Election Record Date (the "Equity Election Conditions").

Accordingly, any Holder who is not a party to the Restructuring Support Agreement is not permitted to make any equity election applicable to its Claim if it sold such Claims after the Equity Election Record Date. Any Holder who purchased a Claim after the Equity Election Record Date is not permitted to make any equity election applicable to its Claim unless such Claim is subject to the Restructuring Support Agreement because the Holder would be unable to make the certification required by the Equity Election Conditions. For the avoidance of doubt, any Holder of a Claim that arises after the Equity Election Record Date (*e.g.*, a Claim arising from the Debtors' rejection of an executory contract that occurs after the Equity Election Record Date) shall be permitted to make an election to receive Cash or New FES Common Stock subject to satisfaction of each of the other Equity Election Conditions.

The Plan Administrator and Disbursing Agent are authorized to request from any Holder information supporting a Holder's certification that it has satisfied the Equity Election Conditions. If a Holder fails to provide such information prior to the Effective Date, then the Disbursement Agent may at its discretion make a distribution to such Holder on account of its Claim in the manner required by the Plan as if such Holder did not elect to receive New FES Common Stock.

5. Classification and Treatment of Claims.

To the extent a Class contains Allowed Claims or Allowed Interests with respect to any Debtor, the classification of Allowed Claims and Allowed Interests is specified below.

1. Class A1 – Other Secured Claims Against FES.

   a. *Classification*: Class A1 consists of Other Secured Claims against FES.

   b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class A1 agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class A1, each such Holder shall receive, at the option of FES, either:

      i. payment in full in Cash;

      ii. delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code;

      iii. Reinstatement of such Claim; or

      iv. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class A1 is Unimpaired under the Plan. Holders of Claims in Class A1 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

2. Class A2 – Other Priority Claims Against FES.

a. *Classification*: Class A2 consists of Other Priority Claims against FES.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class A2 agrees to less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class A2, each such Holder shall receive, at the option of FES, either:

i. payment in full in Cash; or

ii. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class A2 is Unimpaired under the Plan. Holders of Claims in Class A2 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

3. Class A3 Unsecured PCN/FES Notes Claims Against FES.

a. *Classification*: Class A3 consists of Unsecured PCN/FES Notes Claims against FES.

b. *Allowance*: The Unsecured PCN/FES Notes Claims Against FES shall be Allowed in the aggregate amount of $2,237,912,062, including the FES Notes Claims in the amount of $701,311,411 and the guarantee claims of the Holders of Unsecured FG PCN Claims in the amount of $684,638,378, and Unsecured NG PCN Claims in the amount of $851,962,273.

c. *Treatment*: Except to the extent that a Holder of an Allowed Unsecured PCN/FES Notes Claim Against FES agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each Unsecured PCN/FES Notes Claim Against FES, each Holder of an Allowed Unsecured PCN/FES Notes Claim Against FES shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES Common Stock, subject to dilution for the Management Incentive Plan, in an amount equal to its Pro Rata share of FES Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single Box Unsecured Claims, (ii) the FENOC-FES Claim Reallocation to Holders of FES Single-Box Unsecured Claims and Holders of FENOC-FES Unsecured Claims against FES and (iii) the Mansfield Reallocation. The aggregate amount of value available for distribution to Holders of Allowed Unsecured PCN/FES Notes Claims against FES in accordance with the preceding sentenced shall be subject to the Distributable Value Adjustment Amount applicable to Class A3.

Notwithstanding the foregoing, Electing Bondholders shall receive, on the Effective Date or as soon as reasonably practicable thereafter, their Pro Rata share of the Unsecured Bondholder Cash Pool in lieu of New FES Common Stock, *provided, however* that to the extent the Unsecured Bondholder Cash Pool is insufficient to provide each Electing Bondholder its allocable recovery of FES Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single-Box Unsecured Claims, (ii) the FENOC-FES Claim Reallocation to Holders of FES Single-Box Unsecured Claims and Holders of FENOC-FES Unsecured Claims against FES and (iii) the Mansfield Reallocation, the Electing Bondholders shall receive the remainder of their distribution in New FES Common Stock, subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed Unsecured PCN/FES Notes Claims against FES in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class A3.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed Unsecured PCN/FES Notes Claim Against FES that received New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

d. *Voting*: Class A3 is Impaired under the Plan. Holders of Claims in Class A3 are entitled to vote to accept or reject the Plan.

4. Class A4 – Mansfield Certificate Claims Against FES.

a. *Classification*: Class A4 consists of Mansfield Certificate Claims against FES.

b. *Allowance*: The Mansfield Certificate Claims Against FES shall be Allowed in the aggregate amount of $786,763,400 in accordance with the terms of the Mansfield Settlement.

c. *Treatment*: Except to the extent that a Holder of an Allowed Mansfield Certificate Claim Against FES agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each Mansfield Certificate Claim Against FES, each Holder of an Allowed Mansfield Certificate Claim Against FES shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES Common Stock, subject to dilution for the Management Incentive Plan, in an amount equal to its Pro Rata share of FES Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single Box Unsecured Claims, and (ii) the FENOC-FES Claim Reallocation to Holders of FES Single-Box Unsecured Claims and Holders of FENOC-FES Unsecured Claims against FES and (iii) the Mansfield Reallocation. The aggregate amount of value available for distribution to Holders of Allowed Mansfield Certificate Claims against FES in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class A4.

Notwithstanding the foregoing, Electing Bondholders shall receive, on the Effective Date or as soon as reasonably practicable thereafter, their Pro Rata

share of the Unsecured Bondholder Cash Pool in lieu of New FES Common Stock, *provided, however* that to the extent the Unsecured Bondholder Cash Pool is insufficient to provide each Electing Bondholder its allocable recovery of FES Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single-Box Unsecured Claims, (ii) the FENOC-FES Claim Reallocation to Holders of FES Single-Box Unsecured Claims and Holders of FENOC-FES Unsecured Claims against FES and (iii) the Mansfield Reallocation, the Electing Bondholders shall receive the remainder of their distribution in New FES Common Stock, subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed Mansfield Certificate Claims against FES in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class A4.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed Mansfield Certificate Claim Against FES that received New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

d. *Voting*: Class A4 is Impaired under the Plan. Holders of Claims in Class A4 are entitled to vote to accept or reject the Plan.

5. Class A5 – FENOC-FES Unsecured Claims Against FES.

a. *Classification*: Class A5 consists of Holders of FENOC-FES Unsecured Claims (solely as to the portion of the claim against FES).

b. *Treatment:* Except to the extent that a Holder of an Allowed FENOC-FES Unsecured Claim against FES agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each FENOC-FES Unsecured Claim Against FES, each Holder of an Allowed FENOC-FES Unsecured Claim Against FES shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its Pro Rata share of (i) the FES Unsecured Distributable Value and (ii) the FENOC-FES Claim Reallocation, *provided* that such Holders shall have the option to elect to receive their Pro Rata share of New FES Common Stock in equal amount, subject to the Equity Election Conditions, and subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed FENOC-FES Unsecured Claims against FES set forth in clauses (i) and (ii) of the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class A5.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed FENOC-FES Unsecured Claim Against FES that receives New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

c. *Voting*: Class A5 is Impaired under the Plan. Holders of Claims in Class A5 are entitled to vote to accept or reject the Plan.

6. Class A6 – FES Single-Box Unsecured Claims.

   a. *Classification*: Class A6 consists of FES Single-Box Unsecured Claims.

   b. *Treatment*: Except to the extent that a Holder of an Allowed FES Single-Box Unsecured Claim agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each General Unsecured Claim Against FES, each Holder of an Allowed FES Single-Box Unsecured Claim shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its Pro Rata share of (i) the FES Unsecured Distributable Value, (ii) the portion of the Reallocation Pool allocated to FES, (iii) the FENOC-FES Claim Reallocation, and (iv) the NG Reallocation Pool, *provided* that such Holders shall have the option to elect to receive their Pro Rata share of New FES Common Stock in equal amount, subject to the Equity Election Conditions and subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed FES Single-Box Unsecured Claims set forth in clauses (i) through (iv) of the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class A6.

   In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed FES Single-Box Unsecured Claim that receives New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

   c. *Voting*: Class A6 is Impaired under the Plan. Holders of Claims in Class A6 are entitled to vote to accept or reject the Plan.

7. Class A7 –Mansfield TIA Claims Against FES.

   a. *Classification*: Class A7 consists of the Mansfield TIA Claims against FES.

   b. *Treatment*: Except to the extent that a Holder of an Allowed Mansfield TIA Claim against FES agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of the Mansfield TIA Claims against FES, each Holder of an Allowed Mansfield TIA Claims against FES shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its Pro Rata share of FES Unsecured Distributable Value available to Holders of Allowed Mansfield TIA Claims against FES. The aggregate amount of value available for distribution to Holders of Allowed Mansfield TIA Claims against FES shall be subject to the Distributable Value Adjustment Amount applicable to Class A7.

   c. *Voting*: Class A7 is Impaired under the Plan. Holders of Claims in Class A7 are entitled to vote to accept or reject the Plan.

8. Class A8 – Convenience Claims against FES.

   a. *Classification*: Class A8 consists of all Convenience Claims against FES.

b. *Treatment*: Except to the extent that a Holder of an Allowed Convenience Claim against FES agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release, and discharge of each Allowed Convenience Claim against FES, each Holder of an Allowed Convenience Claim against FES that has properly elected to be treated as such on its Ballot shall receive, on the Effective Date or as soon as reasonably practicable thereafter, Cash in an amount equal to 36.4% of the Allowed Convenience Claim.

c. *Voting*: Class A8 is Impaired under the Plan. Holders of Claims in Class A7 are entitled to vote to accept or reject the Plan.

9. Class A9 – Inter-Debtor Claims against FES.

a. *Classification*: Class A9 consists of prepetition Inter-Debtor Claims against FES.

b. *Allowance:* The prepetition Inter-Debtor Claims against FES shall be Allowed as follows: (i) the prepetition Inter-Debtor Claims of FG against FES shall be Allowed as Unsecured Claims in the aggregate amount of $1,488,190,630; (ii) the prepetition Inter-Debtor Claims of NG against FES shall be Allowed as Unsecured Claims in the aggregate amount of $1,670,896,976; (iii) the prepetition Inter-Debtor Claims of FENOC against FES shall be Allowed as Unsecured Claims in the aggregate amount of $28,000,000; and (iv) all other Inter-Debtor Claims against FES shall be treated as if Allowed in the amount of $2,322,082.

c. *Treatment*: Each Holder of an Allowed prepetition Inter-Debtor Claim against FES shall receive their Pro Rata share of the FES Unsecured Distributable Value. In lieu of Cash payment or other distribution to the Debtors holding such prepetition Inter-Debtor Claims against FES, the distributions on account of such prepetition Inter-Debtor Claims against FES shall be made to the Holders of Allowed Unsecured Claims against the Debtor holding such prepetition Inter-Debtor Claims against FES by including the recovery on such prepetition Inter-Debtor Claims against FES in the calculation of the Unsecured Distributable Value relating to the Debtor holding such prepetition Inter-Debtor Claims against FES.

d. *Voting*: Class A9 is Impaired under the Plan. Notwithstanding such Impairment, holders of prepetition Inter-Debtor Claims against FES are insiders whose votes will not be counted. Accordingly, this class will not vote to accept or reject the Plan.

10. Class A10 – Interests in FES.

a. *Classification*: Class A10 consists of Interests in FES.

b. *Treatment*: As of the Effective Date, Interests in FES shall be cancelled and released without any distribution on account of such Interests.

c. *Voting*: Class A10 is Impaired under the Plan. Holders of Claims in Class A10 are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of

the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

11. Class B1 – Other Secured Claims against FG.

a. *Classification*: Class B1 consists of Other Secured Claims against FG.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class B1 agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class B1, each such Holder shall receive, at the option of FG, either:

i. payment in full in Cash;

ii. delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code;

iii. Reinstatement of such Claim; or

iv. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class B1 is Unimpaired under the Plan. Holders of Claims in Class B1 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

12. Class B2 – Other Priority Claims Against FG.

a. *Classification*: Class B2 consists of Other Priority Claims against FG.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class B2 agrees to less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class B2, each such Holder shall receive, at the option of FG, either:

i. payment in full in Cash; or

ii. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class B2 is Unimpaired under the Plan. Holders of Claims in Class B2 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

13. Class B3 – Secured FG PCN Designated Claims.

a. *Classification*: Class B3 consists of the Secured FG PCN Designated Claims.

b. *Allowance*: The Secured FG PCN Designated Claims shall be Allowed in the aggregate principal amount of $181,260,000, plus accrued and unpaid pre- and postpetition interest (at the prepetition rate) on such principal amount through and including the Effective Date.

c. *Treatment*: Allowed Secured FG PCN Designated Claims shall be paid in full in Cash on the Effective Date or as soon thereafter as practicable.

d. *Voting*: Class B3 is Unimpaired under the Plan. Holders of Claims in Class B3 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

14. Class B4 – Secured FG PCN Reinstated Claims.

a. *Classification:* Class B4 consists of the Secured FG PCN Reinstated Claims against FG.

b. *Allowance*: The Secured FG PCN Reinstated Claims shall be Allowed in the aggregate principal amount of $146,300,000, plus accrued and unpaid pre- and postpetition interest (at the prepetition rate) on such principal amount through and including the Effective Date.

c. *Treatment*: Allowed Secured FG PCN Reinstated Claims shall be Reinstated in full on the Effective Date or as soon as practicable thereafter, *provided, however*, that any Allowed Secured FG PCN Reinstated Claims relating to accrued and unpaid pre- and postpetition interest on the principal amount of Secured FG PCN Reinstated Claims shall be paid in full in Cash.

In the event that the Debtors elect to form New FES, the guarantee of FES with respect to such Allowed Secured FG PCN Reinstated Claims shall be released following the Effective Date, and on the Effective Date New FES shall provide a new unsecured guarantee with respect to such Allowed Secured FG PCN Reinstated Claim.

d. *Voting*: Class B4 is Impaired under the Plan. Holders of Claims in Class B4 shall be entitled to vote to accept or reject the Plan.

15. Class B5 – Unsecured PCN/FES Notes Claims Against FG.

a. *Classification*: Class B5 consists of Unsecured PCN/FES Notes Claims against FG.

b. *Allowance*: The Unsecured PCN/FES Notes Claims Against FG shall be Allowed in the aggregate amount of $2,237,912,062, which is comprised of the Unsecured FG PCN Claims in the amount of $684,638,378 and the guarantee claims of the

Holders of FES Notes Claims in the amount of $701,311,411, and the Unsecured NG PCN Claims in the amount of $851,962,273.

c. *Treatment*: Except to the extent that a Holder of an Allowed Unsecured PCN/FES Notes Claim Against FG agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each Unsecured PCN/FES Notes Claim Against FG, each Holder of an Allowed Unsecured PCN/FES Notes Claim Against FG shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES Common Stock, subject to dilution for the Management Incentive Plan, in an amount equal to its Pro Rata share of the FG Unsecured Distributable Value, subject to (i) the reallocation of the Reallocation Pool to Holders of Single Box Unsecured Claims and (ii) the Mansfield Reallocation. The aggregate amount of value available for distribution to Holders of Allowed Unsecured PCN/FES Notes Claims against FG in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class B5.

Notwithstanding the foregoing, Electing Bondholders shall receive, on the Effective Date or as soon as reasonably practicable thereafter, their Pro Rata share of the Unsecured Bondholder Cash Pool in lieu of New FES Common Stock, *provided, however* that to the extent the Unsecured Bondholder Cash Pool is insufficient to provide each Electing Bondholder its allocable recovery of FG Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single-Box Unsecured Claims and (ii) the Mansfield Reallocation, the Electing Bondholders shall receive the remainder of their distribution in New FES Common Stock and subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed Unsecured PCN/FES Notes Claims against FG in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class B5.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed Unsecured PCN/FES Notes Claim Against FG that received New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

d. *Voting*: Class B5 is Impaired under the Plan. Holders of Claims in Class B5 are entitled to vote to accept or reject the Plan.

16. Class B6 – Mansfield Certificate Claims Against FG.

a. *Classification*: Class B6 consists of Mansfield Certificate Claims against FG.

b. *Allowance*: The Mansfield Certificate Claims Against FG shall be Allowed in the aggregate amount of $786,763,400 in accordance with the terms of the Mansfield Settlement.

c. *Treatment*: Except to the extent that a Holder of an Allowed Mansfield Certificate Claim Against FG agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and

discharge of each Mansfield Certificate Claim Against FG, each Holder of an Allowed Mansfield Certificate Claim Against FG shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES Common Stock, subject to dilution for the Management Incentive Plan, in an amount equal to its Pro Rata share of the FG Unsecured Distributable Value, subject to (i) the reallocation of the Reallocation Pool to holders of Single Box Unsecured Claims and (ii) the Mansfield Reallocation. The aggregate amount of value available for distribution to Holders of Allowed Mansfield Certificate Claims against FG in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class B6.

Notwithstanding the foregoing, Electing Bondholders shall receive, on the Effective Date or as soon as reasonably practicable thereafter, their Pro Rata share of the Unsecured Bondholder Cash Pool in lieu of New FES Common Stock, *provided, however* that to the extent the Unsecured Bondholder Cash Pool is insufficient to provide each Electing Bondholder its allocable recovery of FG Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single-Box Unsecured Claims and (ii) the Mansfield Reallocation, the Electing Bondholders shall receive the remainder of their distribution in New FES Common Stock subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed Mansfield Certificate Claims against FG in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class B6.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed Mansfield Certificate Claim Against FG that received New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

d. *Voting*: Class B6 is Impaired under the Plan. Holders of Claims in Class B6 are entitled to vote to accept or reject the Plan.

17. Class B7 – FG Single-Box Unsecured Claims.

a. *Classification*: Class B7 consists of FG Single-Box Unsecured Claims.

b. *Treatment*: Except to the extent that a Holder of an Allowed FG Single-Box Unsecured Claim agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each FG Single-Box Unsecured Claim, each Holder of an Allowed FG Single-Box Unsecured Claim shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its Pro Rata share of (i) the FG Unsecured Distributable Value and (ii) the Reallocation Pool allocable to FG, *provided* that such Holders shall have the option to elect to receive their ratable share of New FES Common Stock in equal amount, subject to the Equity Election Conditions and subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed FG Single-Box Unsecured Claims set forth in clauses (i) and (ii) of the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class B7.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed FG Single-Box Unsecured Claim that receives New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

c. *Voting*: Class B7 is Impaired under the Plan. Holders of Claims in Class B5 are entitled to vote to accept or reject the Plan.

18. Class B8 –Mansfield TIA Claims against FG.

a. *Classification*: This Class consists of the Mansfield TIA Claims against FG.

b. *Treatment*: Except to the extent that the Holder of an Allowed Mansfield TIA Claim against FG agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of the Mansfield TIA Claims against FG, each Holder of an Allowed Mansfield TIA Claims against FG shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its Pro Rata share of FG Unsecured Distributable Value. The aggregate amount of value available for distribution to Holders of Allowed Mansfield TIA Claims against FG shall be subject to the Distributable Value Adjustment Amount applicable to Class B8.

c. *Voting*: Class B8 is Impaired under the Plan. Holders of Claims in Class B8 are entitled to vote to accept or reject the Plan.

19. Class B9 – Convenience Claims against FG.

a. *Classification*: Class B9 consists of all Convenience Claims against FG.

b. *Treatment*: Except to the extent that a Holder of an Allowed Convenience Claim against FG agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release, and discharge of each Allowed Convenience Claim against FG, each Holder of an Allowed Convenience Claim against FG that has properly elected to be treated as such on its Ballot shall receive, on the Effective Date or as soon as reasonably practicable thereafter, Cash in an amount equal to 22.0% of the Allowed Convenience Claim.

c. *Voting*: Class B9 is Impaired under the Plan. Holders of Claims in Class B9 are entitled to vote to accept or reject the Plan.

20. Class B10 – Inter-Debtor Claims against FG.

a. *Classification*: Class B10 consists of prepetition Inter-Debtor Claims against FG.

b. *Allowance:* The prepetition Inter-Debtor Claims against FG shall be Allowed as unsecured claims in the aggregate amount of $901,881,812.

c. *Treatment*: Each Holder of an Allowed prepetition Inter-Debtor Claim against FG shall receive their Pro Rata share of the FG Unsecured Distributable Value. In lieu of Cash payment or other distribution to the Debtors holding such

prepetition Inter-Debtor Claim against FG, the distributions on account of such prepetition Inter-Debtor Claims shall be made to the Holders of Allowed Unsecured Claims against the Debtor holding such prepetition Inter-Debtor Claims against FG by including the recovery on such prepetition Inter-Debtor Claims against FG in the calculation of the Unsecured Distributable Value relating to the Debtor holding such prepetition Inter-Debtor Claims against FG.

d. *Voting*: Class B10 is Impaired under the Plan. Notwithstanding such Impairment, holders of prepetition Inter-Debtor Claims against FG are insiders whose votes will not be counted. Accordingly, this class will not vote to accept or reject the Plan.

21. Class B11 – Interests in FG.

a. *Classification*: Class B11 consists of Interests in FG.

b. *Treatment*: Reorganized FES shall retain ownership of all Interests in FG.

c. *Voting*: Holders of Interests in Class B11 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

22. Class C1 – Other Secured Claims against NG.

a. *Classification*: Class C1 consists of Other Secured Claims against NG.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class C1 agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class C1, each such Holder shall receive, at the option of NG, either:

i. payment in full in Cash;

ii. delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code;

iii. Reinstatement of such Claim; or

iv. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class C1 is Unimpaired under the Plan. Holders of Claims in Class C1 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

23. Class C2 – Other Priority Claims against NG.

a. *Classification*: Class C2 consists of Other Priority Claims against NG.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class C2 agrees to less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class C2, each such Holder shall receive, at the option of NG, either:

i. payment in full in Cash; or

ii. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class C2 is Unimpaired under the Plan. Holders of Claims in Class C2 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

24. Class C3 – Secured NG PCN Claims.

a. *Classification*: Class C3 consists of the Secured NG PCN Claims against NG.

b. *Allowance*: The Secured NG PCN Claims shall be Allowed in the aggregate principal amount of $284,600,000, plus accrued and unpaid pre- and postpetition interest (at the prepetition rate) on such principal amount through and including the Effective Date.

c. *Treatment:* Allowed Secured NG PCN Claims shall be Reinstated in full on the Effective Date, or as soon thereafter as practicable, *provided, however*, that any Allowed Secured NG PCN Claims relating to accrued and unpaid pre- and postpetition interest on the principal amount of the Secured NG PCN Claims through and including the Effective Date shall be paid in full in Cash.

In the event that the Debtors elect to form New FES, the guarantee of FES with respect to such Allowed Secured NG PCN Claims shall be released following the Effective Date, and on the Effective Date New FES shall provide a new unsecured guarantee with respect to such Allowed Secured NG PCN Claim.

d. *Voting*: Class C3 is Impaired under the Plan. Holders of Claims in Class C3 are entitled to vote to accept or reject the Plan.

25. Class C4 – Unsecured PCN/FES Notes Claims against NG.

a. *Classification*: Class C4 consists of Unsecured PCN/FES Notes Claims against NG.

b. *Allowance*: The Unsecured PCN/FES Notes Claims Against NG shall be Allowed in the aggregate amount of $2,237,912,062, which is comprised of the Unsecured NG PCN Claims in the amount of $851,962,273 and the guarantee claims of the Holders of FES Notes Claims in the amount of $701,311,411 and the Unsecured FG PCN Claims in the amount of $684,638,378.

c. *Treatment*: Except to the extent that a Holder of an Allowed Unsecured PCN/FES Notes Claim Against NG agrees to a less favorable treatment, in

exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each Unsecured PCN/FES Notes Claim Against NG, each Holder of an Allowed Unsecured PCN/FES Notes Claim Against NG shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES Common Stock, subject to dilution for the Management Incentive Plan, in an amount equal to its Pro Rata share of NG Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single Box Unsecured Claims and (ii) the Mansfield Reallocation. The aggregate amount of value available for distribution to Holders of Allowed Unsecured PCN/FES Notes Claims against NG in accordance with the preceding sentence be subject to the Distributable Value Adjustment Amount applicable to Class C4.

Notwithstanding the foregoing, Electing Bondholders shall receive, on the Effective Date or as soon as reasonably practicable thereafter, their Pro Rata share of the Unsecured Bondholder Cash Pool in lieu of New FES Common Stock, *provided, however* that to the extent the Unsecured Bondholder Cash Pool is insufficient to provide each Electing Bondholder its allocable recovery of NG Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single-Box Unsecured Claims and (ii) the Mansfield Reallocation, the Electing Bondholders shall receive the remainder of their distribution in New FES Common Stock subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed Unsecured PCN/FES Notes Claims against NG in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class C4.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed Unsecured PCN/FES Notes Claim Against NG that received New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

d. *Voting*: Class C4 is Impaired under the Plan. Holders of Claims in Class C4 are entitled to vote to accept or reject the Plan.

26. Class C5 – Mansfield Certificate Claims Against NG.

a. *Classification*: Class C5 consists of Mansfield Certificate Claims against NG.

b. *Allowance*: The Mansfield Certificate Claims Against NG shall be Allowed in the aggregate amount of $786,763,400 in accordance with the terms of the Mansfield Settlement.

c. *Treatment*: Except to the extent that a Holder of an Allowed Mansfield Certificate Claim Against NG agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each Mansfield Certificate Claim Against NG, each Holder of an Allowed Mansfield Certificate Claim Against NG shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES Common Stock, subject to dilution for the Management Incentive Plan, in an amount equal to its Pro Rata share of NG Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single Box Unsecured Claims and (ii)

the Mansfield Reallocation. The aggregate amount of value available for distribution to Holders of Allowed Mansfield Certificate Claims against NG in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class C5.

Notwithstanding the foregoing, Electing Bondholders shall receive, on the Effective Date or as soon as reasonably practicable thereafter, their Pro Rata share of the Unsecured Bondholder Cash Pool in lieu of New FES Common Stock, *provided, however* that to the extent the Unsecured Bondholder Cash Pool is insufficient to provide each Electing Bondholder its allocable recovery of NG Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single-Box Unsecured Claims and (ii) the Mansfield Reallocation, the Electing Bondholders shall receive the remainder of their distribution in New FES Common Stock subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed Mansfield Certificate Claims against NG in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class C5.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed Mansfield Certificate Claim Against NG that received New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

d. *Voting*: Class C5 is Impaired under the Plan. Holders of Claims in Class C5 are entitled to vote to accept or reject the Plan.

27. Class C6 –NG Single-Box Unsecured Claims.

a. *Classification*: Class C6 consists of NG Single-Box Unsecured Claims.

b. *Treatment*: Except to the extent that a Holder of an Allowed NG Single-Box Unsecured Claim agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each NG Single-Box Unsecured Claim, each Holder of an Allowed NG Single-Box Unsecured Claim shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to their Pro Rata share of NG Unsecured Distributable Value, *provided* that such Holders shall have the option to elect to receive their ratable share of New FES Common Stock in equal amount, subject to the Equity Election Conditions and subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed NG Single-Box Unsecured Claims shall be subject to the Distributable Value Adjustment Amount applicable to Class C6.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed NG Single-Box Unsecured Claim that receives New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

c. *Voting*: Class C6 is Impaired under the Plan. Holders of Claims in Class C6 are entitled to vote to accept or reject the Plan.

28. Class C7 – NG-FENOC Unsecured Claims against NG.

a. *Classification*: Class C7 consists of Holders of NG-FENOC Unsecured Claims (solely as to the portion of the claim against NG).

b. *Treatment*: Except to the extent that a Holder of an Allowed NG-FENOC Unsecured Claim against NG agrees to less favorable treatment, in exchange for full and final satisfaction, compromise, settlement, release and discharge of each NG-FENOC Unsecured Claim, each Holder of an Allowed NG-FENOC Unsecured Claim against NG shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to their Pro Rata share of NG Unsecured Distributable Value, *provided* that such Holders shall have the option to elect to receive their Pro Rata share of New FES Common Stock in equal amount, subject to the Equity Election Conditions, and subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed NG-FENOC Unsecured Claims against NG shall be subject to the Distributable Value Adjustment Amount applicable to Class C7.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed NG-FENOC Unsecured Claim Against NG that receives New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

c. *Voting*: Class C7 is Impaired under the Plan. Holders of Claims in Class C7 are entitled to vote to accept or reject the Plan.

29. Class C8 – Convenience Claims against NG.

a. *Classification*: Class C8 consists of all Convenience Claims against NG.

b. *Treatment*: Except to the extent that a Holder of an Allowed Convenience Claim against NG agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release, and discharge of each Allowed Convenience Claim against NG, each Holder of an Allowed Convenience Claim against NG that has properly elected to be treated as such on its Ballot shall receive, on the Effective Date or as soon as reasonably practicable thereafter, Cash in an amount equal to 35.7% of the Allowed Convenience Claim.

c. *Voting*: Class C8 is Impaired under the Plan. Holders of Claims in Class C8 are entitled to vote to accept or reject the Plan.

30. Class C9 – Inter-Debtor Claims against NG.

a. *Classification*: Class C8 consists of prepetition Inter-Debtor Claims against NG.

b. *Treatment*: Each Holder of an Allowed prepetition Inter-Debtor Claim against NG, if any, shall receive their Pro Rata share of the NG Unsecured Distributable Value. In lieu of Cash payment or other distribution to the Debtors holding such prepetition Inter-Debtor Claims against NG, the distributions on account of such prepetition Inter-Debtor Claims shall be made to the Holders of Allowed Unsecured Claims against the Debtor holding such prepetition Inter-Debtor Claims against NG by including the recovery on such prepetition Inter-Debtor Claims against NG in the calculation of the Unsecured Distributable Value relating to the Debtor holding such prepetition Inter-Debtor Claims against NG.

c. *Voting*: Class C9 is Impaired under the Plan. Notwithstanding such Impairment, Holders of prepetition Inter-Debtor Claims against NG are insiders whose votes will not be counted. Accordingly, this class will not vote to accept or reject the Plan.

31. Class C10 – Interests in NG.

a. *Classification*: Class C10 consists of Interests in NG.

b. *Treatment*: Reorganized FES shall retain ownership of all of the Interests in NG.

c. *Voting*: Holders of Interests in Class C10 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

32. Class D1 – Other Secured Claims against FENOC.

a. *Classification*: Class D1 consists of Other Secured Claims against FENOC.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class D1 agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class D1, each such Holder shall receive, at the option of FENOC, either:

i. payment in full in Cash;

ii. delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code;

iii. Reinstatement of such Claim; or

iv. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class D1 is Unimpaired under the Plan. Holders of Claims in Class D1 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

33. Class D2 – Other Priority Claims against FENOC.

a. *Classification*: Class D2 consists of Other Priority Claims against FENOC.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class D2 agrees to less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class D2, each such Holder shall receive, at the option of FENOC, either:

i. payment in full in Cash; or

ii. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class D2 is Unimpaired under the Plan. Holders of Claims in Class D2 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

34. Class D3 – FENOC-FES Unsecured Claims against FENOC.

a. *Classification*: Class D3 consists of Holders of FENOC-FES Unsecured Claims (solely as to the portion of the claim against FENOC).

b. *Treatment*: Except to the extent that a Holder of an Allowed FENOC-FES Unsecured Claim against FENOC agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each FENOC-FES Unsecured Claim against FENOC, each Holder of an Allowed FENOC-FES Unsecured Claim against FENOC shall receive, on the Effective Date or as soon as reasonably practicable thereafter cash equal to its Pro Rata share of FENOC Unsecured Distributable Value, *provided* that such Holders shall have the option to elect to receive their Pro Rata share of New FES Common Stock in equal amount, subject to the Equity Election Conditions and subject to dilution for the Management Incentive Plan, *provided* however, that such election shall only be available on account of the portion of the Allowed FENOC-FES Unsecured Claim guaranteed by FES. The aggregate amount of value available for distribution to Holders of Allowed FENC-FES Unsecured Claims against FENOC shall be subject to the Distributable Value Adjustment Amount applicable to Class D3.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed FENOC-FES Unsecured Claim against FENOC that receives New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

c. *Voting*: Class D3 is Impaired under the Plan. Holders of Claims in Class D3 are entitled to vote to accept or reject the Plan.

35. Class D4 – FENOC Single-Box Unsecured Claims against FENOC.

a. *Classification*: Class D4 consists of FENOC Single-Box Unsecured Claims.

b. *Treatment:* Except to the extent that a Holder of an Allowed FENOC Single-Box Unsecured Claim agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each FENOC Single-Box Unsecured Claims, each Holder of an Allowed FENOC Single-Box Unsecured Claim shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its Pro Rata share of (i) the FENOC Unsecured Distributable Value and (ii) the portion of the Reallocation Pool allocable to FENOC. The aggregate amount of value available for distribution to Holders of Allowed FENOC Single-Box Unsecured Claims set forth in clauses (i) and (ii) of the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class D4.

c. *Voting*: Class D4 is Impaired under the Plan. Holders of Claims in Class D4 are entitled to vote to accept or reject the Plan.

36. Class D5 – NG-FENOC Unsecured Claims against FENOC.

a. *Classification*: Class D5 consists of Holders of NG-FENOC Unsecured Claims (solely as to the portion of the claim against FENOC).

b. *Treatment*: Except to the extent that a Holder of an Allowed NG-FENOC Unsecured Claim against FENOC agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each NG-FENOC Unsecured Claim against FENOC, each Holder of an Allowed NG-FENOC Unsecured Claim shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its Pro Rata share of FENOC Unsecured Distributable Value. The aggregate amount of value available for distribution to Holders of Allowed NG-FENOC Unsecured Claims against FENOC shall be subject to the Distributable Value Adjustment Amount applicable to Class D5.

c. *Voting*: Class D5 is Impaired under the Plan. Holders of Claims in Class D5 are entitled to vote to accept or reject the Plan.

37. Class D6 – Convenience Claims against FENOC.

a. *Classification*: Class D6 consists of all Convenience Claims against FENOC.

b. *Treatment*: Except to the extent that a Holder of an Allowed Convenience Claim against FENOC agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release, and discharge of each Allowed Convenience Claim against FENOC, each Holder of an Allowed Convenience Claim against FENOC that has properly elected to be treated as

such on its Ballot shall receive, on the Effective Date or as soon as reasonably practicable thereafter, Cash in an amount equal to 24.0% of the Allowed Convenience Claim.

c. *Voting*: Class D6 is Impaired under the Plan. Holders of Claims in Class D6 are entitled to vote to accept or reject the Plan.

38. Class D7 – Inter-Debtor Claims against FENOC.

a. *Classification*: Class D7 consists of prepetition Inter-Debtor Claims against FENOC.

b. *Allowance*: The prepetition Inter-Debtor Claims against FENOC shall be Allowed as Unsecured Claims in the aggregate amount of $32,603,216.

c. *Treatment*: Each Holder of an Allowed prepetition Inter-Debtor Claim against FENOC shall receive their Pro Rata share of the FENOC Unsecured Distributable Value. In lieu of Cash payment or other distribution to the Debtors holding such prepetition Inter-Debtor Claims, the distributions on account of such prepetition Inter-Debtor Claims against FENOC shall be made to the Holders of Allowed Unsecured Claims against the Debtor holding such prepetition Inter-Debtor Claims against FENOC by including the recovery on such prepetition Inter-Debtor Claims against FENOC in the calculation of the Unsecured Distributable Value relating to the Debtor holding such prepetition Inter-Debtor Claims against FENOC.

d. *Voting*: Class D7 is Impaired under the Plan. Notwithstanding such Impairment, holders of prepetition Inter-Debtor Claims against FENOC are insiders whose votes will not be counted. Accordingly, this class will not vote to accept or reject the Plan.

39. Class D8 – Interests in FENOC.

a. *Classification*: Class D8 consists of Interests in FENOC.

b. *Treatment*: On the Effective Date, Interests in FENOC shall be cancelled and released without any distribution on account of such Interests. On the Effective Date, shares of new common stock of Reorganized FENOC shall be issued to Reorganized FES.

c. *Voting*: Holders of Interests in Class D8 are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

40. Class E1 – Other Secured Claims against FGMUC.

a. *Classification*: Class E1 consists of Other Secured Claims against FGMUC.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class E1 agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each

Allowed Claim in Class E1, each such Holder shall receive, at the option of FGMUC, either:

i. payment in full in Cash;

ii. delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code;

iii. Reinstatement of such Claim; or

iv. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class E1 is Unimpaired under the Plan. Holders of Claims in Class E1 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

41. Class E2 – Other Priority Claims against FGMUC.

a. *Classification*: Class E2 consists of Other Priority Claims against FGMUC.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class E2 agrees to less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class E2, each such Holder shall receive, at the option of FGMUC, either:

i. payment in full in Cash; or

ii. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class E2 is Unimpaired under the Plan. Holders of Claims in Class E2 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

42. Class E3 – Mansfield Certificate Claims against FGMUC.

a. *Classification*: Class E3 consists of the Mansfield Certificate Claims against FGMUC.

b. *Allowance*: The Mansfield Certificate Claims shall be allowed in the amount of $786,763,400 in accordance with the terms of the Mansfield Settlement.

c. *Treatment*: Except to the extent that a Holder of an Allowed Mansfield Certificate Claim Against FGMUC agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each Mansfield Certificate Claim against FGMUC, each Holder of an Allowed Mansfield Certificate Claim against FGMUC shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES

Common Stock subject to dilution for the Management Incentive Plan, in an amount equal to its Pro Rata share of FGMUC Unsecured Distributable Value, subject to (i) the reallocation of the Reallocation Pool to Holders of Single Box Unsecured Claims and (ii) the Mansfield Reallocation. The aggregate amount of value available for distribution to Holders of Allowed Mansfield Certificate Claims against FGMUC in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class E3.

Notwithstanding the foregoing, Electing Bondholders shall receive, on the Effective Date or as soon as reasonably practicable thereafter, their Pro Rata share of the Unsecured Bondholder Cash Pool in lieu of New FES Common Stock, *provided, however* that to the extent the Unsecured Bondholder Cash Pool is insufficient to provide each Electing Bondholder its allocable recovery of FGMUC Unsecured Distributable Value, subject to the applicable Distributable Value Adjustment Amount, and subject to the reallocation of (i) the Reallocation Pool to Holders of Single-Box Unsecured Claims and (ii) the Mansfield Reallocation, the Electing Bondholders shall receive the remainder of their distribution in New FES Common Stock subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed Mansfield Certificate Claims against FGMUC in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class E3.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed Mansfield Certificate Claim Against FGMUC that received New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

d. *Voting*: Class E3 is Impaired under the Plan. Holders of Claims in Class E3 are entitled to vote to accept or reject the Plan.

43. Class E4 – FGMUC Single-Box Unsecured Claims.

a. *Classification*: Class E4 consists of FGMUC Single-Box Unsecured Claims.

b. *Treatment*: Except to the extent that a Holder of an FGMUC Single-Box Unsecured Claim agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of the FGMUC Single-Box Unsecured Claims, the Holders of FGMUC Single-Box Unsecured Claims shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its Pro Rata share of (i) the FGMUC Unsecured Distributable Value, and (ii) the portion of the Reallocation Pool allocable to FGMUC. The aggregate amount of value available for distribution to Holders of Allowed FGMUC Single-Box Unsecured Claims set forth in clauses (i) and (ii) of the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class E4.

c. *Voting*: Class E4 is Impaired under the Plan. Holders of Claims in Class E4 are entitled to vote to accept or reject the Plan.

44. Class E5 – Mansfield TIA Claims against FGMUC.

a. *Classification*: Class E5 consists of the Mansfield TIA Claims against FGMUC.

b. *Treatment*: Except to the extent that a Holder of the Mansfield TIA Claims against FGMUC agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of the Mansfield TIA Claims against FGMUC, the Holder of an Allowed Mansfield TIA Claim against FGMUC shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to the Pro Rata share of the FGMUC Unsecured Distributable Value. The aggregate amount of value available for distribution to Holders of Allowed Mansfield TIA Claims against FGMUC shall be subject to the Distributable Value Adjustment Amount applicable to Class E5.

c. *Voting*: Class E5 is Impaired under the Plan. Holders of Claims in Class E5 are entitled to vote to accept or reject the Plan.

45. Class E6 – Convenience Claims against FGMUC.

a. *Classification*: Class E6 consists of all Convenience Claims against FGMUC.

b. *Treatment*: Except to the extent that a Holder of an Allowed Convenience Claim against FGMUC agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release, and discharge of each Allowed Convenience Claim against FGMUC, each Holder of an Allowed Convenience Claim against FGMUC that has properly elected to be treated as such on its Ballot shall receive, on the Effective Date or as soon as reasonably practicable thereafter, Cash in an amount equal to 18.0% of the Allowed Convenience Claim.

c. *Voting*: Class E6 is Impaired under the Plan. Holders of Claims in Class E6 are entitled to vote to accept or reject the Plan.

46. Class E7 – Inter-Debtor Claims against FGMUC.

a. *Classification*: Class E7 consists of Inter-Debtor Claims against FGMUC.

b. *Allowance:* The prepetition Inter-Debtor Claims against FGMUC shall be Allowed in the amount of $367,534,565.

c. *Treatment*: Each Holder of an Allowed prepetition Inter-Debtor Claim against FGMUC shall receive their Pro Rata share of the FGMUC Unsecured Distributable Value. In lieu of Cash payment or other distribution to the Debtors holding such prepetition Inter-Debtor Claims, the distributions on account of such prepetition Inter-Debtor Claims shall be made to the Holders of Allowed Unsecured Claims against the Debtor holding such prepetition Inter-Debtor Claims against FGMUC against FGMUC by including the recovery on such prepetition Inter-Debtor Claims against FGMUC in the calculation of the Unsecured Distributable Value relating to the Debtor holding such prepetition Inter-Debtor Claims against FGMUC.

d. *Voting*: Class E7 is Impaired under the Plan. Notwithstanding such Impairment, Holders of prepetition Inter-Debtor Claims against FGMUC are insiders whose votes will not be counted. Accordingly, this class will not vote to accept or reject the Plan.

47. Class E8 – Interests in FGMUC.

a. *Classification*: Class E8 consists of Interests in FGMUC.

b. *Treatment*: In the discretion of the Debtors, in consultation with the Consenting Creditors and the Committee, Reorganized FG shall continue to own all of the Interests in FGMUC or FGMUC shall be dissolved and all Interests in FGMUC shall be cancelled and released without any distribution on account of such Interests.

c. *Voting*: Holders of Interests in Class E8 are conclusively deemed to have accepted or rejected the Plan pursuant to section 1126(f) or section 1126(g) of the Bankruptcy Code, respectively. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

48. Class F1 – Other Secured Claims against FE Aircraft.

a. *Classification*: Class F1 consists of Other Secured Claims against FE Aircraft.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class F1 agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class F1, each such Holder shall receive, at the option of FE Aircraft, either:

i. payment in full in Cash;

ii. delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code;

iii. Reinstatement of such Claim; or

iv. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class F1 is Unimpaired under the Plan. Holders of Claims in Class F1 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

49. Class F2 – Other Priority Claims against FE Aircraft.

a. *Classification*: Class F2 consists of Other Priority Claims against FE Aircraft.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class F2 agrees to less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class F2, each such Holder shall receive, at the option of FE Aircraft, either:

i. payment in full in Cash; or

ii. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class F2 is Unimpaired under the Plan. Holders of Claims in Class F2 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

50. Class F3 – General Unsecured Claims against FE Aircraft.

a. *Classification*: Class F3 consists of General Unsecured Claims against FE Aircraft.

b. *Treatment*: To the extent there are any General Unsecured Claims Against FE Aircraft, except to the extent that a Holder of an Allowed General Unsecured Claim Against FE Aircraft agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each General Unsecured Claim Against FE Aircraft, each Holder of an Allowed General Unsecured Claim Against FE Aircraft shall receive, on the Effective Date or as soon as reasonably practicable thereafter, its Pro Rata share of the FE Aircraft Cash Distribution Pool.

c. *Voting*: Class F3 is Impaired under the Plan. Holders of Claims in Class F3 are entitled to vote to accept or reject the Plan.

51. Class F4 – Inter-Debtor Claims against FE Aircraft.

a. *Classification*: Class F4 consists of prepetition Inter-Debtor Claims against FE Aircraft.

b. *Treatment*: Each Holder of an Allowed prepetition Inter-Debtor Claim against FE Aircraft if any, shall be treated *pari passu* with Unsecured Claims against FE Aircraft and will share in distributions from FE Aircraft. In lieu of Cash payment or other distribution to the Debtors holding such prepetition Inter-Debtor Claims against FE Aircraft, the distributions on account of such prepetition Inter-Debtor Claims shall be made to the Holders of Allowed Unsecured Claims against the Debtor holding such prepetition Inter-Debtor Claims against FE Aircraft by including the recovery on such prepetition Inter-Debtor Claims against FE Aircraft in the calculation of the Unsecured Distributable Value relating to the Debtor holding such prepetition Inter-Debtor Claims against FE Aircraft.

c. *Voting*: Class F4 is Impaired under the Plan. Notwithstanding such Impairment, Holders of prepetition Inter-Debtor Claims against FE Aircraft are insiders whose

votes will not be counted. Accordingly, this class will not vote to accept or reject the Plan.

52. Class F5 – Interests in FE Aircraft.

a. *Classification*: Class F5 consists of Interests in FE Aircraft.

b. *Treatment*: FE Aircraft shall be dissolved and Interests in FE Aircraft shall be cancelled and released without any distribution on account of such Interests.

c. *Voting*: Holders of Interests in Class F5 are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

53. Class G1 – Other Secured Claims against Norton.

a. *Classification*: Class G1 consists of Other Secured Claims against Norton.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class G1 agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class G1, each such Holder shall receive, at the option of Norton, either:

i. payment in full in Cash;

ii. delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code;

iii. Reinstatement of such Claim; or

iv. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class G1 is Unimpaired under the Plan. Holders of Claims in Class G1 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

54. Class G2 – Other Priority Claims against Norton.

a. *Classification*: Class G2 consists of Other Priority Claims against Norton.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class G2 agrees to less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class G2, each such Holder shall receive, at the option of Norton, either:

i. payment in full in Cash; or

ii. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class G2 is Unimpaired under the Plan. Holders of Claims in Class G2 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

55. Class G3 – General Unsecured Claims against Norton.

a. *Classification*: Class G3 consists of General Unsecured Claims against Norton.

b. *Treatment*: To the extent there are any General Unsecured Claims Against Norton, except to the extent that a Holder of an Allowed General Unsecured Claim Against Norton agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each General Unsecured Claim Against Norton, each Holder of an Allowed General Unsecured Claim Against Norton shall receive, on the Effective Date or as soon as reasonably practicable thereafter, its Pro Rata share of the Norton Cash Distribution Pool.

c. *Voting*: Class G3 is Impaired under the Plan. Holders of Claims in Class G3 are entitled to vote to accept or reject the Plan.

56. Class G4 – Inter-Debtor Claims against Norton.

a. *Classification*: Class G4 consists of Inter-Debtor Claims against Norton.

b. *Treatment*: Each Holder of an Allowed prepetition Inter-Debtor Claim against Norton, if any, shall be treated *pari passu* with Unsecured Claims against Norton and will share in distributions from Norton. In lieu of Cash payment or other distribution to the Debtors holding such prepetition Inter-Debtor Claims against Norton, the distributions on account of such prepetition Inter-Debtor Claims against Norton shall be made to the Holders of Allowed Unsecured Claims against the Debtor holding such prepetition Inter-Debtor Claims against Norton by including the recovery on such prepetition Inter-Debtor Claims against Norton in the calculation of the Unsecured Distributable Value relating to the Debtor holding such prepetition Inter-Debtor Claims against Norton.

c. *Voting*: Class G4 is Impaired under the Plan. Notwithstanding such Impairment, Holders of prepetition Inter-Debtor Claims against Norton are insiders whose votes will not be counted. Accordingly, this class will not vote to accept or reject the Plan.

57. Class G5 – Interests in Norton.

a. *Classification*: Class G5 consists of Interests in Norton.

b. *Treatment*: Reorganized FG shall retain ownership of all of the Interests in Norton.

c. *Voting*: Holders of Interests in Class G5 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

C. Sources of Consideration for Plan Distributions.

Distributions under the Plan shall be funded with, as applicable: (i) the New FES Common Stock, (ii) Cash on hand at the Debtors, and (iii) the FE Settlement Value contributed to the Debtors under the FE Settlement Agreement and the FE Settlement Order. Each distribution and issuance referred to in Article VI of the Plan shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions shall bind each Entity receiving such distribution or issuance. The issuance of the New FES Common Stock in connection with the Plan will be exempt from SEC registration to the fullest extent permitted by law.

1. Cash on Hand at the Debtors.

The Debtors shall use Cash on hand at the Debtors to fund Cash distributions to certain Holders of Claims against the Debtors in accordance with the Plan.

2. New FES Common Stock.

Reorganized FES shall be authorized to issue up to [___] shares of New FES Common Stock, subject to dilution by the Management Incentive Plan. Reorganized FES shall issue all securities, instruments, certificates, and other documents required to be issued for the New FES Common Stock in respect of Reorganized FES or its subsidiaries. All of the shares of New FES Common Stock issued pursuant to the Plan shall be duly authorized, validly issued, fully paid, and non-assessable.

The New FES Common Stock shall be DTC eligible. The certificate of incorporation, bylaws and/or shareholders agreement, as necessary or desirable, shall give effect to the provisions of the plan term sheet attached to the Restructuring Support Agreement in a manner that is both consistent with the Delaware General Corporation Law and permits the DTC eligibility of the New FES Common Stock. Notwithstanding anything to the contrary herein, all distributions of New FES Common Stock shall be accomplished in accordance with the customary practices of the transfer agent for the New FES Common Stock and in accordance with any applicable procedures of DTC. The Debtors and the Reorganized Debtors shall seek the cooperation of DTC so that distributions of New FES Common Stock shall be made through the facilities of DTC (to the extent applicable) on or as soon as practicable after the Effective Date.

3. Securities Registration Exemption.

The New FES Common Stock is or may be a "Security" as defined in Section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code, and applicable state securities laws.

Pursuant to section 1145 of the Bankruptcy Code, the issuance of the New FES Common Stock (other than New FES Common Stock, if any, to be issued pursuant to the Management Incentive Plan) is exempt from, among other things, the registration requirements of Section 5 of the Securities Act and any other applicable U.S. state or local law requiring registration before the offering, issuance, distribution, or sale of such securities. The New FES Common Stock issued pursuant to section 1145 of the Bankruptcy Code (i) is not a "restricted security" as defined in Rule 144(a)(3) under the Securities Act, and (ii) is freely tradeable and transferable by any initial recipient thereof that (a) at the time of the transfer is not an "affiliate" of the Reorganized Debtors, as defined in Rule 144(a)(1) under the Securities Act and has not

been such an "affiliate" within 90 days of such transfer, and (b) is not an entity that is an "underwriter" as defined in subsection 1145(b) of the Bankruptcy Code. New FES Common Stock underlying the Management Incentive Plan will be issued pursuant to other available exemptions from registration under the Securities Act and applicable law.

Notwithstanding any policies, practices, or procedures of DTC or any other applicable clearing system, DTC and all other applicable clearing systems shall cooperate with and take all actions reasonably requested by a Disbursing Agent or an indenture trustee to facilitate distributions to Holders of Allowed Claims without requiring that such distributions be characterized as repayments of principal or interest. No Disbursing Agent or indenture trustee shall be required to provide indemnification or other security to DTC in connection with any distributions to Holders of Allowed Claims through the facilities of DTC.

In connection with any ownership of the New FES Common Stock that will be reflected through the facilities of DTC on or after the Effective Date, the Reorganized Debtors need not provide any further evidence other than the Plan or the Confirmation Order with respect to the treatment of the New FES Common Stock under applicable securities laws. DTC shall be required to accept and conclusively rely upon the Plan and Confirmation Order in lieu of a legal opinion regarding whether any of the New FES Common Stock is exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services. Notwithstanding anything to the contrary in the Plan, no entity (including, for the avoidance of doubt, DTC) may require a legal opinion regarding the validity of any transaction contemplated by the Plan, including, for the avoidance of doubt, whether the New FES Common Stock is exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services.

4. FE Settlement Value.

The FE Settlement Value received by the Debtors pursuant to the FE Settlement Agreement and the FE Settlement Order, including the FE Settlement Cash and the proceeds from any transaction to monetize the New FE Notes may be used to fund Cash distributions to certain Holders of Allowed Claims and Allowed Interests against the Debtors in accordance with the Plan.

D. Restructuring Transactions.

1. Restructuring Transactions, Generally.

On the Effective Date, the Debtors or the Reorganized Debtors, as applicable, will effectuate the Restructuring Transactions, and will take any actions as may be necessary or advisable to effect a corporate restructuring of their respective businesses or a corporate restructuring of the overall corporate structure of the Debtors, to the extent provided herein. The actions to implement the Restructuring Transactions may include: (i) the execution and delivery of appropriate agreements, or other documents of merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable law and any other terms to which the applicable Entities may agree; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable parties agree; (iii) the filing of appropriate certificates or articles of incorporation, formation, reincorporation, merger, consolidation, conversion, amalgamation, arrangement, continuance, dissolution, or other organizational documents pursuant to applicable state law; and (iv) all other actions that the applicable Entities determine to be necessary or advisable, including making filings or recordings that may be required by law in connection

with the Plan, in each case in form and substance reasonably acceptable to the Requisite Supporting Parties, and except as otherwise specifically provided in the Plan, the Committee.

The Confirmation Order shall and shall be deemed to, pursuant to both section 1123 and section 363 of the Bankruptcy Code, authorize, among other things, all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, including the Restructuring Transactions.

2. Implementation of FE Settlement Agreement.

On the Effective Date, the FE Settlement Agreement shall be implemented in accordance with the terms and conditions of the FE Settlement Agreement and the FE Settlement Order, without waiving any rights of any of the Debtors, the Reorganized Debtors, or the FE Non-Debtor Parties, as applicable, under the FE Settlement Agreement or FE Settlement Order. The Debtors shall be authorized to, with the reasonable consent of the Requisite Supporting Parties and the Committee, enter into one or more transactions to monetize the New FE Notes on or as soon as practicable after the Effective Date. The allocation of the FE Settlement Value and all distributions of FE Settlement Value under the Plan are integral parts of the Plan Settlement and the settlements contained therein, including, but not limited to, the settlement of Inter-Debtor Claims, the settlement of the valuation of the Debtors' Estates and the settlement of the allocation of value as between the Debtors' Creditors. Therefore, the FE Settlement Agreement and the terms thereof that are reflected in the Plan are non-severable elements of the Plan and necessary conditions to the Confirmation and Consummation of the Plan. Because the FE Non-Debtor Parties are releasing any and all prepetition Claims against the Debtors pursuant to the terms of the Plan, the FE Non-Debtor Parties shall not vote on the Plan. To the extent the FE Settlement Agreement is terminated, nothing contained in the Plan shall be deemed to waive or release any Claim held by the FE Non-Debtor Parties under any subsequent plan of reorganization or liquidation or the FE Non-Debtor Parties' rights to vote thereon.

(a) Manner of Debtors' Separation from FE Non-Debtor Parties.

The Debtors shall be separated from the FE Non-Debtor Parties as follows:

1. On the Effective Date, the existing FE Corp. interests shall be cancelled and, subject to Article IV.F of the Plan, Reorganized FENOC shall contribute all of the new common stock of Reorganized FENOC to Reorganized FES; and

2. On the Effective Date, the existing FE Corp. Interests in Reorganized FES shall be cancelled and, subject to Article IV.F of the Plan, Reorganized FES shall issue the New FES Common Stock.

(b) Tax Matters Agreement.

On the Effective Date, in consideration for the Third Party Releases, the FE Non-Debtor Parties' Third Party Releases, the Exculpations and the Injunctions set forth in the FE Settlement Agreement and the Plan, along with the other consideration provided to the FE Non-Debtor Parties under the FE Settlement Agreement, the Reorganized Debtors and the FE Non-Debtor Parties shall enter into the Tax Matters Agreement. After the Effective Date, the Tax Matters Agreement shall not be amended or modified in any manner without the written consent of the Reorganized Debtors and the FE Non-Debtor Parties. The Tax Matters Agreement shall provide for the following: (i) the FE Non-Debtor Parties will, with the Debtors' or Reorganized Debtors', as applicable, review and consultation (beginning for tax year

2018), timely prepare in the ordinary course of business: (a) the U.S. federal income tax returns reflecting the Debtors' membership in the FE Consolidated Tax Group, and (b) any and all state and local income or other tax returns (including, but not limited to, income, franchise, use, property tax returns and other similar returns), in each case, for any tax period ending on or before the Effective Date; *provided, however*, that FE Corp. shall not be required to take any action, or omit to take any action, that would result in an adverse effect on any of the FE Non-Debtor Parties; (ii) FE Corp. shall not take or cause to be taken the Worthless Stock Deduction with effect prior to the Effective Date; (iii) the Debtors and the FE Non-Debtor Parties shall cooperate in developing a strategy for the Debtors to exit from chapter 11 that minimizes adverse tax consequences to the Reorganized Debtors and their stakeholders, *provided, however*, that FE Corp. shall not be required to take any action, or omit to take any action, that would result in an adverse effect on any of the FE Non-Debtor Parties; (iv) FE Corp. shall cooperate with reasonable tax diligence inquiries from the Debtors, the Committee, and the Consenting Creditors regarding historical intercompany tax issues and tax consequences of different chapter 11 exit structures, including in connection with any sale of the Debtors' assets; and (v) the FE Non Debtor Parties and the Debtors or Reorganized Debtors, as applicable, shall agree to reasonably cooperate regarding any audit or tax proceeding.

3. Implementation of Mansfield Settlement.

Entry of the Confirmation Order, pursuant to Bankruptcy Rule 9019 and section 1123 of the Bankruptcy Code, shall constitute approval of the Mansfield Settlement on the terms set forth herein. The Mansfield Settlement constitutes a good faith compromise and settlement of the Mansfield Certificate Claims held by the Mansfield Indenture Trustee, and of the potential objections to the amount, priority and availability or applicability of any guarantees related to such Claims. The Plan shall implement the terms of the Mansfield Settlement, as follows: (i) allowance of the Mansfield Certificate Claims in the amount of $786,763,400.00; (ii) the allowance of the Mansfield Certificate Claims as Unsecured Claims against each of FGMUC, FG, NG and FES in the aforementioned amount; (iii) the treatment as unencumbered property of the Debtors' estates of (a) the undivided interest in 93.825% of Mansfield Unit 1 that is the subject to the leveraged sale and leaseback transaction and (b) any and all insurance proceeds recovered on account of Mansfield Unit 1 and any additional value attributable to Mansfield Unit 1 to which the Mansfield Indenture Trustee might otherwise be entitled; (iv) the transfer of a Pro Rata share of any recovery distributed to the Mansfield Indenture Trustee, on behalf of the Holders of Mansfield Certificate Claims, on account of the Mansfield Certificate Claims against FGMUC to the Indenture Trustees for the PCNs and the FES Notes Indenture Trustee, based on the proportion that the Allowed amount of each of the Mansfield Certificate Claims, on the one hand, and Unsecured PCN Claims and FES Notes Claims, on the other hand, in each case against FES, bear to the aggregate Allowed amount of Mansfield Certificate Claims, Unsecured PCN Claims and FES Notes Claims at FES, (v) the transfer to NG of any insurance proceeds recovered on account of Mansfield Unit 1 and any additional value attributable to Mansfield Unit 1; (vi) the Confirmation Order shall serve as an order authorizing the rejection, *nunc pro tunc* to the Petition Date, of the Mansfield Facility Documents; (vii) $10,000,000 of the aggregate Unsecured Distributable Value from all Debtors otherwise available for distribution to the Holders of the Mansfield Certificate Claims shall be reallocated to the Holders of the Unsecured PCN/FES Notes Claims and (viii) the release and discharge of all other prepetition Mansfield Certificate Claims held by the Mansfield Indenture Trustee and any Holder of Mansfield Certificate Claims. The Mansfield Settlement further contemplates that ownership of Mansfield Unit 1 will be transferred to FG and authorizes the parties to the Mansfield Settlement to take any actions necessary in furtherance of that transfer, including any necessary regulatory filings or filings with FERC. The Mansfield Indenture Trustee is authorized to take any actions reasonably necessary in order to facilitate the Mansfield Settlement, and the Confirmation Order shall so provide. On the Effective Date, the Mansfield Facility Documents shall be deemed rejected as of the Petition Date.

4. Issuance and Distribution of New FES Common Stock.

On the Effective Date, or as soon as reasonably practicable thereafter, the New FES Common Stock shall be distributed in accordance with the Plan. The New FES Common Stock shall be subject to dilution by any New FES Common Stock issued pursuant to the Management Incentive Plan. The issuance of the New FES Common Stock by FES, including options, stock appreciation rights, or other equity awards, if any, contemplated by the Management Incentive Plan, is authorized without the need for any further corporate action and without any further action by the Holders of Claims or Interests.

The New FES Common Stock will be issued in global certificate form only and registered to DTC, which interests in the certificate being held through DTC participants, for so long as the shares of New FES Common Stock are eligible to be held through DTC. Holders must follow specified procedures to designate a direct or indirect DTC participant to receive their shares of New FES Common Stock.

All of the New FES Common Stock issued pursuant to the Plan, including the New FES Common Stock issued pursuant to section 1145 of the Bankruptcy Code and the New FES Common Stock issued pursuant to other exemptions from registration under the Securities Act, shall be duly authorized, validly issued, fully paid, and non-assessable. Each distribution and issuance of New FES Common Stock under the Plan shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance.

On the Effective Date, Reorganized FES and each of the other Reorganized Debtors shall be private companies. As such, upon the Effective Date, (i) the New FES Common Stock shall not be registered under the Securities Act or the Securities Exchange Act, and shall not be listed for public trading on any securities exchange, and (ii) none of the Reorganized Debtors will be a reporting company under the Securities Exchange Act. In order to prevent the Reorganized Debtors from becoming subject to the reporting requirements of the Securities Exchange Act, except in connection with a public offering, the New FES Common Stock shall be subject to certain transfer and other restrictions pursuant to the New Organizational Documents and/or the Reorganized Debtor Stockholders' Agreement. Any Holder of New FES Common Stock who does not execute the Reorganized Debtor Stockholders' Agreement will be automatically deemed to have accepted the terms of such agreement and to be a party to such agreement without further action.

5. Effective Date Cash Distribution.

The Requisite Supporting Parties and the Debtors, in consultation with the Committee, may agree to distribute Cash, in addition to New FES Common Stock, to those creditors who will receive distributions of New FES Common Stock under the Plan, in which case such Cash shall be distributed ratably based on such creditors' holdings of the New FES Common Stock. For the avoidance of doubt, such Cash distribution shall be funded solely by Cash that would otherwise be transferred to the Reorganized Debtors on the Effective Date and will not increase the value of recoveries to those creditors receiving such Cash distributions.

6. Unsecured Bondholder Cash Pool.

Holders of Allowed Unsecured Bondholder Claims shall have the option to elect to receive, in lieu of New FES Common Stock, their Pro Rata share (based on the Allowed principal amount of such Claims) of Cash equal to the aggregate value of New FES Common Stock distributed to Holders of Allowed General Unsecured Claims who have an election to receive New FES Common Stock and make such an election; *provided* that to the extent the Unsecured Bondholder Cash Pool is insufficient to

provide each Electing Bondholder its allocable recovery of Unsecured Distributable Value in accordance with the Plan, Electing Bondholders shall receive the remainder of their distribution in New FES Common Stock in accordance with the Plan; *provided further*, that to the extent there is surplus Cash in the Unsecured Bondholder Cash Pool after taking into account distributions to the Electing Bondholders on account of their Unsecured Bondholder Claims, such Cash shall revert to the Reorganized Debtors. For the avoidance of doubt, the maximum amount of Cash contributed to the Unsecured Bondholder Cash Pool shall be the amount of Cash that is equal to the aggregate value of New FES Common Stock distributed to Holders of Allowed General Unsecured Claims who have made an election to receive New FES Common Stock.

In order to elect to receive their Pro Rata share of the Unsecured Bondholder Cash Pool, an Electing Bondholder will be required to submit a subscription form to their broker, bank, commercial bank, transfer agent, trust company, dealer, or other agent or nominee, or, in the event an Electing Bondholder holds their Unsecured Bondholder Claims directly on the books of the transfer agent in their own name, to Prime Clerk no later than thirty (30) days prior to the Effective Date. Following an election to participate in the Unsecured Bondholder Cash Pool, the related PCNs, FES Notes, or Mansfield Certificates held through DTC will be frozen from trading.

7. Dissolution and Liquidation of Certain Debtor Entities.

FE Aircraft and such other Debtors as designated by the Debtors, shall be dissolved and liquidated in accordance with the Plan and applicable law without any further court or corporate action, including the filing of any documents with the Secretary of State for any state in which any such entity is incorporated or any other jurisdiction; *provided, however*, that the Debtors or Reorganized Debtors, as applicable, shall be permitted to make such filings as they deem reasonable or necessary in their sole discretion. For the avoidance of doubt, none of (i) the Debtors, (ii) the Reorganized Debtors, (iii) the FE Non-Debtor Parties, (iv) the Consenting Creditors, (v) the Committee or its members solely in their capacities as such, or (vi) with respect to each of the foregoing Entities in clauses (i) through (v), such Entity and its current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers (including all Independent Directors and Managers), officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agent, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such, shall have or incur any liability whatsoever in connection with or as a result of the dissolution or liquidation of any entity, in accordance with the terms of Article IV.B.7 of the Plan.

8. Corporate Existence.

Except as otherwise provided in the Plan, including as set forth in Article IV.B.7 of the Plan, each Debtor shall continue to exist after the Effective Date as a separate corporate Entity, limited liability company, partnership, or other form, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificates of incorporation and by-laws (or other formation documents) in effect before the Effective Date, except to the extent such certificates of incorporation and by-laws (or other formation documents) are amended under the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable state or federal law).

9. Vesting of Assets in Reorganized Debtors.

Except as otherwise provided in the Plan, and subject to any transfer of Assets of FES and/or FENOC as described in Article IV.F of the Plan, on the Effective Date, all property in each Estate, all Causes of Action, and any property acquired by any of the Debtors pursuant to the Plan shall vest in each applicable Reorganized Debtor free and clear of all Liens, Claims, charges, Interests, or other encumbrances. Except as otherwise provided in the Plan, on and after the Effective Date, each of the Reorganized Debtors may operate their business and may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

10. Transfer of FES and/or FENOC Assets to New Entities

At the election of the Debtors and the Requisite Supporting Parties, in consultation with the Committee, on the Effective Date, FES and/or FENOC may transfer all of their Assets to newly created entities, including the transfer by FES of its Assets to New FES or such other new entity to be formed, or a combination thereof.

FES and/or FENOC and such newly created entities, shall continue to exist as separate legal Entities on and after the Effective Date, having all rights and powers under applicable law. Immediately after consummation of the transfer of Assets to such newly created entities, (i) the Plan Administrator will serve as the sole director and officer of FES and/or FENOC, as applicable, and (ii) FES and/or FENOC, as applicable, will change its name in a manner acceptable to the Debtors and the Requisite Supporting Parties, in consultation with the Committee.

EXCEPT AS OTHERWISE PROVIDED IN THE PLAN, NEITHER NEW FES OR ANY OTHER NEW ENTITY TO BE FORMED NOR ANY OTHER REORGANIZED DEBTOR SHALL HAVE OR BE CONSTRUED TO HAVE OR MAINTAIN, ANY LIABILITY, CLAIMS, OR OBLIGATION THAT IS BASED IN WHOLE OR IN PART ON ANY ACT, OMISSION, TRANSACTION, EVENT, OR OTHER OCCURRENCE OR THING OCCURRING OR IN EXISTENCE ON OR PRIOR TO THE EFFECTIVE DATE OF THE PLAN (INCLUDING, WITHOUT LIMITATION, ANY LIABILITY, CLAIM OR OBLIGATION ARISING UNDER APPLICABLE NON-BANKRUPTCY LAW AS A SUCCESSOR TO FES AND/OR FENOC) AND NO SUCH LIABILITY, CLAIM, OR OBLIGATION FOR ANY ACTS SHALL ATTACH TO NEW FES OR ANY OTHER NEW ENTITY TO BE FORMED OR THE OTHER REORGANIZED DEBTORS.

11. Cancellation of Existing Securities and Agreements.

Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in the Plan or Plan Supplement, on the Effective Date: (i) the obligations of the Debtors under the Indentures, and any other certificate, share, note, bond, indenture, purchase right, option, warrant, contract, agreement, or other instrument or document, directly or indirectly, evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors giving rise to any Claim or Interest (except such indentures, certificates, notes, or other instruments or documents evidencing indebtedness or obligations of the Debtors that are specifically Reinstated pursuant to the Plan) shall be cancelled solely as to the Debtors and the Reorganized Debtors, and the Reorganized Debtors shall not have any continuing obligations thereunder; *provided, however* that the Indentures evidencing indebtedness or obligations not specifically Reinstated pursuant to the Plan shall continue in effect solely for the purposes of (a) allowing the Holders of Unsecured Bondholder Claims to receive distributions on account of their Claims as provided in the Plan, (b) allowing the Indenture Trustees, as applicable, to make distributions to be made on account of the Unsecured Bondholder Claims, and (c) preserving the

Indenture Trustee's rights to compensation and indemnity under each of the applicable Indentures as against any money or property distributed or allocable to Holders of Unsecured Bondholder Claims, including the Indenture Trustee's rights to maintain, enforce, and exercise their respective charging liens against such money or property, (d) permitting the Indenture Trustees, as applicable, to enforce any right or obligation owed to them under the Plan, and (e) permitting the Indenture Trustees to appear in the Chapter 11 Cases or in any proceeding in the Bankruptcy Court or any other court after the Effective Date on matters relating to the Plan or the Indentures; (ii) the FE/FES Revolver shall be cancelled as to the Debtors and the Reorganized Debtors, and the Reorganized Debtors shall not have any continuing obligations thereunder; and (iii) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors (except such agreements, indentures, certificates, notes, or other instruments evidencing indebtedness or obligations of the Debtors that are specifically Reinstated pursuant to the Plan) shall be released and discharged. For the avoidance of doubt, each of the Indenture Trustees shall be entitled to assert its respective charging liens arising under and in accordance with the applicable Indenture and any ancillary document, instrument, or agreement to obtain payment of its fees and expenses. On and after the Effective Date, all duties and responsibilities of each Indenture Trustee under the applicable Indenture shall be fully discharged except to the extent required in order to effectuate the Plan, including the continued obligations of the Secured PCN Indenture Trustees with respect to the Secured FG PCN Reinstated Claims and the Secured NG PCN Claims that will be Reinstated pursuant to the Plan. Subsequent to the performance by each Indenture Trustee of its obligations pursuant to the Plan and the Confirmation Order, such Indenture Trustee and its agents shall be relieved of all further duties and responsibilities related to the applicable Indenture.

12. Corporate Action.

On the Effective Date, or as soon thereafter as is reasonably practicable, all actions contemplated by the Plan shall be deemed authorized and approved in all respects, including: (i) implementation of the Restructuring Transactions; (ii) selection of the directors and officers for the Reorganized Debtors; (iii) issuance and distribution of the New FES Common Stock; and (iv) all other actions contemplated under the Plan (whether to occur before, on, or after the Effective Date). All matters provided for herein involving the corporate structure of the Debtors or the Reorganized Debtors, as applicable, and any corporate action required by the Debtors or the Reorganized Debtors in connection with the Plan shall be deemed to have occurred and shall be in effect as of the Effective Date, without any requirement of further action by the Bankruptcy Court, the Debtors, the Reorganized Debtors, or their respective security holders, directors, managers, or officers. On or before the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors shall be authorized and, as applicable, directed to issue, execute, and deliver the agreements, documents, securities, and instruments, and take such actions, contemplated under the Plan (or necessary or desirable to effect the transactions contemplated under the Plan) in the name of and on behalf of the Debtors or the Reorganized Debtors, as applicable, including the issuance of the New FES Common Stock, and any and all other agreements, documents, securities, and instruments relating to the foregoing, and all such documents shall be deemed ratified. The authorizations and approvals contemplated by Article IV.H of the Plan shall be effective notwithstanding any requirements under non-bankruptcy law.

13. FERC Approvals.

On the Effective Date, the FERC-Jurisdictional Debtors, and those Consenting Creditors who are party to the relevant Restructuring Transactions which require such authorization, shall have received FPA 203 Authorization for the Restructuring Transactions. The FERC-Jurisdictional Debtors, and those

Consenting Creditors who are party to the relevant Restructuring Transactions, shall cooperate to submit one or more application(s) requesting such FPA 203 Authorization from FERC at least 120 days prior to the Effective Date. FPA 203 Authorization shall be requested for, at a minimum, separation of the FERC-Jurisdictional Debtors from the FE Non-Debtor Parties, the transfer of ownership of the Mansfield Facility to FG, and the reorganization of FES into Reorganized FES.

14. New Organizational Documents.

The New Organizational Documents shall be consistent with the Restructuring Support Agreement and in form and substance reasonably acceptable to the Debtors, the Committee, and the Requisite Supporting Parties.

On the Effective Date, each of the Reorganized Debtors will file its New Organizational Documents with the applicable Secretaries of State and/or other applicable authorities in its respective state of incorporation or formation in accordance with the applicable laws of the respective state of incorporation or formation. Pursuant to section 1123(a)(6) of the Bankruptcy Code, the New Organizational Documents will prohibit the issuance of non-voting equity securities. After the Effective Date, the Reorganized Debtors may amend and restate their respective New Organizational Documents and other constituent documents as permitted by the laws of their respective state of incorporation and its respective New Organizational Documents.

15. Directors and Officers of the Reorganized Debtors.

As of the Effective Date, the term of the current members of the board of directors or managers of the applicable Debtors shall expire, and the new boards of directors or managers and the officers of each of the Reorganized Debtors shall be appointed in accordance with the Plan and the respective New Organizational Documents. The New FES Board shall consist of no fewer than seven (7) members, who shall initially consist of: (i) one (1) member who shall be the chief executive officer of Reorganized FES; (ii) Mr. John Kiani; (iii) two (2) members designated by Nuveen Asset Management, LLC on behalf of the Nuveen noteholders; *provided*, that one (1) such member (a) shall be independent of any stockholder with nomination rights, including Nuveen Asset Management, LLC, and (b) shall be reasonably acceptable to the Mansfield RSA Majority (as defined in the Restructuring Support Agreement); (iv) one (1) member designated by Avenue Capital Management II L.P.; (v) one (1) member who shall serve as executive chairman of the New FES Board designated jointly by the Ad Hoc Noteholder Group and the Mansfield RSA Majority (as defined in the Restructuring Support Agreement) subject to the reasonable consent of the Committee; and (vi) one (1) member designated jointly by the Ad Hoc Noteholder Group, the Mansfield RSA Majority (as defined in the Restructuring Support Agreement), and the Committee, who shall be independent of any stockholder with nomination rights, and shall be an individual with relevant industry or regulatory experience, provided, however, that the requirement of relevant industry or regulatory experience may be waived at the discretion of, and jointly by, the Ad Hoc Noteholder Group, the Mansfield RSA Majority, and the Committee. If the New FES Board initially consists of more than seven members, as may be determined on or prior to the Effective Date by the Ad Hoc Noteholder Group, such additional members may include members comprised of senior management of the Reorganized Debtors or members designated by the Requisite Supporting Parties.

Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Debtors will disclose in the Plan Supplement the identity and affiliations of any person proposed to serve on the initial board of directors or be an officer of each of the Reorganized Debtors. To the extent any such director or officer of the Reorganized Debtors is an "insider" under the Bankruptcy Code, the Debtors also will disclose the nature of any compensation to be paid to such director or officer.

16. Management Incentive Plan.

Upon the Effective Date, the New FES Board shall adopt the Management Incentive Plan providing for the issuance of New FES Common Stock, which Management Incentive Plan shall not authorize the issuance of in excess of 7.5% of the New FES Common Stock as of the Effective Date (on a fully diluted basis). The Management Incentive Plan shall provide for distribution of the Incentive Securities. Other terms of the Management Incentive Plan will include vesting, apportionment, forfeiture and granting of the Incentive Shares. The terms of any Management Incentive Plan shall be disclosed in the Plan Supplement (or left to the determination by the New FES Board following the Effective Date) and shall be reasonably acceptable to the Debtors, the Committee, and the Requisite Supporting Parties to the extent disclosed in the Plan Supplement.

17. Employee Obligations and Management Employment Contracts.

The Debtors' Incentive and Retention Plans shall be deemed to be assumed by the Reorganized Debtors. On the Effective Date, the Reorganized Debtors shall enter into the New Management Employment Contracts.

18. Transition Working Group Management Agreement.

The Debtors shall enter into the Transition Working Group Management Agreement which shall provide for the terms of services provided by the members of the Transition Working Group who are not employees of the Debtors and for compensation and reimbursement of expenses for such members. The Transition Working Group Management Agreement shall be filed as part of the Plan Supplement and shall become effective on the Confirmation Date.

E. Administrative Claims and Priority Tax Claims.

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests.

1. General Administrative Claims.

Except as specified in this Article II, and with respect to the FE Non-Debtor Parties, subject to the FE Settlement Agreement, unless the Holder of an Allowed General Administrative Claim and the Debtors or the Reorganized Debtors, as applicable, agree to less favorable treatment, each Holder of an Allowed General Administrative Claim will receive, in full satisfaction of its General Administrative Claim, Cash equal to the amount of such Allowed General Administrative Claim either: (i) on the Effective Date; (ii) if the General Administrative Claim is not Allowed as of the Effective Date, 30 days after the date on which an order allowing such General Administrative Claim becomes a Final Order, or as soon thereafter as reasonably practicable; or (iii) if the Allowed General Administrative Claim is based on a liability incurred by the Debtors in the ordinary course of their business after the Petition Date, pursuant to the terms and conditions of the particular transaction or agreement giving rise to such Allowed General Administrative Claim, without any further action by the Holders of such Allowed General Administrative Claim, and without any further notice to or action, order, or approval of the Bankruptcy Court.

Requests for payment of General Administrative Claims must be Filed and served on the Debtors or the Reorganized Debtors, as applicable, no later than the Administrative Claims Bar Date applicable to the Debtor against whom the General Administrative Claim is asserted pursuant to the procedures

specified in the Confirmation Order and the notice of the Effective Date. Holders of General Administrative Claims that are required to File and serve a request for payment of such General Administrative Claims by the Administrative Claims Bar Date that do not File and serve such a request by the Administrative Claims Bar Date shall be forever barred, estopped, and enjoined from asserting such General Administrative Claims against the Debtors, the Reorganized Debtors, or their respective property and such General Administrative Claims shall be deemed forever discharged and released as of the Effective Date. Any requests for payment of General Administrative Claims that are not properly Filed and served by the Administrative Claims Bar Date shall not appear on the Claims Register and shall be disallowed automatically without the need for further action by the Debtors or the Reorganized Debtors or further order of the Bankruptcy Court. To the extent Article II.A.1 of the Plan conflicts with Article XII.C of the Plan with respect to fees and expenses payable under section 1930(a) of the Judicial Code, including fees and expenses payable to the U.S. Trustee, Article XII.C of the Plan shall govern.

2. Postpetition Inter-Debtor Claims

Without the need to file or serve any request for payment of a General Administrative Claim, in accordance with the Plan Settlement, the postpetition Inter-Debtor Claims shall be Allowed as follows: (i) the postpetition Inter-Debtor Claim of FG against FES shall be Allowed as super-priority Administrative Claims in an amount equal to $120,291,389; (ii) the postpetition Inter-Debtor Claim of NG against FES shall be Allowed as super-priority Administrative Claims in an amount equal to $238,431,879; (iii) the postpetition Inter-Debtor Claims of FGMUC against FG shall be disallowed in full; (iv) the postpetition Inter-Debtor Claims of FENOC against FES shall be Allowed as a super-priority Administrative Claim in the amount of $2,000,000; and (v) the postpetition Inter-Debtor Claims of FENOC against NG shall be Allowed as super-priority Administrative Claims in the amount of $69,929,041. In lieu of Cash payment or other distribution to the Debtors holding such Inter-Debtor Claims, the distributions on account of such Inter-Debtor Claims may be made to the Holders of Allowed Unsecured Claims against the Debtor holding such Inter-Debtor Claims in accordance with the terms and conditions of the Plan.

3. Professional Compensation.

(a) Final Fee Applications.

All final requests for payment of Professional Fee Claims incurred during the period from the Petition Date through the Effective Date, must be Filed and served on the Debtors or Reorganized Debtors, as applicable, the Committee and the United States Trustee no later than the Professional Fee Claims Bar Date. All such final requests will be subject to approval by the Bankruptcy Court after notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court in the Chapter 11 Cases, including the Interim Compensation Order, and once approved by the Bankruptcy Court, paid promptly from the Professional Fee Escrow Account up to its full Allowed amount.

(b) Professional Fee Escrow Account

On the Effective Date, the Reorganized Debtors shall establish and fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Reserve Amount.

Upon the establishment of the Professional Fee Escrow Account, the Reorganized Debtors shall select a Professional Fee Escrow Agent for the Professional Fee Escrow Account to administer payments to and from such Professional Fee Escrow Account in accordance with the Plan and shall enter into an escrow agreement providing for administration of such payments in accordance with the Plan.

The Professional Fee Escrow Account shall be maintained in trust solely for the Professionals. Such funds shall not be considered property of the Estates of the Debtors or the Reorganized Debtors. The amount of Professional Fee Claims owing to the Professionals shall be paid in Cash to such Professionals from the Professional Fee Escrow Account when such Professional Fee Claims are Allowed by Final Order.

(c) Professional Fee Reserve Amount.

Professionals shall estimate their unpaid Professional Fee Claims and other unpaid fees and expenses incurred in rendering services to the Debtors before and as of the Effective Date and shall deliver such estimate to the Debtors no later than ten Business Days before the Effective Date; *provided, however*, that such estimate shall not be deemed to limit the amount of the fees and expenses that are the subject of the Professional's final request for payment of Filed Professional Fee Claims. If a Professional does not provide an estimate, the Debtors may estimate the unpaid and unbilled fees and expenses of such Professional. The total amount estimated pursuant to Article II.A.3(c) of the Plan shall comprise the Professional Fee Reserve Amount.

(d) Post-Effective Date Fees and Expenses.

When all Allowed amounts owing to Professionals have been paid in full from the Professional Fee Escrow Account, any remaining amount in the Professional Fee Escrow Account shall be disbursed to the Reorganized Debtors without any further action or order of the Bankruptcy Court.

If the amount in the Professional Fee Escrow Account is insufficient to fund payment in full of all Allowed amounts owing to Professionals, the deficiency shall be promptly funded to the Professional Fee Escrow Account by the Reorganized Debtors.

Upon the Effective Date, any requirement that Professionals comply with sections 327 through 331, 363, and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Debtors or Reorganized Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

4. Priority Tax Claims.

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each Holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code and, for the avoidance of doubt, Holders of Allowed Priority Tax Claims will receive interest on such Allowed Priority Tax Claims after the Effective Date in accordance with sections 511 and 1129(a)(9)(C) of the Bankruptcy Code.

F. Other Selected Provisions of the Plan.

Holders of Claims and Interests should read and review the Plan in its entirety. The inclusion of the below provisions in this Summary of the Plan should not be understood to imply that these provisions are more or less material than any other provision in the Plan.

1. Payment of Certain Fees.

Without any further notice to or action, order, or approval of the Bankruptcy Court, the Reorganized Debtors shall pay on the Effective Date any reasonable and documented unpaid fees and expenses incurred on or before the Effective Date by professionals and the Mansfield Indenture Trustee payable under the *Order (i) Authorizing Debtors to Assume (a) the Process Support Agreement and (b) the Standstill Agreement and (ii) Granting Related Relief* [Docket No. 509] and pursuant to the Restructuring Support Agreement, including, for the avoidance of doubt, payment of any transaction completion fees to GLC Advisors & Co. as financial advisor to the Ad Hoc Noteholders Group, Guggenheim Securities LLC as financial advisor to the Mansfield Certificateholders Group, and Houlihan Lokey Capital, Inc., as financial advisor to the FES Creditor Group. The Reorganized Debtors shall pay the reasonable and documented fees of the Indenture Trustees and their respective counsel incurred in connection with the Chapter 11 Cases. The Reorganized Debtors shall indemnify the Indenture Trustees for any reasonable and documented fees and expenses (including the reasonable and documented fees and expenses of its counsel and agents) incurred after the Effective Date solely in connection with the implementation of the Plan, including but not limited to, making distributions pursuant to and in accordance with the Plan, and any disputes arising in connection therewith.

All amounts distributed and paid pursuant to Article IV.R of the Plan shall not be subject to disgorgement, setoff, recoupment, reduction, or reallocation of any kind.

2. Treatment of Executory Contracts and Unexpired Leases

(a) Assumption and Rejection of Executory Contracts and Unexpired Leases.

On the Effective Date, except as otherwise provided herein, all Executory Contracts or Unexpired Leases of the Debtors, not previously assumed or rejected pursuant to an order of the Bankruptcy Court, will be deemed to be Assumed Executory Contracts or Unexpired Leases, in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, other than those Executory Contracts or Unexpired Leases that: (i) previously were assumed or rejected by the Debtors; (ii) are identified on the list of Rejected Executory Contracts and Unexpired Leases filed with the Plan Supplement; (iii) are the subject of a motion to reject an Executory Contract or Unexpired Lease that is pending on the Effective Date; or (iv) are subject to a motion to reject an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection is on or after the Effective Date; *provided, however* that to the extent an Executory Contract or Unexpired Lease is among one or more Debtors and one or more FE Non-Debtor Parties, such Executory Contract or Unexpired Lease is deemed rejected as of the Effective Date, unless such Executory Contract or Unexpired Lease (a) has been previously assumed by the Debtors or (b) is identified on the list of Assumed Executory Contracts or Unexpired Leases. Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such assumptions and, to the extent applicable, assignments of the Executory Contracts and Unexpired Leases, and the rejection of the Executory Contracts or Unexpired Leases listed on the list of Rejected Executory Contracts and Unexpired Leases filed with the Plan Supplement pursuant to sections 365(a) and 1123 of the Bankruptcy Code, in each case effective as of the Effective Date. Any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date by a Final Order. Each Executory Contract and Unexpired Lease assumed pursuant to this Article V.A or by any order of the Bankruptcy Court, which has not been assigned to a third party before the Effective Date, shall revest in and be fully enforceable by the Reorganized Debtors in accordance with its terms, except as such terms are modified by the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption under applicable law. The Debtors or Reorganized Debtors, as applicable, reserve the right to alter, amend, modify, or supplement the list of Assumed Executory Contracts and Unexpired Leases and the schedules

of Executory Contracts and Unexpired Leases with respect to the Debtors or Reorganized Debtors, as applicable, at any time through and including 45 days after the Effective Date, without the incurrence of any penalty or changing the priority or security of any Claims as a result of such treatment change. For the avoidance of doubt, nothing in this paragraph shall be deemed to apply to any collective bargaining agreement.

(b) Claims Based on Rejection of Executory Contracts or Unexpired Leases.

Unless otherwise provided by a Final Order of the Bankruptcy Court, all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, pursuant to the Plan or the Confirmation Order, if any, must be Filed and served upon the Debtors or Reorganized Debtors, as applicable, within 30 days after the later of: (i) notice of entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection; and (ii) the effective date of such rejection. **Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed and served within such time will be automatically disallowed, forever barred from assertion, and shall not be enforceable against the Debtors or the Reorganized Debtors, the Estates, or their property without the need for objection by the Reorganized Debtors or further notice to, or action, order, or approval of the Bankruptcy Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary.** All Allowed Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims against the applicable Debtor and shall be treated in accordance with the Plan, unless a different security or priority is otherwise asserted in such Proof of Claim and Allowed in accordance with Article VII of the Plan. In no event shall any counterparty to a Rejected Executory Contract or Unexpired Lease be permitted to exercise any non-monetary contractual remedies under such Executory Contract or Unexpired Lease against the Debtors, the Reorganized Debtors, their Estates or their respective properties. All such remedies shall, as of the Effective Date, be permanently enjoined. For the avoidance of doubt, nothing in this paragraph shall be deemed to apply to any collective bargaining agreement.

(c) Cure of Defaults for Assumed Executory Contracts and Unexpired Leases.

Any monetary defaults under each Assumed Executory Contract or Unexpired Lease shall be satisfied pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash on the Effective Date, subject to the limitation described below, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. In the event of a dispute regarding (i) the amount of any payments to cure such a default, (ii) the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or (iii) any other matter pertaining to assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order resolving the dispute and approving the assumption.

At least seventeen (17) days before the Confirmation Hearing, the Debtors will provide for notices of proposed assumption and proposed cure amounts to be sent to applicable third parties and for procedures for objecting thereto and resolution of disputes by the Bankruptcy Court. Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption or related cure amount must be Filed, served, and actually received by the Debtors at least seven (7) days before the Confirmation Hearing. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or cure amount will be deemed to have consented to such assumption or proposed cure amount. If the Bankruptcy Court determines that the cure amount for any Executory Contract or Unexpired Lease is greater than the amount set forth in the notice sent by the Debtors, the

Debtors may add such Executory Contract or Unexpired Lease to the list of Rejected Executory Contracts and Unexpired Leases, in which case such Executory Contract or Unexpired Lease will be deemed rejected as of the Effective Date.

Assumption of any Executory Contract or Unexpired Lease shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any Assumed Executory Contract or Unexpired Lease at any time before the effective date of assumption. **Upon the occurrence of the Effective Date and the payment by the Debtors of any cure amount, any Proofs of Claim Filed with respect to an Assumed Executory Contract or Unexpired Lease shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.**

(d) Preexisting Obligations to the Debtors Under Executory Contracts and Unexpired Leases.

Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of preexisting obligations owed by the Executory Contract or Unexpired Lease counterparty or counterparties to the Debtors or the Reorganized Debtors, as applicable, under such Executory Contracts or Unexpired Leases.

(e) Indemnification Obligations

Notwithstanding anything in the Plan to the contrary, each Indemnification Obligation of any Debtor shall be assumed by the applicable Reorganized Debtor, effective as of the Effective Date, pursuant to sections 365 and 1123 of the Bankruptcy Code or otherwise. Each such Indemnification Obligation shall remain in full force and effect, shall not be modified, reduced, discharged, impaired, or otherwise affected in any way, and shall survive Unimpaired and unaffected, irrespective of when such obligation arose.

The Debtors and Reorganized Debtors shall assume the Indemnification Obligations for the current and former directors, officers, managers (including all Independent Directors and Managers), employees, and other professionals of the Debtors, as applicable, in their capacities as such.

Notwithstanding the foregoing, nothing shall impair the ability of the Reorganized Debtors to modify indemnification obligations (whether in the bylaws, certificates of incorporation or formation, limited liability company agreements, other organizational or formation documents, board resolutions, indemnification agreements, employment contracts, or otherwise) for acts or omissions arising after the Effective Date.

(f) Collective Bargaining Agreement.

The Debtors are unable to assume their collective bargaining agreements as currently constituted because, among other things, the collective bargaining agreements require the Debtors to provide benefits to their employees under health care, severance, welfare, incentive compensation, and retirement plans sponsored by FE Corp. As of the Effective Date, the Debtors will no longer be able to offer such benefits to their employees under these FE Corp. plans. Prior to the Effective Date and once decisions have been made as to the health care, severance, welfare, incentive compensation and retirement plans that the Reorganized Debtors will offer their employees as of the Effective Date, the Debtors will negotiate with the unions that are parties to collective bargaining agreements with the Debtors regarding modifications necessary for the Debtors' post-Effective Date operations, including (i) to incorporate the changes to the

health care, severance, welfare, incentive compensation, and retirement plans that the Reorganized Debtors will offer their employees as of the Effective Date and (ii) separation so that the Reorganized Debtors, and not the Debtors and the FE Non-Debtor Parties, are party to and responsible for the applicable collective bargaining agreements upon the Effective Date, with the goal of reaching agreement on all such modifications prior to the Effective Date. In the event that the Debtors are unable to reach agreement with any particular union that is a party to a collective bargaining agreement on all such modifications to the collective bargaining agreement, the Debtors reserve their right to seek relief from the Bankruptcy Court under sections 1113 and 1114, to the extent applicable, of the Bankruptcy Code. Notwithstanding any provision of this Section V.F, nothing contained herein shall create an obligation of the FE Non-Debtor Parties to participate in, or contribute (either economically or otherwise) to, any negotiations between the Debtors and the unions that are parties to collective bargaining agreements.

(g) Insurance Policies.

Each of the Insurance Policies are treated as Executory Contracts under the Plan. Unless otherwise provided in the Plan, on the Effective Date, the Debtors shall be deemed to have assumed all Insurance Policies and any agreements, documents, and instruments relating to coverage of all insured Claims, and such Insurance Policies shall not be impaired in any way by the Plan or the Confirmation Order, but rather will remain valid and enforceable in accordance with their terms.

(h) Surety Bonds.

The Debtors' indemnification agreements with their sureties will be assumed. The surety bonds issued and in effect as of the Effective Date shall remain in full force and effect and such surety bonds and indemnification agreements shall not be impaired in any way by the Plan or the Confirmation Order, but rather will remain valid and enforceable in accordance with their terms, including the sureties' retention of any collateral.

(i) Modifications, Amendments, Supplements, Restatements, or Other Agreements.

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, or restatements thereto or thereof, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements have been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease or the validity, priority or amount of any Claims arising thereunder.

(j) Reservation of Rights.

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on any list of Rejected Executory Contracts or Unexpired Leases or list of Assumed Executory Contracts or Unexpired Leases, nor anything contained in the Plan, shall constitute an admission by the Debtors that such contract or lease is in fact an Executory Contract or Unexpired Lease or that any of the Reorganized Debtors has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors or the Reorganized Debtors, as applicable,

shall have 30 days following entry of a Final Order resolving such dispute to alter its treatment of such contract or lease.

(k) Nonoccurrence of the Effective Date.

In the event that the Effective Date does not occur with respect to a Debtor, the Bankruptcy Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting Unexpired Leases with respect to such Debtor pursuant to section 365(d)(4) of the Bankruptcy Code, unless such deadline has expired.

(l) Contracts and Leases Entered Into After the Petition Date.

Contracts and leases entered into after the Petition Date by any Debtor, including any Assumed Executory Contracts or Unexpired Leases, will be performed by the applicable Debtor, or the applicable Reorganized Debtor liable thereunder in the ordinary course of their business. Accordingly, any such contracts and leases (including Assumed Executory Contracts or Unexpired Leases) that have not been rejected as of the Confirmation Date shall survive and remain unaffected by entry of the Confirmation Order.

G. Provisions Governing Claims and Distributions

1. Timing and Calculation of Amounts to be Distributed

Unless otherwise provided in the Plan, on the Effective Date (or if a Claim is not an Allowed Claim on the Effective Date, on the date that such Claim becomes an Allowed Claim, or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim shall receive the full amount of the distributions that the Plan provides for Allowed Claims in the applicable Class. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VII of the Plan. Except as otherwise provided in the Plan, Holders of Claims shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

2. Disbursing Agent

All distributions under the Plan shall be made to Holders of Allowed Claims by the applicable Disbursing Agent on the Effective Date, or as soon as reasonably practicable thereafter, in accordance with the Plan. The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court.

3. Rights and Powers of Disbursing Agent

(a) Powers of the Disbursing Agent

The Disbursing Agent shall be empowered to: (i) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (ii) make all distributions contemplated hereby; and (iii) exercise such other powers as may be vested in the

Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions of the Plan.

(b) Expenses Incurred On or After the Effective Date

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and expenses incurred by the Disbursing Agent in performing its duties under the Plan on or after the Effective Date (including taxes) shall be paid in Cash by the Reorganized Debtors (and in the case of the Plan Administrator, such fees and expenses shall be paid as set forth in the Plan Administrator Agreement).

4. Delivery of Distributions and Undeliverable or Unclaimed Distributions

(a) Record Date for Distributions.

On the Distribution Record Date, the Claims Register shall be closed and any party responsible for making distributions shall be authorized and entitled to recognize only those record Holders listed on the Claims Register as of the close of business on the Distribution Record Date. The Debtors, the Indenture Trustees and/or the Disbursing Agent shall have no obligation to recognize any transfer of any Claims occurring on or after the Distribution Record Date. For the avoidance of doubt, the Distribution Record Date shall not apply to any publicly-held securities.

(b) Delivery of Distributions.

Except as otherwise provided herein, the applicable Disbursing Agent shall make distributions to Holders of Allowed Claims, as applicable, as of the Distribution Record Date at the address for each such Holder indicated on the Debtors' records as of the date of any such distribution. The manner of such distributions shall be determined at the discretion of the applicable Disbursing Agent and the address for each Holder of an Allowed Claim shall be deemed to be the address set forth in any Proof of Claim Filed by that Holder. For the avoidance of doubt, Distributions to the Holders of Allowed Unsecured Bondholder Claims shall be made to the applicable Indenture Trustees for further distribution to the Holders of Allowed Unsecured Bondholder Claims, subject to the charging lien of the Indenture Trustees.

(c) No Fractional Distributions.

No fractional shares of New FES Common Stock shall be distributed and no Cash shall be distributed in lieu of such fractional amounts. When any distribution pursuant to the Plan on account of an Applicable Allowed Claim would otherwise result in the issuance of a number of shares of New FES Common Stock that is not a whole number, the actual distribution of shares of New FES Common Stock shall be rounded as follows: (i) fractions of one-half (1/2) or greater shall be rounded to the next higher whole number and (ii) fractions of less than one-half (1/2) shall be rounded to the next lower whole number with no further payment therefor. The total number of authorized shares of New FES Common Stock to be distributed to Holders of Allowed Claims shall be adjusted as necessary to account for the foregoing rounding.

(d) Minimum Distribution.

No Cash payment of less than $50.00 shall be made to a Holder of an Allowed Claim on account of any Allowed Claim.

(e) Undeliverable Distributions and Unclaimed Property.

In the event that any distribution to any Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then-current address of such Holder at which time such distribution shall be made to such Holder without interest; *provided, however*, that any distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of six months from the applicable Distribution Date. In the event that the Disbursing Agent is unable to effectuate distributions to any Holder due to the Holder's non-compliance with the provisions of this Plan required for distributions (including compliance with tax requirements and/or identifying a DTC participant for the distributions of the New FES Common Stock), such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of six months from the applicable Distribution Date. All unclaimed property or interests in property shall revert to the applicable Reorganized Debtor(s) automatically and without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary), and the claim of any Holder to such property shall be fully discharged, released, and forever barred.

(f) Allocation of Distributions.

Except as otherwise set forth in the Plan, Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claim (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of such Claim, to any portion of such Claim for accrued but unpaid interest to the extent Allowed in the Plan.

5. Claims Administration Responsibilities.

Except as otherwise specifically provided in the Plan, after the Effective Date, the applicable Reorganized Debtor(s), or the Plan Administrator acting on behalf of the Reorganized Debtor(s) to the extent set forth in the Plan Administrator Agreement, shall have the sole authority: (i) to File, withdraw, or litigate to judgment, objections to Claims; (ii) to settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court; and (iii) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court. A list of the Claims and Causes of Action to be retained by the Debtors and turned over the Plan Administrator or the Reorganized Debtors shall be set forth in the Plan Supplement.

6. Disputed Claims Reserve.

On the Effective Date, the Debtors shall establish the Disputed Claims Reserve for any Disputed Claim (to the extent such Claim is ultimately Allowed) existing as of the Effective Date, which Disputed Claims Reserve shall be administered by the Plan Administrator. After the Effective Date, the Reorganized Debtors shall hold an amount of New FES Common Stock and Cash in such Disputed Claims Reserve in trust for the benefit of the Holders of Claims ultimately determined to be Allowed after the Effective Date. The Plan Administrator shall distribute such amounts (net of any expenses, including any taxes relating thereto), as provided herein, as such Claims are resolved by a Final Order or agreed to by settlement, and such amounts will be distributable on account of such Claims as such amounts would have been distributable had such Claims been Allowed Claims as of the Effective Date under Article III of the Plan solely to the extent of the amounts available in the Disputed Claims Reserve.

Disputed Claims that become Allowed, in whole or in part, shall be satisfied exclusively out of the Disputed Claims Reserve. In the event that the New FES Common Stock and Cash remaining in the

Disputed Claims Reserve shall be insufficient to satisfy all of the Disputed Claims that have become Allowed and are due to be satisfied with distributions from the Disputed Claims Reserve on any Periodic Distribution Date, such Disputed Claims shall be satisfied Pro Rata from the Disputed Claims Reserve. After all New FES Common Stock and Cash have been distributed from the Disputed Claims Reserve, no further distributions shall be made in respect of Disputed Claims and the Holders of any such Disputed Claims shall have no recourse in respect of such Claims to the Debtors or the Reorganized Debtors, Holders of Allowed Claims, or their respective assets or properties.

If a Disputed Claim is disallowed, in whole or in part, on the Periodic Distribution Date next following the date of determination of such disallowance, then (i) shares of New FES Common Stock equal to the shares of New FES Common Stock that would have been released from the Disputed Claims Reserve to the Holder thereof had such Claim been Allowed in the as-filed or estimated amount, as applicable, of such Claim, or disallowed portion thereof if such Claim is disallowed in part, shall be released from the Disputed Claims Reserve and shall be immediately cancelled, and (ii) Cash equal to the amount of Cash that would have been released from the Disputed Claims Reserve to the Holder thereof had such Claim been Allowed in the as-filed or estimated amount, as applicable, of such Claim, or disallowed portion thereof if such Claim is disallowed in part, shall be (x) in the case of Holders of Allowed Claims that received their distribution under the Plan (or any portion thereof) in the form of Cash, distributed in Cash to such Holders on a Pro Rata basis in accordance with such Cash recoveries, and (y) in the case of Holders of Allowed Claims that received their distribution under the Plan (or any portion thereof) in the form of New FES Common Stock, distributed in Cash to the Reorganized Debtors.

If at any time it is determined by both the Reorganized Debtors and the Plan Administrator that it is not necessary to hold in the Disputed Claims Reserve all of the shares of New FES Common Stock and Cash, if any, the Plan Administrator shall release such shares of New FES Common Stock and Cash as is determined to no longer be necessary for the satisfaction of Disputed Claim, upon which such shares shall be immediately cancelled, and such Cash shall be (i) in the case of Holders of Allowed Claims against the applicable Debtor or Debtors relating to such Disputed Claims Reserve that received their distribution in Cash, distributed to such Holders on a Pro Rata basis in accordance with such Cash recoveries; and (ii) in the case of Holders of Allowed Claims against the applicable Debtor or Debtors relating to such Disputed Claims Reserve that received their distribution under the Plan (or any portion thereof) in the form of New FES Common Stock, distributed in Cash to the Reorganized Debtors.

7. Plan Administrator.

(a) Appointment.

The Plan Administrator shall serve as Plan Administrator for each of the Debtors pursuant to the terms of the Plan Administrator Agreement.

(b) Authority.

Subject to Article IV.S of the Plan and the terms of the Plan Administrator Agreement, the Plan Administrator shall have the authority and right on behalf of each of the Debtors, without the need for Bankruptcy Court approval (unless otherwise indicated), to carry out and implement all provisions of the Plan, including, without limitation, to:

(i) except to the extent Claims have been previously Allowed, control and effectuate the Claims reconciliation process, including to object to, seek to subordinate, compromise or settle any and all Claims against the Debtors subject to Bankruptcy Court approval; *provided, however*, that

where the Debtors have authorization to compromise or settle any Claims against the Debtors under a Final Order including the Confirmation Order, the Plan Administrator shall be authorized to compromise or settle such Claims after the Effective Date, in accordance with and subject to such Final Order and *provided further, however* that the settlement of any Allowed General Unsecured Claim in excess of $10,000,000 or any Administrative Claim or Priority Tax Claim or Other Priority Claim in excess of $1,000,000, shall require notice and an order of the Bankruptcy Court;

(ii) make Distributions to holders of Allowed Claims in accordance with the Plan;

(iii) prosecute Claims and Causes of Action on behalf of the Debtors, and to elect not to pursue any Claims or Causes of Action and whether and when to compromise, settle, abandon, dismiss, or otherwise dispose of any such Claims or Causes of Action, as set forth in the Plan Administrator Agreement. A list of the Causes of Action to be retained by the Debtors and turned over the Plan Administrator shall be set forth in the Plan Supplement. Recoveries on such Causes of Action shall be (i) in the case of Holders of Allowed Claims against the applicable Debtor or Debtors that own such Causes of Action that received their distribution in Cash distributed to such Holders on a Pro Rata basis in accordance with such Cash recoveries; and (ii) in the case of Holders of Allowed Claims against the applicable Debtor or Debtors that own such Causes of Action that received their distribution under the Plan (or any portion thereof) in the form of New FES Common Stock distributed in Cash to the Reorganized Debtors;

(iv) make payments to existing Professionals who will continue to perform in their current capacities;

(v) retain professionals to assist in performing its duties under the Plan;

(vi) incur and pay reasonable and necessary expenses in connection with the performance of duties under the Plan, including the reasonable fees and expenses of professionals retained by the Plan Administrator; and

(vii) perform other duties and functions that are consistent with the implementation of the Plan and this provision.

(c) Indemnification of Plan Administrator.

Subject to the terms of the Plan Administrator Agreement, each of the Debtors shall indemnify and hold harmless the Plan Administrator for any losses incurred in execution of its duties as the Plan Administrator, except to the extent such losses were the result of the Plan Administrator's gross negligence, willful misconduct or criminal conduct.

8. Special Provision Governing Unimpaired Claims.

Except as otherwise provided in the Plan, nothing in the Plan shall affect the Debtors' rights in respect of any Unimpaired Claims, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claims.

H. Effect of Confirmation.

1. Preservation of Causes of Action.

In accordance with section 1123(b) of the Bankruptcy Code, but subject to Article VIII, except as otherwise provided in the Plan, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue any and all Causes of Action belonging to the Debtors' Estates, whether arising before or after the Petition Date, including any actions specifically enumerated in the Plan Supplement, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the applicable Effective Date, other than: (i) the Causes of Action released by the Debtors pursuant to the releases and exculpations contained in the Plan, including in Article VIII, which shall be deemed released and waived by the Debtors and Reorganized Debtors as of the Effective Date; (ii) the Causes of Action released by the Debtors pursuant to the FE Settlement Agreement; and (iii) the Causes of Action specifically retained by the Debtors' Estates that are subject to the authority of the Plan Administrator.

The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors. **No entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as an indication that the Debtors or the Reorganized Debtors, as applicable, will not pursue any and all available Causes of Action against it.** Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled herein or in a Bankruptcy Court order, the Reorganized Debtors expressly reserve all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise) or laches, shall apply to such Causes of Action upon, after, or as a consequence of Confirmation or Consummation.

The Reorganized Debtors reserve and shall retain the Causes of Action that are vested with the Reorganized Debtors, but subject to Article VIII of the Plan notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan. Except as otherwise provided in the Plan, any Causes of Action that a Debtor may hold against any Entity shall vest in the Reorganized Debtors in accordance with section 1123(b)(3) of the Bankruptcy Code. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action that is vested with the Reorganized Debtors and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

2. Retention of Jurisdiction by the Bankruptcy Court.

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code to the extent provided under applicable law, including jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate, or establish the priority, Secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the Secured or unsecured status, priority, amount, or allowance of Claims or Interests;

2. decide and resolve all matters related to the granting and denying, in whole or in part, of any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;

3. resolve any matters related to: (i) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including Cure Claims pursuant to section 365 of the Bankruptcy Code; (ii) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; (iii) the Reorganized Debtors' amending, modifying, or supplementing, after the Effective Date, pursuant to Article V of the Plan, any list of Rejected Executory Contracts or Unexpired Leases, or otherwise; and (iv) any dispute regarding whether a contract or lease is or was executory or expired;

4. adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

5. adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;

6. adjudicate, decide, or resolve any and all matters pursuant to the terms of the Amended Shared Services Agreement and FE Settlement Agreement;

7. enter and implement such order as may be necessary to execute, implement, or consummate the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or the Disclosure Statement, including injunctions or other actions as may be necessary to restrain interference by an Entity with Consummation or enforcement of the Plan;

8. enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

9. adjudicate, decide, or resolve any and all matters related to the Restructuring Transactions;

10. grant any consensual request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code, to the extent such deadline has not passed;

11. resolve any cases, controversies, suits, disputes, Causes of Action, or any other matters that may arise in connection with the Consummation, interpretation, or enforcement of the Plan, the Disclosure Statement, the Confirmation Order, or the Restructuring Transactions, or any Entity's obligations incurred in connection with the foregoing, including disputes arising under agreements, documents, or instruments executed in connection with the Plan, the Disclosure Statement, the Confirmation Order, or the Restructuring Transactions;

12. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the releases, injunctions, and other provisions contained in Article VIII of the Plan and enter such orders as may be necessary to implement such releases, injunctions, and other provisions;

13. resolve any and all disputes arising from or relating to distributions under the Plan, including any cases, controversies, suits, disputes, or Causes of Action relating to the distribution or the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim or amounts not timely repaid pursuant to Article VI of the Plan;

14. enter and implement such orders as are necessary if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

15. enter an order or decree concluding or closing the Chapter 11 Cases;

16. consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

17. hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code, including any request made under section 505 of the Bankruptcy Code for the expedited determination of any unpaid liability for a Debtor for any tax incurred during the administration of the Chapter 11 Cases, including any tax liability arising from or relating to the Restructuring Transactions, for tax periods ending after the Petition Date and through the closing of the Chapter 11 Cases;

18. hear and determine matters concerning exemptions from state and federal registration requirements in accordance with section 1145 of the Bankruptcy Code;

19. except as otherwise limited herein, recover all assets of the Debtors and property of the Estates, wherever located;

20. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;

21. enforce all orders previously entered by the Bankruptcy Court; and

22. hear any other matter not inconsistent with the Bankruptcy Code.

I. Settlement, Release, Injunction, and Related Provisions.

1. Discharge of Claims and Termination of Interests.

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims, Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date and any Administrative Claims whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective

Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (i) a Proof of Claim based upon such debt or right is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (ii) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (iii) the Holder of such a Claim or Interest that existed immediately before or on account of the Filing of the Chapter 11 Cases shall be deemed cured (and no longer continuing) as of the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the Effective Date occurring.

2. Release of Liens.

Except as otherwise specifically provided in the Plan and except for (i) any FG Secured PCN Claims against FG that are Reinstated in accordance with Article III of the Plan, (ii) any NG Secured PCN Claims against NG that are Reinstated in accordance with Article III of the Plan, and (iii) any Other Secured Claims against any Debtor that are Reinstated in accordance with Article III of the Plan, on the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtors and their successors and assigns, in each case, without any further approval or other of the Bankruptcy Court and without any action or Filing being required to be made by the Debtors.

To the extent that any Holder of a Secured Claim that has been satisfied or discharged in full pursuant to the Plan (or any agent for such Holder) has filed or recorded publicly any Liens and/or security interests to secure such Holder's Secured Claim, as soon as reasonably practicable on or after the Effective Date, such Holder (or the agent for such Holder) shall take any and all steps reasonably requested by the Debtors or the Reorganized Debtors that are reasonably necessary or desirable to record or effectuate the cancellation and/or extinguishment of such Liens and/or security interests, including the making of any applicable filings or recordings, and the Reorganized Debtors shall be entitled to make any such filings or recordings on such Holder's behalf.

3. Releases by the Debtors.

Pursuant to section 1123(b) of the Bankruptcy Code, on and as of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties to facilitate and implement the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, each Released Party is deemed conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged by each and all of the Debtors, the Reorganized Debtors, and their Estates in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other entities who may purport to assert any Claims or Causes of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims or Causes of Action, including any derivative claims asserted or assertable on behalf of any of the Debtors, that the Debtors, the Reorganized Debtors, or their Estates or Affiliates (including any FE Non-Debtor Parties), as applicable, would have been legally entitled to assert in any of their own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' businesses, the Debtors' property, the Debtors' capital structure, the assertion or enforcement of rights and remedies against the Debtors, the Debtors' in- or out-of-court restructuring discussions, intercompany transactions between or among the Debtors and/or their Affiliates (including any FE Non-Debtor

Parties), the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the PCNs, the FES Notes, the Mansfield Facility Documents, the Chapter 11 Cases and related adversary proceedings, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Restructuring Support Agreement, the Process Support Agreement, the Standstill Agreement, the FE Settlement Agreement, the Disclosure Statement, the Plan, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the foregoing, including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion, the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any obligations of any Entity arising after the Effective Date under the Plan, the Confirmation Order, any Restructuring Transaction, the FE Settlement Agreement and any related obligations under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained in this Plan.

4. Third Party Releases of the FE Non-Debtor Parties by the Consenting Creditors and the Committee.

On and as of the Effective Date, pursuant to the terms of the FE Settlement Agreement, in exchange for good and valuable consideration, including the contributions of the FE Non-Debtor Parties to facilitate and implement the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, each FE Non-Debtor Released Party is deemed to have been conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged by each and all of the: (i) the Consenting Creditors and (ii) the Committee, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other entities who may purport to assert any Claims or Causes of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims or Causes of Action, including any derivative claims asserted or assertable by, or on behalf of any of the (i) Consenting Creditors or (ii) the Committee, or their Affiliates, as applicable, that such Entities would have been legally entitled to assert in any of their own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' businesses, the Debtors' property, the Debtors' capital structure, the assertion or enforcement of rights and remedies against the Debtors, the Debtors' in- or out-of-court restructuring discussions, intercompany transactions between or among the Debtors and/or their Affiliates (including any FE Non-Debtor Parties), the purchase, sale, or recession of the purchase or sale of any Security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the PCNs, the FES Notes, the Mansfield Facility Documents, the Chapter 11 Cases and related adversary proceedings, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Restructuring Support Agreement, the Process Support Agreement, the Standstill Agreement, the

FE Settlement Agreement, the Disclosure Statement, the Plan, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the foregoing, including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion, the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date. Notwithstanding anything to the contrary in the foregoing, the release set forth above do not release any obligations of any Entity arising after the Effective Date under the Plan, the Confirmation Order, any Restructuring Transaction, the FE Settlement Agreement and any related obligations under the Plan or any document, instrument or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

5. Releases of the FE Non-Debtor Parties by Third Parties and Holders of Claims or Interests.

On and as of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan, the consideration provided by the FE Non-Debtor Parties under the Settlement Agreement and the contributions of the FE Non-Debtor Released Parties to facilitate and implement the Plan, each Holder of a Claim or Interest is deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged each FE Non-Debtor Released Party from any and all Claims and Causes of Action, including derivative claims asserted or assertable by or on behalf of any of the Debtors, the Reorganized Debtors, or their Estates or Affiliates (including any FE Non-Debtor Parties) as applicable, that such Entity would have been legally entitled to assert in any of their own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from in whole or in part, the Debtors, the Debtors' businesses, the Debtors' property, the Debtors' capital structure, the assertion or enforcement of rights and remedies against the Debtors, the Debtors' in- or out-of-court restructuring discussions, intercompany transactions between or among the Debtors and/or their Affiliates (including the FE Non-Debtor Parties), the purchase, sale, or recession of the purchase or sale of any Security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any FE Non-Debtor Released Party, the PCNs, the FES Notes, the Mansfield Facility Documents, the Chapter 11 Cases, and related adversary proceedings, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Restructuring Support Agreement, the Process Support Agreement, the Standstill Agreement, the FE Settlement Agreement, the Disclosure Statement, the Plan, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the foregoing, including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any FE Non-Debtor Released Party on the Plan or the Confirmation Order in lieu of such legal opinion, the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any obligations of any Entity arising after the Effective Date under the Plan, the Confirmation Order, any Restructuring Transaction, the FE Settlement Agreement and any related obligations under the Plan, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

For the avoidance of doubt, on and as of the Effective Date of the Plan, the Holders of Claims and Interests shall be deemed to provide a full and complete release to the FE Non-Debtor Released Parties and their respective property of and from any and all Causes of Action whatsoever, whether known or unknown, asserted or unasserted, derivative or direct, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, whether for or sounding in tort, fraud, contract, violations of federal or state securities laws, veil piercing, substantive consolidation or alter-ego theories of liability, contribution, indemnification, joint or several liability, or otherwise, arising from or related in any way to (i) the Debtors, Reorganized Debtors, their businesses, or their property; (ii) any Causes of Action against the FE Non-Debtor Released Parties or their property arising in connection with any intercompany transactions and other matters arising in the conduct of the Debtors' businesses; (iii) the Chapter 11 Cases; (iv) the formulation, preparation, negotiation, dissemination, implementation, administration, Confirmation, or Consummation of the Plan, the Plan Supplement, any contract, employee pension or benefit plan, instrument, release, or other agreement or document related to any Debtor, the Chapter 11 Cases or the Plan, modified, amended, terminated, or entered into in connection with either the Plan, or any agreement between the Debtors and any FE Non-Debtor Released Party, including the FE Settlement Agreement; or (v) any other act taken or omitted to be taken in connection with the Chapter 11 Cases, including, without limitation, acts or omissions occurring after the Effective Date in connection with distributions made consistent with the terms of the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, of the FE Non-Debtor Parties' Third Party Release, which includes by reference each of the related provisions and definitions contained in the Plan.

6. Releases of the Debtor Released Parties and Other Released Parties by Third Parties and Holders of Claims or Interests.

On and as of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Debtor Released Parties and Other Released Parties to facilitate and implement the Plan, each Holder of a Claim or Interest that (i) voted to accept the Plan, (ii) is deemed to have accepted the Plan, (iii) was entitled to vote and did not opt out of granting the release, or (iv) was entitled to vote and failed to submit a ballot, shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged each Other Released Party and Debtor Released Party from any and all Claims and Causes of Action, including any derivative claims asserted or assertable by or on behalf of any of the Debtors, the Reorganized Debtors, or their Estates or Affiliates (including any FE Non-Debtor Parties), as applicable, that such Entity would have been legally entitled to assert its own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from in whole or in part, the Debtors, the Debtors' businesses, the Debtors' property, the Debtors' capital structure, the assertion or enforcement of rights and remedies against the Debtors, the Debtors' in- or out-of-court restructuring discussions, intercompany transactions between or among the Debtors and/or their Affiliates (including any FE Non-Debtor Parties), the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and Released Party, the PCNs, the FES Notes, the Mansfield Facility Documents, the Chapter 11 Cases and related adversary proceedings, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Restructuring Support Agreement, the Process Support Agreement, the Standstill Agreement, the FE Settlement

Agreement, the Disclosure Statement, the Plan, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the foregoing, including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion, the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any obligations of any Entity arising after the Effective Date under the Plan, the Confirmation Order, any Restructuring Transaction, the FE Settlement Agreement and any related obligations under the Plan, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

For the avoidance of doubt, on and as of the Effective Date, the Holders of Claims and Interests shall be deemed to provide a full and complete discharge and release to the Debtor Released Parties and the Other Released Parties and their respective property from any and all Causes of Action whatsoever, whether known or unknown, asserted or unasserted, derivative or direct, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, whether for tort, fraud, contract, violations of federal or state securities laws, veil piercing or alter-ego theories of liability, contribution, indemnification, joint liability, or otherwise arising from or related in any way to (i) the Debtors, the Reorganized Debtors, their businesses, or their property; (ii) any Cause of Action against the FE Non-Debtor Released Parties or their property arising in connection with any intercompany transactions or other matters arising in the conduct of the Debtors' businesses; (iii) the Chapter 11 Cases; (iv) the formulation, preparation, negotiation, dissemination, implementation, administration, Confirmation or Consummation of the Plan, the Plan Supplement, any contract, employee pension or benefit plan instrument, release, or other agreement or document related to any Debtor, the Chapter 11 Cases or the Plan, modified, amended, terminated, or entered into in connection with either the Plan, or any agreement between the Debtors and any FE Non-Debtor Released Party, including the FE Settlement Agreement; or (v) any other act taken or omitted to be taken in connection with the Chapter 11 Cases, including, without limitation, acts or omissions occurring after the Effective Date in connection with distributions made consistent with the terms of the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, of the Debtor Released Parties' and Other Released Parties' Third Party Release, which includes by reference each of the related provisions and definitions contained in the Plan

7. Exculpation.

Notwithstanding anything herein to the contrary, and upon entry of the Confirmation Order, no Exculpated Party shall have or incur, and each Exculpated Party is released and exculpated from, any liability to any Holder of a Cause of Action, Claim, or Interest or to any other Entity for any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Restructuring Support Agreement, the Process Support Agreement, the Standstill Agreement, the FE Settlement Agreement, the Mansfield Settlement, the Disclosure Statement, the Plan, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Restructuring Support Agreement, the Process Support Agreement, the Standstill Agreement, the FE Settlement Agreement, the Mansfield Settlement, the

Disclosure Statement, the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order in lieu of such legal opinion, the issuance or distribution of securities pursuant to the Plan or the distribution of property under the Plan or any other agreement (whether or not such issuance or distribution occurs following the Effective Date), negotiations regarding or concerning any of the foregoing, or the administration of the Plan or property to be distributed hereunder, except for Causes of Action related to any act or omission that is determined by Final Order to have constituted actual fraud, willful misconduct, or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon Consummation shall be deemed to have, participated in good faith and in compliance with applicable laws with regard to the solicitation of votes and distribution of consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

8. Injunction.

In addition to any injunction provided in the FE Settlement Order, except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan or the Confirmation Order, all Entities that have held, hold, or may hold Claims or Interests that have been released pursuant to Article VIII.C-E of the Plan, shall be discharged pursuant to Article VIII.A of the Plan, or are subject to exculpation pursuant to Article VIII.G of the Plan, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Released Parties or the FE Non-Debtor Released Parties: (i) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or respect to any such claim or interests; (ii) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such claims or interest; (iii) creating, perfecting, or enforcing any lien or encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such claims or interests; (iv) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such claims or interests unless such Entity has timely asserted such setoff right in a document Filed with the Bankruptcy Court explicitly preserving such setoff, and notwithstanding an indication of a claim or interest or otherwise that such Entity asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (v) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such claims or interests released or settled pursuant to the Plan.

9. Protections Against Discriminatory Treatment.

Consistent with section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Reorganized Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors or another Entity with whom the Reorganized Debtors have been associated, solely because each

Debtor has been a Debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

10. Recoupment.

In no event shall any Holder of Claims or Interests be entitled to recoup any Claim against any claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, as applicable, unless such Holder actually has performed such recoupment and provided notice thereof in writing to the Debtors on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or Proof of Interest or otherwise that such Holder asserts, has, or intends to preserve any right of recoupment.

11. Document Retention.

On and after the Effective Date, the Reorganized Debtors may maintain documents in accordance with their standard document retention policy, as may be altered, amended, modified, or supplemented by the Reorganized Debtors.

VII. Confirmation of the Plan

A. The Confirmation Hearing.

The Bankruptcy Court has scheduled a hearing to consider Confirmation of the Plan for [May 7, 2019.] At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan should be confirmed in light of both the affirmative requirements of the Bankruptcy Code and any objections that are timely filed.

B. Requirements for Confirmation.

1. Requirements of Section 1129(a) of the Bankruptcy Code.

Among the requirements for Confirmation are the following: (i) the Plan is accepted by all impaired Classes of Claims and Interests or, if the Plan is rejected by an impaired Class, that it "does not discriminate unfairly" and is "fair and equitable" as to such Class; (ii) the Plan is feasible; and (iii) the Plan is in the "best interests" of Holders of Claims and Holders of Interests that are Impaired under its provisions.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies the requirements of Section 1129 of the Bankruptcy Code. The Debtors believe that the Plan satisfies or will satisfy all of the necessary requirements of chapter 11 of the Bankruptcy Code. Specifically, in addition to other applicable requirements, the Debtors believe that the Plan satisfies or will satisfy the applicable Confirmation requirements of section 1129 of the Bankruptcy Code as set forth below:

- The Plan complies with the applicable provisions of the Bankruptcy Code.
- The Debtors, as the Plan proponents, have complied with the applicable provisions of the Bankruptcy Code.
- The Plan has been proposed in good faith and not by any means forbidden by law.

- Any payment made or promised under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, will be disclosed to the Bankruptcy Court, and any such payment: (i) made before Confirmation will be reasonable or (ii) will be subject to the approval of the Bankruptcy Court as reasonable, if it is to be fixed after Confirmation.

- Either each Holder of an Impaired Claim or Interest will accept the Plan, or each non-accepting Holder will receive or retain under the Plan on account of such Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount that the Holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

- Except to the extent that the Holder of a particular Claim agrees to a different treatment of its Claim, the Plan provides that Allowed Administrative Claims, Professional Fee Claims, and Other Priority Claims will be paid in full on the Effective Date, or as soon thereafter as is reasonably practicable.

- At least one Class of Impaired Claims will have accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim in that Class.

- Confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Debtors or any successors thereto under the Plan.

- All fees of the type described in 28 U.S.C. § 1930, including the fees of the U.S. Trustee, will be paid as of the Effective Date.

The Debtors believe that the Plan will be able to satisfy each of the 1129(a) confirmation requirements.

2. Best Interests of Creditors/Liquidation Analysis.

Pursuant to section 1129(a)(7) of the Bankruptcy Code, often called the "best interests test," holders of allowed claims must either (i) accept the plan of reorganization, or (ii) receive or retain under the plan property of a value, as of the plan's assumed effective date, that is not less than the value such non-accepting holders would receive or retain if the debtors were to be liquidated under chapter 7 of the Bankruptcy Code on such date.

To demonstrate compliance with the "best interests test," the Debtors estimated a range of proceeds that would be generated from a hypothetical chapter 7 liquidation in their liquidation for the Debtors (collectively, the "Liquidation Analysis"), which is attached to this Disclosure Statement as Exhibit F and incorporated into this Disclosure Statement by reference.

In the Liquidation Analysis for the Debtors, the Debtors determine a hypothetical liquidation value of the Debtors' businesses if a chapter 7 trustee were appointed and charged with reducing to cash any and all of such Debtors' assets. The Debtors compare this hypothetical liquidation value to the projected value and returns provided for under the Plan.

As will be reflected in more detail in the Liquidation Analysis, the Debtors believe that the value of any distributions if the Chapter 11 Cases were converted to cases under chapter 7 of the Bankruptcy Code would not be greater than the value of distributions under the Plan. Readers should carefully review the information in Exhibit F in its entirety.

3. Feasibility/Financial Projections.

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of a plan of reorganization is not likely to be followed by the liquidation or the need for further financial reorganization of the debtor, or any successor to the debtor (unless such liquidation or reorganization is proposed in the plan of reorganization).

Attached to this Disclosure Statement as Exhibit D and incorporated into this Disclosure Statement by reference, are the projections presented for the Reorganized Debtors for the time period from 2019-2023 on a consolidated basis (the "Financial Projections"). The Financial Projections may not be in accordance with Generally Accepted Accounting Practices. The Financial Projections illustratively assume a new credit facility is established at some future date after the assumed Effective Date for the purpose of funding incremental PJM retail collateral obligations.

To determine whether the Plan meets the feasibility requirement, the Debtors have analyzed their ability to meet their respective obligations under the Plan. Based upon the Financial Projections, the Debtors believe that the Reorganized Debtors will be able to satisfy their obligations following the Chapter 11 Cases, and that the Plan will meet the feasibility requirements of the Bankruptcy Code.

4. Acceptance by Impaired Classes.

The Bankruptcy Code requires that, except as described in the following section, each impaired class of claims or interests must accept a plan in order for it to be confirmed. A class that is not "impaired" under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to the class is not required. A class is "impaired" unless the plan: (i) leaves unaltered the legal, equitable, and contractual rights to which the claim or the interest entitles the holder of the claim or interest; or (ii) cures any default, reinstates the original terms of such obligation, compensates the holder for certain damages or losses, as applicable, and does not otherwise alter the legal, equitable, or contractual rights to which such claim or interest entitles the holder of such claim or interest.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds in dollar amount and more than one-half in number of non-insider allowed claims in that class, counting only those claims that actually voted to accept or reject the plan. Thus, a class of claims will have voted to accept the plan only if two-thirds in amount and a majority in number actually voting cast their ballots in favor of acceptance. For a class of impaired interests to accept a plan, section 1126(d) of the Bankruptcy Code requires acceptance by interest holders that hold at least two-thirds in amount of the allowed interests of such class, counting only those interests that actually voted to accept or reject the plan. Thus, a class of interests will have voted to accept the plan only if two-thirds in amount actually voting cast their ballots in favor of acceptance.

5. Confirmation Without Acceptance by All Impaired Classes.

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan even if all impaired classes have not accepted the plan, provided that the plan has been accepted by at least one impaired class of claims. Pursuant to section 1129(b) of the Bankruptcy Code, notwithstanding an impaired class rejection or deemed rejection of the plan, the plan will be confirmed, at the plan proponent's request, in a procedure commonly known as "cramdown," so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or interests that is impaired under, and has not accepted, the plan.

(a) No Unfair Discrimination.

This test applies to classes of claims or interests that are of equal priority and are receiving different treatment under a proposed plan. The test does not require that the treatment be the same or equivalent, but that the treatment be "fair." In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment of classes of claims of equal rank (e.g., classes of the same legal character). Bankruptcy courts will take into account a number of factors in determining whether a plan discriminates unfairly. Under certain circumstances, a proposed plan could treat two classes of unsecured creditors differently without unfairly discriminating against either class.

With respect to the unfair discrimination requirement, all Classes under the Plan are provided treatment that is substantially equivalent to the treatment that is provided to other Claims that have equal rank, taking into account the terms of the Plan Settlement. Accordingly, the Debtors believe that the Plan meets the standards for demonstrating that there is no unfair discrimination of rejecting classes, and the Debtors will be prepared to meet their burden of establishing that there is no unfair discrimination as part of the Confirmation of the Plan.

(b) Fair and Equitable Test.

This test applies to classes of different priority and status (*e.g.*, secured versus unsecured) and includes the general requirement that no class of claims receive more than 100% of the amount of the allowed claims in such class.

The Debtors believe that the Plan satisfies the fair and equitable requirement notwithstanding the fact that certain Classes are deemed to reject the Plan or may vote to reject the Plan. There is no Class receiving more than 100 percent recovery and no junior class recovering a distribution until all senior classes have received a 100 percent recovery or otherwise agreed to a different treatment under the Plan. With respect to Classes that are entitled to vote and vote to reject the Plan, the fair and equitable test sets different standards depending upon the type of Claims or Interests in such class.

(i) **Secured Claims.**

The condition that a plan be "fair and equitable" to a non-accepting class of secured claims includes the requirements that: (i) the holders of such secured claims retain the liens securing such claims to the extent of the allowed amount of the claims, whether the property subject to the liens is retained by the debtor or transferred to another entity under the plan; and (ii) each holder of a secured claim in the class receives deferred cash payments totaling at least the allowed amount of such claims with a value, as of the effective date, at least equivalent to the value of the secured claimant's interests in the debtor's property subject to the claimant's liens.

(ii) **Unsecured Claims.**

The condition that a plan be "fair and equitable" to a non-accepting class of unsecured claims includes the requirement that either: (i) the plan provides that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the Effective Date, equal to the allowed amount of such claim; or (ii) the holder of any claim or any interest that is junior to the claims of such class will not receive or retain any property under the plan on account of such junior claim or junior interest, subject to certain exceptions.

(iii) **Interests.**

The condition that a plan be "fair and equitable" to a non-accepting class of interests, includes the requirements that either: (i) the plan provides that each holder of an interest in that class receives or retains under the plan on account of that interest property of a value, as of the Effective Date, equal to the greatest of: (a) the allowed amount of any fixed liquidation preference to which such holder is entitled, (b) any fixed redemption price to which such holder is entitled; or (c) the value of such interest; or (ii) if the class does not receive the amount as required under (i) hereof, no class of interests junior to the non-accepting class may receive a distribution under the plan.

6. Valuation of the Debtors.

The Debtors have been advised by Lazard, their investment banker, with respect to the reorganization value of the Reorganized Debtors for purposes of formulation of the Plan and satisfaction of the Confirmation requirements of the Bankruptcy Code.

The valuation analysis set forth on Exhibit E to this Disclosure Statement is an estimate of distributable value associated with the Reorganized Debtors and does not purport to be an estimate of the market value of the equity of the Reorganized Debtors. This valuation is presented solely for the purpose of providing "adequate information" under section 1125 of the Bankruptcy Code to enable the Holders of Claims entitled to vote to accept or reject the Plan make an informed judgment about the Plan and should not be used or relied upon for any other purpose, including the purchase or sale of Claims against the Debtors or any of their affiliates.

The valuation of the Reorganized Debtors should be considered in conjunction with the Risk Factors described in Section VIII, entitled "Risk Factors," which begins on page 153, and the Financial Projections for the Reorganized Debtors, which are attached to this Disclosure Statement as Exhibit D. The valuation analysis is based on data and information as of that date. Readers should carefully review the information in Exhibit E in its entirety.

C. Conditions Precedent to Confirmation of a Plan.

It shall be a condition to Confirmation of the Plan that the following shall have been satisfied or waived pursuant to the provisions of Article IX.C of the Plan:

1. the Bankruptcy Court shall have entered the Disclosure Statement Order in a manner consistent in all material respects with the Restructuring Support Agreement, the Plan and the FE Settlement Order and in form and substance reasonably satisfactory to the Debtors, the Requisite Supporting Parties, the FE Non-Debtor Parties (solely to the extent provided in the FE Settlement Agreement) and the Committee;

2. the Bankruptcy Court shall have entered the Confirmation Order in a manner consistent in all material respects with the Plan and the FE Settlement Order and in form and substance reasonably satisfactory to the Debtors, the Committee, the FE Non-Debtor Parties (solely to the extent provided in the FE Settlement Agreement) and the Requisite Supporting Parties; and

3. the FE Settlement Order and the FE Settlement Agreement shall remain in full force and effect.

D. Conditions Precedent to the Effective Date.

It shall be a condition to the Effective Date that the following conditions shall have been satisfied or waived pursuant to the provisions of Article IX.C of the Plan:

1. the Confirmation Order shall have been duly entered in form and substance reasonably acceptable to the Debtors, the Committee, the FE Non-Debtor Parties (solely to the extent provided in the FE Settlement Agreement) and the Requisite Supporting Parties and the Confirmation Order shall be a Final Order;

2. the FE Settlement Order shall remain in full force and effect;

3. the FE Settlement Agreement shall have been consummated including (i) the issuance of the New FE Notes and (ii) the payment of the Settlement Cash;

4. all Allowed Professional Fee Claims approved by the Bankruptcy Court shall have been paid in full and the Professional Fee Escrow Account shall have been established and funded in accordance with Article II.A.3(b) of the Plan;

5. the Disputed Claims Reserve shall have been established and funded;

6. the New FES Common Stock shall have been issued;

7. the Restructuring Support Agreement shall not have been terminated and shall remain in full force and effect;

8. if, at the election of the Debtors and the Requisite Supporting Parties, in consultation with the Committee, the Restructuring Transactions will involve the transfer of the Assets of FES to New FES or another newly created entity or a combination thereof as set forth in Article IV.F, then (i) all Assets of FES shall have been transferred to New FES or another newly created entity or a combinations thereof as described in Article IV.F; and (ii) New FES or another newly created entity shall have issued an additional guarantee for the PCNs related to the Secured FG PCN Reinstated Claims and the Secured NG PCN Claims that are being Reinstated in accordance with the Plan;

9. all actions, documents, certificates, and agreements necessary to implement the Plan shall have been effected or executed and tendered for delivery to the required parties and, to the extent required, filed with the applicable Governmental Units in accordance with applicable laws, and all conditions precedent to the effectiveness of such documents and agreements shall have been satisfied or waived pursuant to the terms thereof (or will be satisfied or waived substantially concurrently with the occurrence of the Effective Date); and

10. the Debtors shall have obtained all authorizations, consents, regulatory approvals, including from the FERC and NRC, as applicable, rulings or documents that are necessary to consummate the Restructuring Transactions, and all such authorizations, consents and approvals shall remain in full force and effect, including without limitation, the following:

    a. a final order or order(s) from FERC granting any and all authorization(s) (including Section 203 Authorization(s)) required in connection with the Restructuring Transactions;

b. AE Supply and Reorganized FG shall have received a final order from FERC granting authorization under Federal Power Act Section 203 to transfer the Pleasants Power Plant to a subsidiary of Reorganized FG;

c. to the extent necessary based on the form of the Restructuring Transactions, at least 90 days prior to the Effective Date, the Debtors shall provide PJM with an informational filing notifying PJM of the transfer of any facilities currently receiving payment in accordance with a FERC-approved reactive power tariff (the same as the informational filing submitted to FERC);

d. the Reorganized Debtors will register with ReliabilityFirst for the appropriate reliability functions; and

e. the NRC shall have approved the license transfer or new license application (as determined by the Debtors with the reasonable consent of the Committee and the Requisite Supporting Parties) filed by Reorganized FENOC and Reorganized NG with respect to the change in ownership pursuant to the Plan.

E. Waiver of Conditions.

The conditions to Confirmation and the Effective Date set forth in this Article IX may be waived by agreement of all of the following parties (i) the Debtors, (ii) the Requisite Supporting Parties, (iii) the FE Non-Debtor Parties (solely as to the conditions precedent in Article IX.A.1-3 and Article IX.B.1-2 and solely as provided for in the FE Settlement Agreement) and (iv) the Committee, *provided, however*, that with respect to the condition to the Effective Date set forth in Article IX.B.7, such waiver shall not require the consent of any of the foregoing parties to the extent such parties have terminated their participation in the Restructuring Support Agreement and the Restructuring Support Agreement otherwise remains in effect as to the other parties.

F. Effect of Failure of Conditions.

If the Effective Date does not occur with respect to a particular Debtor, then, as to such particular Debtor: (i) the Plan shall be null and void in all respects; (ii) any settlement or compromise embodied in the Plan, assumption or rejection of Executory Contracts or Unexpired Leases effective under the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (iii) nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims, Interests, or Causes of Action; (b) prejudice in any manner the rights of such Debtor or any other Entity; or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by such Debtor or any other Entity. Notwithstanding the foregoing, for the avoidance of doubt, the failure of Confirmation or Consummation to occur with respect to FE Aircraft or Norton shall not impact the effectiveness of the Settlement embodied in the FE Settlement Agreement and such settlement shall remain in full force and effect in accordance with the terms of the FE Settlement Agreement.

VIII. Risk Factors

Before taking any action with respect to the Plan, Holders of Claims and Interests who are entitled to vote to accept or reject the Plan should read and consider carefully the risk factors set forth below, as well as the other information set forth in this Disclosure Statement, the Plan, and the documents delivered together herewith, referred to, or incorporated by reference into this Disclosure Statement. The risk factors should not be regarded as constituting the only risks with respect to the Debtors' business or the Restructuring and its implementation. Each risk factor discussed in this Disclosure Statement may

apply equally to the Debtors, or the Reorganized Debtors, as applicable and as context requires. The following risk factors refer generally to the Debtors as a matter of convenience, and specific references to the Debtors, the Reorganized Debtors or any other specific references, should not be interpreted as limiting any risk factor discussed below.

A. Risks Related to the Restructuring.

1. The Debtors Have Filed Voluntary Petitions For Relief Under the Bankruptcy Code and Are Subject to the Risks and Uncertainties Associated with Bankruptcy Cases.

The Debtors have filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. Because of the risks and uncertainties associated with the Chapter 11 Cases, the Debtors cannot predict or quantify the ultimate effect that events occurring during the Chapter 11 Cases may have on the Debtors' business, cash flows, liquidity, financial condition, and results of operations, nor can the Debtors predict the ultimate impact that events occurring during the Chapter 11 Cases may have on the Debtors' corporate or capital structure.

The Debtors will also be subject to risks and uncertainties with respect to the actions and decisions of creditors and other third parties who have interests in the Chapter 11 Cases that may be inconsistent with the Debtors' plans. These risks and uncertainties could affect the Debtors' business and operations in various ways and may significantly increase the time the Debtors have to operate under Chapter 11 bankruptcy protections and the costs related thereto.

2. The Duration of the Chapter 11 Cases is Difficult to Estimate and Could Be Lengthy.

If the Bankruptcy Court does not confirm the Plan, or if the Debtors cannot satisfy one or more of the conditions precedent to the Effective Date, the Debtors are likely subject to more lengthy, costly and contentious Chapter 11 Cases.

The uncertainty surrounding a prolonged restructuring could also have other adverse effects on the Debtors. For example, it could also adversely affect:

- the Debtors' liquidity;
- how the Debtors' business are viewed by regulators, investors, lenders, credit ratings agencies and other stakeholders; and
- the Debtors' enterprise value.

The Debtors will be required to seek approvals of the Bankruptcy Court and certain federal and state regulators in connection with certain actions in the Chapter 11 Cases, including with respect to the Plan, and certain parties may intervene and protest approval, absent the imposition of conditions to resolve their concerns. The approvals by governmental entities may be denied, conditioned or delayed.

3. The Debtors Will Consider All Available Restructuring Alternatives if the Plan is Not Implemented, and Such Alternatives May Result in Lower Recoveries for Holders of Claims Against the Debtors.

If the Restructuring Transactions are not implemented, the Debtors will consider all other restructuring alternatives available at the time, which may include the filing of an alternative chapter 11

plan, conversion to chapter 7, commencement of section 363 sales of the Debtors' assets, or any other transaction that would maximize the value of the Debtors' estates. Any alternative restructuring proposal may be on terms less favorable to Holders of Claims against the Debtors than the terms of the Plan as described in the Disclosure Statement.

4. Operating in Chapter 11 May Restrict the Debtors' Ability to Pursue Strategic and Operational Initiatives.

Under chapter 11 of the Bankruptcy Code, transactions outside the ordinary course of business are subject to the prior approval of the Bankruptcy Court, which may limit the Debtors' ability to respond in a timely manner to certain events or take advantage of certain opportunities or to adapt to changing market or industry conditions. Because regulatory approval from the NRC and FERC is required to consummate the Plan, the Debtors will be in bankruptcy for a period of time after the Confirmation Date, so there will be a delay in the occurrence of the Effective Date.

5. Even if the Restructuring is Successful, the Debtors Will Continue to Face Risks.

The Restructuring Transactions are generally designed to reduce the amount of the Debtors' indebtedness and improve their financial and operational flexibility to generate long-term growth. Even if the Restructuring Transactions are implemented, the Debtors will continue to face a number of risks, including certain risks that are beyond the Debtors' control, such as changes in economic conditions, changes in the Debtors' industry including power and commodity prices, and the possibility that sufficient legislative support and meaningful market reforms that would permit operation of the Debtors' generation facilities beyond previously-announced deactivation dates does not materialize. *See* "Risks Related to the Business Operations of the Debtors and the Reorganized Debtors" below. As a result of these risks and others, there is no guarantee that the Restructuring Transactions will achieve the Debtors' stated goals.

B. Risks Related to Confirmation and Consummation of the Plan.

1. Conditions Precedent to Confirmation May Not Occur.

As more fully set forth in Article IX of the Plan, the occurrence of Confirmation and the Effective Date are each subject to a number of conditions precedent. If the conditions precedent to Confirmation are not met or waived, the Plan will not be confirmed, and if the conditions precedent to Consummation are not met or waived, the Effective Date will not take place. In the event that the Plan is not confirmed or is not consummated, the Debtors may seek confirmation of a new plan. However, if the new plan is not confirmed, the Debtors may be forced to liquidate their assets.

2. Parties in Interest May Object to the Plan's Classification of Claims and Interests.

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests in such class. The Debtors believe that the classification of Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created Classes of Claims and Interests, each encompassing Claims or Interests, as applicable, that are substantially similar to the other Claims or Interests, as applicable, in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

3. The Debtors May Not Be Able to Satisfy Voting Requirements.

Pursuant to section 1126(c) of the Bankruptcy Code, section 1129(a)(7)(A)(i) of the Bankruptcy Code will be satisfied with respect to the Voting Classes if at least two-thirds in amount and more than one-half in number of the Allowed Claims in the Voting Classes that vote, vote to accept the Plan. There is no guarantee that the Debtors will receive the necessary acceptances from Holders of Claims in the Voting Classes. If the Voting Classes vote to reject the Plan, the Debtors may elect to amend the Plan, subject to the terms and conditions of the Plan, may seek confirmation of an alternative chapter 11 plan. There can be no assumption that the terms of such alternative plan would be as favorable to Holders of Allowed Claims as those proposed in the Plan.

4. The Debtors May Not Be Able to Secure Confirmation.

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan, and requires, among other things, a finding by the Bankruptcy Court that: (i) such plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting classes; (ii) confirmation of such plan is not likely to be followed by a liquidation or a need for further financial reorganization unless such liquidation or reorganization is contemplated by the plan; and (iii) the value of distributions to non-accepting holders of claims and interests within a particular class under such plan will not be less than the value of distributions such holders would receive if the debtor was liquidated under chapter 7 of the Bankruptcy Code.

There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A dissenting Holder of an Allowed Claim might challenge whether the voting results satisfy the requirements of the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determines the voting results are appropriate, the Bankruptcy Court still can decline to confirm the Plan if it finds that any of the statutory requirements for Confirmation have not been met, including the requirement that the terms of the Plan do not "unfairly discriminate" and are "fair and equitable" to non-accepting Classes.

Confirmation is also subject to settlement, release, injunction, and related provisions described in Article VIII of the Plan, including the Third Party Release. If the Plan is not Confirmed, it is unclear what distributions, if any, Holders of Allowed Claims will receive with respect to their Allowed Claims.

The Debtors, subject to the terms and conditions of the Plan, reserve the right to modify the terms and conditions of the Plan as necessary for Confirmation. Any such modifications could result in a less favorable treatment of any Class than the treatment currently provided in the Plan, such as a distribution of property to the Class affected by the modification of a lesser value than currently provided in the Plan.

5. The Debtors May Pursue Nonconsensual Confirmation if Certain Classes Vote to Reject the Plan.

The Bankruptcy Court may confirm the Plan if at least one impaired Class of Claims or Interests has accepted the Plan (with such acceptance being determined without including the vote of any Insider in such Class), and, as to each Impaired Class that has not accepted the Plan, the Bankruptcy Court determines that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting Impaired Classes. The Debtors believe that the Plan satisfies these requirements and the Debtors will request such nonconsensual Confirmation in accordance with section 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will reach this

conclusion. In addition, the pursuit of nonconsensual Confirmation or Consummation may result in, among other things, increased expenses relating to Professional Fee Claims.

6. The Debtors May Be Unable to Obtain Approval of the Release, Injunction and Exculpation Provisions.

Article VIII of the Plan provides for certain releases, injunctions and exculpations, including the Third Party Release. However, all of the releases, injunctions and exculpations provided in the Plan are subject to objection by parties in interest and may not be approved.

If the Debtors are unable to obtain the Third Party Release, they will be in violation of the FE Settlement Agreement and the FE Non-Debtor Parties will be entitled to terminate the FE Settlement Agreement. To the extent the FE Non-Debtor Parties terminate the FE Settlement Agreement in these circumstances, the Debtors will not receive the FE Settlement Value and the Plan likely will not be Consummated.

7. The Restructuring Support Agreement May Be Terminated.

As more fully set forth in Section 9 of the Restructuring Support Agreement, the Restructuring Support Agreement may be terminated upon the occurrence of certain events including, among others, the Debtors' failure to meet specified milestones relating to the Confirmation and Consummation of the Plan, and breaches by the Debtors and/or the Consenting Creditors of their respective obligations under the Restructuring Support Agreement. In the event the Restructuring Support Agreement is terminated, the Debtors may be forced to file an alternative plan that lacks the same broad creditor support.

If the Restructuring Support Agreement is terminated, there is no guarantee that the settlements contained in the Plan Settlement will continue to remain in place in any subsequent plan. For example, the Independent Directors and Managers agreed to certain settlements on the validity and allowance of Inter-Debtor Claims in connection with the other components of the Plan Settlement, including the allocation of FE Settlement Value. These same settlements may not be transferrable to any future plan, which in turn will impact recoveries to all Creditors.

8. The Plan Settlement May Not Be Durable.

The Plan Settlement is a global, integrated settlement. Each element of the Plan Settlement was provided in consideration for each of the other elements. If the Plan is not confirmed, the Plan Settlement may not be durable in any subsequent plan of reorganization or liquidation that the Debtors may file, which could have a material impact on recoveries to the Debtors' Creditors.

For example, solely in connection with and subject to Consummation of the Plan (i) FG has agreed to (a) an Allowed super-priority Administrative Claim against FES in a fixed amount equal to $120,291,389 and (b) the treatment of such Allowed super-priority Administrative Claim as set forth in Article III of the Plan and (ii) NG has agreed to (a) an Allowed super-priority Administrative Claim against FES in a fixed amount equal to $238,431,879 and (b) the treatment of such Allowed super-priority Administrative Claim as set forth in Article III of the Plan. If the Plan is not consummated, FG and NG's agreements with respect to the amount of treatment of their super-priority Administrative Claims against FES shall be null and void, and FG's and NG's allowed super-priority Administrative Claims may be significantly higher than the amounts set forth above.

9. The Debtors May Not be Able to Timely Separate from the FE Non-Debtor Parties.

The Debtors currently receive shared services from FESC under the Amended Shared Services Agreement. The Amended Shared Services Agreement terminates by its own terms on June 30, 2020. While the Debtors are in the process of separating their business and operations from those of the FE Non-Debtor Parties, including standing up their own shared services functions, it is uncertain whether the Debtors will be able to successfully separate prior to June 30, 2020. If the Debtors are unable to access shared services after June 30, 2020 and have not completely separated from the FE Non-Debtor Parties, it could cost the Debtors' Estates or the Reorganized Debtors, as applicable, substantial amounts of time and resources.

10. The Debtors May Object to the Amount or Classification of a Claim or Interest.

Except as otherwise provided in the Plan, the Debtors reserve the right to object to the amount or classification of any Claim or Interest under the Plan. The estimates set forth in this Disclosure Statement cannot be relied upon by any Holder of a Claim or Interest where such Claim or Interest is subject to an objection or dispute. Any Holder of a Claim or Interest that is subject to an objection or dispute may not receive its expected share of the estimated distributions described in this Disclosure Statement.

11. Necessary Governmental Approvals May Not Be Granted.

Consummation of the Restructuring Transactions depends upon the approval of FERC, approval of the NRC, approval by the United States Department of Justice under the HSR Act, and any other approvals required by a Governmental Unit. Failure by any Governmental Unit to grant a necessary approval could prevent consummation of the Restructuring Transactions and the Plan.

12. The Debtors May Not Be Successful in the PPA Appeal Proceeding.

In the event of an adverse ruling in the PPA Appeal Proceeding, including a ruling that the Debtors were unable to reject the PPA Appeal Proceeding Contracts or that FERC has concurrent jurisdiction with the Bankruptcy Court over the question of whether the Debtors were entitled to reject the PPA Appeal Proceeding Contracts, the Debtors could be forced to continue performing under the PPA Appeal Proceeding Contracts, seek authorization from FERC to terminate or abrogate the PPA Appeal Proceeding Contracts, or breach the contracts resulting in substantial administrative expense claims that could substantially reduce recoveries for other Unsecured Creditors. If the Sixth Circuit so holds, the Consenting Creditors may terminate the Restructuring Support Agreement and their respective support for the Plan.

13. The Effective Date May Not Occur.

There can be no assurance as to such timing or as to whether the Effective Date will, in fact, occur. If the Plan does not receive the requisite acceptances or is not confirmed or if it does receive the requisite acceptances and is confirmed but the effective date of the reorganization contemplated therein does not occur, it may become necessary to amend the Plan to provide for alternative treatment of Claims and Interests which may result in holders of claims and interests receiving significantly less or no value for their Claims and Interests in the Chapter 11 Cases. If any modifications to the Plan are material, it may be necessary to re-solicit votes from holders of Claims and Interests adversely affected by the modifications with respect to such Plan.

14. Distributions to Holders of Unsecured PCN Claims, FES Notes Claims and Mansfield Certificate Claims May be Reduced due to the Indenture Trustees' Right to Fees and Expenses under the Indentures.

As described in Section VI.D. of this Disclosure Statement, entitled "Cancellation of Existing Securities and Agreements," which begins on page 122, notwithstanding Confirmation or Consummation of the Plan, any indenture or agreement that governs the rights of any Holder of a Claim shall continue in effect for purposes of preserving the rights of any Indenture Trustee to payment of fees, expenses, and indemnification obligations as against any money or property distributable to the Holders under the relevant Indentures, each Indenture Trustee asserts that it has the right to apply its charging lien and deduct any of its unpaid expenses and compensation from any distributions by the Debtors to the applicable Holders before paying any principal or interest to the Holders of the Debtors' Unsecured PCN Claims, FES Notes Claims or Mansfield Certificate Claims.

15. The Bankruptcy Court Might Not Confirm the Plan if the Bankruptcy Court Finds That Currently Unimpaired Classes Are in fact Impaired Under the Bankruptcy Code.

The Plan currently provides that the treatment of certain Classes renders such Claims Unimpaired and that such Classes are not entitled to vote and are conclusively deemed to accept the Plan. Accordingly, the Debtors are not soliciting votes from the creditors of such Classes. If, however, the Bankruptcy Court determines in connection with confirmation of the Plan that the proposed treatment of such Classes in fact impairs one or more of such Classes, then the Plan may not satisfy all requirements for confirmation and, in that case, cannot be confirmed by the Bankruptcy Court. The Debtors disagree with such assertions and reserve all rights with respect to such assertions.

C. Risks Related to Recoveries Under the Plan.

1. The Debtors Cannot State With Certainty the Value of Any Recovery Available to Holders of Allowed Claims and Interests.

Certainty with respect to creditor recoveries under the Plan is impossible because of at least three factors . ***First***, the Debtors cannot know with any certainty, at this time, the value of the Debtors. ***Second***, the Debtors cannot know with any certainty, at this time, the number or amount of Claims and Interests in the Voting Classes that ultimately will be Allowed. ***Third***, the Debtors cannot know with any certainty, at this time, the amount of Claims and Interests senior to the Voting Classes, junior to the Voting Classes, or unclassified Claims that ultimately will be Allowed.

2. The Debtors May Not Be Able To Achieve Their Projected Financial Results or Meet Their Post-Reorganization Debt Obligations.

The Financial Projections that are attached to this Disclosure Statement as **Exhibit D** represent the Debtors' management's best estimate of the Reorganized Debtors' future financial performance based on currently known facts and assumptions about the Reorganized Debtors' future operations, as well as the U.S. and world economy in general and the industry segments in which the Debtors operate in particular. There is no guarantee that the Financial Projections will be realized. The Reorganized Debtors' actual financial results may differ significantly from the Financial Projections. To the extent the Reorganized Debtors do not meet their projected financial results or achieve projected revenues and cash flows, the Reorganized Debtors may lack sufficient liquidity to continue operating as planned after the Effective Date, may be unable to service their reinstated debt obligations as they come due, and may not be able to meet their operational needs. Further, a failure of the Reorganized Debtors to meet their

projected financial results or achieve projected revenues and cash flows could lead to cash flow and working capital constraints, which may require the Reorganized Debtors to seek additional working capital. The Reorganized Debtors may not be able to obtain such working capital when it is required, or may only be able to obtain such capital on unreasonable or cost prohibitive terms. For example, the Reorganized Debtors may be required to take on additional debt, the interest costs of which could adversely affect the results of the operations and financial condition of the Reorganized Debtors. The Reorganized Debtors may also elect to enter into a new credit facility at an undetermined future date after the Effective Date for the purpose of funding working capital and other normal course business liquidity needs. While a new credit facility may enhance business operations, it is possible that such a facility may have an adverse impact on the financial condition of the Reorganized Debtors in the event the Reorganized Debtors lack sufficient liquidity to service any such debt obligation.

3. Certain Tax Implications of the Debtors' Bankruptcy and Reorganization May Increase the Tax Liability of the Reorganized Debtors.

Holders of Allowed Claims and Allowed Interests should carefully review Section X of this Disclosure Statement, entitled "Certain U.S. Federal Income Tax Consequences of the Plan," which begins on page 184.

D. Risks Related to the New FES Common Stock.

1. The Estimated Value of the New FES Common Stock in Connection with the Plan May Differ from the Actual Value of the New FES Common Stock.

The estimated value of the New FES Common Stock for purposes of estimating recovery percentages under the Plan is based on the valuation analysis, attached hereto as Exhibit E, which represents a valuation of the Debtors and assumes that, among other things, such Debtors continue as an operating business. The valuation analysis does not purport to constitute an appraisal of the Debtors or necessarily reflect the actual market value that might be realized through a sale or liquidation of the Debtors or their assets, which may be materially different than the estimate set forth in the valuation analysis. Accordingly, the estimated value of the New FES Common Stock does not necessarily reflect the actual market value of the New FES Common Stock that might be realized after the consummation of the Plan, which may be materially lower than the estimated valuation of the New FES Common Stock as set forth in this Disclosure Statement and the exhibits hereto. Accordingly, such estimated value is not necessarily indicative of the prices at which the New FES Common Stock may trade, if at all, after giving effect to the transactions set forth in the Plan.

2. An Active Trading Market May Not Develop for the New FES Common Stock.

The New FES Common Stock is a new issue of securities and, accordingly, there is currently no established trading market for the New FES Common Stock. The Debtors do not currently intend to apply to list the New FES Common Stock on any national securities exchange (including OTC) and, as such, there can be no assurance that an active trading market for the New FES Common Stock will develop. If there is no active trading market in the New FES Common Stock, the market price and liquidity of the New FES Common Stock may be adversely affected. If a trading market does not develop or is not maintained, holders of New FES Common Stock may experience difficulty in reselling such securities at an acceptable price or may be unable to sell them at all. Even if a trading market were to exist, such market could have limited liquidity and the New FES Common Stock could trade at prices lower than the value attributed to such securities in connection with their distribution under the Plan, depending upon many factors, including, without limitation, markets for similar securities, industry conditions, financial performance, prevailing interest rates, conditions in financial markets, or prospects

and investor expectations thereof. As a result, there may be limited liquidity in any trading market that does develop for the New FES Common Stock. Pursuant to the provisions of the governance term sheet agreed to in connection with the Restructuring Support Agreement, the New Organizational Documents and/or the Reorganized Debtor Stockholders' Agreement to be entered into on the Effective Date, will contain provisions (such as tag-along rights, drag-along rights, and voting agreements, among others), which may adversely affect the liquidity in the trading market for the New FES Common Stock. Furthermore, drag-along rights could permit the Reorganized Debtors or a supermajority of holders of New FES Common Stock to force other holders of New FES Common Stock to liquidate their positions at a specified price in connection with certain sale transactions. The price applicable upon the exercise of drag-along rights may be different from the price at which holders of New FES Common Stock would be willing to sell their shares on a consensual basis.

3. **The Trading Prices for the New FES Common Stock May Be Depressed Following the Effective Date.**

Following the Effective Date, recipients of the New FES Common Stock under the Plan may seek to dispose of such securities to obtain liquidity, which could cause the initial trading prices for these securities to be depressed, particularly in light of the lack of established trading markets for these securities. Further, the possibility that recipients of New FES Common Stock may determine to sell all or a large portion of their shares in a short period of time may adversely affect the market price of the New FES Common Stock.

4. **A Small Number of Holders of New FES Common Stock May Control the Reorganized Debtors.**

Consummation of the Plan may result in a small number of holders owning a significant percentage of the outstanding New FES Common Stock in the Reorganized Debtors. These holders may, among other things, exercise a controlling influence over the business and affairs of the Debtors and have the power to elect directors or managers and approve significant mergers and other material corporate transactions.

5. **Any Issuance of New FES Common Stock under a Management Incentive Plan will Dilute the New FES Common Stock.**

On or after the Effective Date, the Reorganized Debtors may adopt and implement a Management Incentive Plan (including through the issuance of New FES Common Stock) for certain of the Reorganized Debtors' directors, officers, and employees. If the Reorganized Debtors distribute such equity-based awards to management pursuant to a Management Incentive Plan, it is contemplated that such distributions will dilute the New FES Common Stock issued on account of Claims under the Plan and the ownership percentage represented by the New FES Common Stock distributed under the Plan.

6. **The New FES Common Stock is an Equity Interest and Therefore Subordinated to the Indebtedness of the Reorganized Debtors.**

In any liquidation, dissolution, or winding up of the Reorganize Debtors, the New FES Common Stock would rank junior to all debt claims against the Reorganized Debtors. As a result, holders of New FES Common Stock will not be entitled to receive any payment or other distribution of assets upon the liquidation, dissolution, or winding up of the Reorganized Debtors until after all of their obligations to their debt holders have been satisfied.

7. **Certain Holders of New FES Common Stock May be Restricted in Their Ability to Transfer or Sell Their Securities.**

To the extent that the New FES Common Stock is issued under the Plan pursuant to section 1145(a) of the Bankruptcy Code (and not in connection with any third-party sale transactions), it may be resold by the holders thereof without registration unless the holder is an "underwriter" with respect to such securities. Resale by Persons who receive New FES Common Stock pursuant to the Plan that are deemed to be "underwriters" as defined in section 1145(b) of the Bankruptcy Code would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Such Persons would only be permitted to sell such securities without registration if they are able to comply with the provisions of Rule 144 under the Securities Act or another applicable exemption.

8. **The Payment of Dividends, If Any, With Respect to the New FES Common Stock Will Be at the Discretion of the Boards of Directors or Managers of the Reorganized Debtors.**

Any future determination by the Reorganized Debtors to pay dividends with respect to any of the New FES Common Stock will be at the discretion of the New FES Board and will be dependent on then-existing conditions, including the financial condition, results of operations, capital requirements, contractual restrictions, business prospects, and other factors that the board of directors or managers of the Reorganized Debtors considers relevant. As a result, there is no assurance that the holders of the New FES Common Stock will receive dividends and the trading price of the New FES Common Stock could be materially and adversely affected.

9. **The Consideration Under the Plan Does Not Reflect any Independent Valuation of Claims against or Interest in the Debtors.**

The Debtors have not obtained or requested a fairness opinion from any banking or other firm as to the fairness of the consideration under the Plan.

10. **The Reorganized Debtors May Not Be Able to Generate or Receive Sufficient Cash to Service Their Debts and May Be Forced to Take Other Actions to Satisfy their Obligations, Which May Not Be Successful.**

The Reorganized Debtors' ability to make scheduled payments on their debt obligations depends on their financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business, and other factors beyond the Reorganized Debtors' control. The Reorganized Debtors may not be able to maintain a level of cash flow sufficient to permit them to pay the principal, premium, if any, and interest on their debt.

If cash flows and capital resources are insufficient to fund the Reorganized Debtors' debt obligations, they could face substantial liquidity problems and might be forced to reduce or delay investments and capital expenditures, or to dispose of assets or operations, seek additional capital or restructure or refinance debt. These alternative measures may not be successful, may not be completed on economically attractive terms, or may not be adequate to satisfy their debt obligations when due.

Further, if the Reorganized Debtors suffer or appear to suffer from a lack of available liquidity, the evaluation of their creditworthiness by counterparties and rating agencies and the willingness of third parties to do business with them could be adversely affected.

E. Risks Related to the Business Operations of the Debtors and the Reorganized Debtors.

1. The Debtors' Businesses Are Subject to Ongoing Complex Governmental Regulations and Legislation that Have Impacted, and May in the Future Impact, Their Businesses and/or Results of Operations, Liquidity, and Financial Condition.

The Debtors' businesses operate in changing market environments influenced by various state and federal legislative and regulatory initiatives regarding the energy industry, including competition in the generation and sale of electricity. The Debtors will need to continually adapt to these changes.

The Debtors' businesses are subject to changes in state and federal laws (including but not limited to the Federal Power Act, the Atomic Energy Act, the Public Utility Regulatory Policies Act of 1978, the Clean Air Act (the "CAA"), the Energy Policy Act of 2005, the Dodd-Frank Wall Street Reform and Consumer Protection Act, and state laws and regulations in jurisdictions where the Debtors' businesses operate), changing governmental policy and regulatory actions (including those of the North American Electric Reliability Corporation (the "NERC"), the FERC, the United States Environmental Protection Agency (the "EPA"), the NRC, the Commodity Futures Tradition Commission (the "CFTC"), and state public utility commissions) and the rules, guidelines and protocols of PJM and MISO with respect to matters including, but not limited to, energy market structure and design, operation of nuclear generation facilities, construction and operation of other generation facilities, construction and operation of transmission facilities, decommissioning costs, market behavior rules, present or prospective wholesale and retail competition and environmental matters. The Debtors, along with other market participants, are subject to electricity pricing constraints and market behavior and other competition-related rules and regulations that are administered by PJM and MISO. Changes in, revisions to, or reinterpretations of existing laws and regulations, or the implementation of new laws, rules, or regulations, may have a material effect on the Debtors' businesses.

2. The Debtors' Costs of Compliance with Environmental Laws are Significant, and the Costs of Compliance with New Environmental Laws, Including Limitations on GHG Emissions, Could Adversely Affect Cash Flow and Profitability.

The Debtors' operations are subject to extensive federal, state and local environmental statutes, rules and regulations. Compliance with these legal requirements requires the Debtors to incur costs for, among other things, installation and operation of pollution control equipment, emissions monitoring and fees, remediation and permitting at the Debtors' facilities. These expenditures have been significant in the past and may increase in the future. Although the Debtors have previously announced the deactivation of all of their currently operating generation facilities over the next three years, they continue to believe that sufficient legislative support for coal and nuclear generation and meaningful market reforms could permit the operation of one or more of such facilities beyond currently scheduled deactivation dates. Even if such legislative support and market reform do materialize, however, the Debtors may still be forced to shut down their facilities or change their operating status, either temporarily or permanently, if the Debtors are unable to comply with existing or new environmental requirements, or if the expenditures required to comply with such environmental requirements make it economically impractical to operate such facilities.

Moreover, new environmental laws or regulations including, but not limited to the Clean Water Act effluent limitations imposing more stringent water discharge regulations, or changes to existing environmental laws or regulations may materially increase the Debtors' costs of compliance or accelerate the timing of capital expenditures. The Debtors' current estimates regarding estimated compliance costs, although reasonably based on available information, may not successfully address future relevant standards and interpretations. If the Debtors fail to comply with environmental laws and regulations or

new interpretations of longstanding requirements, even if caused by factors beyond their control, that failure could result in the assessment of civil or criminal liability and fines. In addition, any alleged violation of environmental laws and regulations may require the Debtors to expend significant resources to defend against any such alleged violations.

At the international level, the Obama Administration submitted in March 2015 a formal pledge for the U.S. to reduce its economy-wide greenhouse gas emissions by 26 to 28 percent below 2005 levels by 2025, and in September 2016, joined in adopting the agreement reached on December 12, 2015 at the United Nations Framework Convention on Climate Change meetings in Paris. However, on June 1, 2017, the Trump Administration announced that the U.S. would cease all participation in the 2015 Paris Agreement. Due to the uncertainty of control technologies available to reduce Greenhouse Gas ("GHG") emissions, any other legal obligation that requires substantial reductions of GHG emissions could result in substantial additional costs, adversely affecting cash flow and profitability, and could raise uncertainty about the future viability of fossil fuels, particularly coal, as an energy source for new and existing electric generation facilities.

3. The Debtors Have a Significant Percentage of Coal-Fired Generation Capacity Which Exposes Them to Risk from Regulations Relating to Coal, GHGs and Coal Combustion Residuals ("CCR").

Approximately 36% of the Debtors' generation fleet capacity is coal-fired, totaling 2,320 megawatts ("MW"), which will increase to 47%, totaling 3,620 MWs when the acquisition of the Pleasants Power Plant is consummated. Historically, coal-fired generating plants have greater exposure to the costs of complying with federal, state and local environmental statutes, rules and regulations relating to air emissions, including GHGs, and CCR disposal, than other types of electric generation facilities. These legal requirements and any future initiatives could impose substantial additional costs and, in the case of GHG requirements, could raise uncertainty about the future viability of fossil fuels, particularly coal, as an energy source for new and existing electric generation facilities and could require the Debtors' coal-fired generation plants to curtail generation or cease to generate regardless of the receipt of sufficient legislative support or meaningful market reforms that would otherwise allow the continued operation of such facilities beyond previously-announced deactivation dates. Failure to comply with any such existing or future legal requirements may also result in the assessment of fines and penalties. Significant resources also may be expended to defend against allegations of violations of any such requirements.

4. The Debtors Are Subject to Risks Arising from the Operation of Their Power Plants Which Could Reduce Revenues, Increase Expenses and Have a Material Adverse Effect on their Business, Financial Condition and Results of Operations.

Operation of generation facilities involves risk, including the risk of potential breakdown or failure of equipment or processes due to aging infrastructure, fuel supply or transportation disruptions, accidents, labor disputes or work stoppages by employees, human error in operations or maintenance, acts of terrorism or sabotage, construction delays or cost overruns, shortages of or delays in obtaining equipment, material and labor, operational restrictions resulting from environmental requirements and governmental interventions, and performance below expected levels. In addition, weather-related incidents and other natural disasters can disrupt generation, transmission and distribution delivery systems. Because our generation facilities are connected with transmission facilities of third parties, which are themselves interconnected with other transmission and distribution delivery systems of other third parties, the operation of our facilities could be adversely affected by unexpected or uncontrollable events occurring on the systems of such third parties.

Operation of the Debtors' power plants below expected capacity could result in lost revenues and increased expenses, including higher operation and maintenance costs, purchased power costs and capital requirements. Unplanned outages of generating units and extensions of scheduled outages due to mechanical failures or other problems occur from time to time and are an inherent risk of the Debtors' business. Unplanned outages typically increase the Debtors' operation and maintenance expenses or may require the Debtors to incur significant costs as a result of operating their higher cost units or obtaining replacement power from third parties in the open market to satisfy their sales obligations. Moreover, if the Debtors were unable to perform under contractual obligations, including, but not limited to, the Debtors' coal and coal transportation contracts, as amended, penalties or liability for damages could result, which could have a material adverse effect on the Debtors' business, financial condition and results of operations.

5. Failure to Provide Safe and Reliable Service and Equipment Could Result in Serious Injury or Loss of Life That May Harm the Debtors' Business Reputation and Adversely Affect their Operating Results.

The Debtors are committed to providing safe and reliable service and equipment to their customers. Meeting this commitment requires the expenditure of significant capital resources. However, the Debtors' employees, contractors and the general public may be exposed to dangerous environments due to the nature of their operations. Failure to provide safe and reliable service and equipment due to various factors, including equipment failure, accidents and weather, could result in serious injury or loss of life that may harm the Debtors' business reputation and adversely affect their operating results through reduced revenues and increased capital and operating costs litigation or the imposition of penalties/fines or other adverse regulatory outcomes.

6. The Debtors Could be Subject to Higher Costs and/or Penalties Related to Mandatory Reliability Standards Set by NERC/FERC or Changes in the Rules of Organized Markets.

Owners, operators, and users of the bulk electric system are subject to mandatory reliability standards promulgated by NERC and approved by FERC. The standards are based on the functions that need to be performed to ensure that the bulk electric system operates reliably. NERC, ReliabilityFirst Corporation ("RFC"), the regional reliability entity with NERC-delegated authority in Debtors' region, and FERC can be expected to continue to refine existing reliability standards as well as develop and adopt new reliability standards. Compliance with modified or new reliability standards may subject the Debtors to higher operating costs and/or increased capital expenditures. If the Debtors were found not to be in compliance with the mandatory reliability standards, they could be subject to sanctions, including substantial monetary penalties. FERC has authority to impose penalties up to and including approximately $1.3 million per day for failure to comply with these mandatory electric reliability standards.

In addition to regulation by FERC, the Debtors are also subject to rules and terms of participation imposed and administered by various RTOs and Independent System Operators ("ISOs"). These entities are themselves ultimately regulated by FERC and, subject to FERC oversight, can impose rules, restrictions and terms of service that are quasi-regulatory in nature and can have a material adverse impact on the Debtors' business. For example, ISOs and RTOs may impose bidding and scheduling rules to mitigate the potential for exercise of market power and to ensure the markets function appropriately. ISO and RTO market rules may materially affect the Debtors' ability to sell, and the price they receive for, their energy and capacity.

The Debtors incur fees and costs to participate in RTOs. Administrative costs imposed by RTOs, including the cost of administering energy markets, may increase. To the degree the Debtors incur significant additional fees and increased costs to participate in an RTO, and are limited with respect to recovery of such costs from retail customers, the Debtors' results of operations and cash flows could be significantly impacted.

As a member of an RTO, the Debtors are subject to certain additional risks, including those associated with the allocation among members of losses caused by unreimbursed defaults of other participants in that RTO's market and those associated with complaint cases filed against the RTO that may seek refunds of revenues previously earned by its members.

7. The Use of Non-Derivative and Derivative Contracts by the Reorganized Debtors to Mitigate Risks Could Result in Financial Losses That May Negatively Impact the Reorganized Debtors' Financial Results.

The Reorganized Debtors may use a variety of non-derivative and derivative instruments, such as swaps, options, futures and forwards, to manage their commodity and financial market risks. In the absence of actively quoted market prices and pricing information from external sources, the valuation of some of these derivative instruments involves management's judgment or use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of some of these contracts. Also, the Reorganized Debtors could recognize financial losses as a result of volatility in the market value of these contracts if a counterparty fails to perform or if there is limited liquidity of these contracts in the market.

8. The Debtors' Risk Management Policies Relating to Energy and Fuel Prices, and Counterparty Credit, Are by Their Very Nature Subject to Uncertainties, and the Debtors Could Suffer Economic Losses Resulting in an Adverse Effect on Results of Operations Despite the Debtors' Efforts to Manage and Mitigate Their Risks.

The Debtors attempt to mitigate the market risk inherent in their energy, fuel and debt positions. Procedures have been implemented to enhance and monitor compliance with the Debtors' risk management policies, including validation of transaction and market prices, verification of risk and transaction limits, sensitivity analysis and daily portfolio reporting of various risk measurement metrics. Nonetheless, the Debtors cannot economically hedge all of their exposure in these areas and their risk management program may not operate as planned. As a result, actual events may lead to greater losses or costs than the Debtors' risk management positions were intended to hedge.

9. The Debtors Rely on Transmission and Distribution Assets That They Do Not Own or Control to Deliver Their Wholesale Electricity. If Transmission is Disrupted, Not Operated Efficiently, or if Capacity is Inadequate, The Debtors' Ability to Sell and Deliver Power May Be Adversely Affected.

The Debtors depend on transmission and distribution facilities owned and operated by utilities and other energy companies to deliver the electricity they sell. If transmission is disrupted (as a result of weather, natural disasters or other reasons) or not operated efficiently by ISOs and RTOs, in applicable markets, or if capacity is inadequate, the Debtors' ability to sell and deliver products and satisfy their contractual obligations may be adversely affected, or they may be unable to sell products on the most favorable terms. In addition, in certain of the markets in which the Debtors operate, they may be required to pay for congestion costs if they schedule delivery of power between congestion zones during periods of high demand. If the Debtors are unable to hedge or recover such congestion costs in retail rates, their financial results could be adversely affected.

FERC requires wholesale electric transmission services to be offered on an open-access, non-discriminatory basis. Although these regulations are designed to encourage competition in wholesale market transactions for electricity, it is possible that fair and equal access to transmission systems will not be available or that sufficient transmission capacity will not be available to transmit electricity as the Debtors desire. The Debtors cannot predict the timing of industry changes as a result of these initiatives or the adequacy of transmission facilities in specific markets or whether ISOs or RTOs in applicable markets will operate the transmission networks, and provide related services, efficiently.

10. The Business Operations of Debtors That Sell Wholesale Power Are Subject to Regulation by FERC and Could be Adversely Affected by Such Regulation.

FERC granted the Debtors authority to sell electric energy, capacity and ancillary services at market-based rates. These orders also granted waivers of certain FERC accounting, record-keeping and reporting requirements, as well as, for certain of these subsidiaries, waivers of the requirements to obtain FERC approval for issuances of securities. FERC's orders that grant this market-based rate authority reserve with FERC the right to revoke or revise that authority if FERC subsequently determines that these companies can exercise market power in transmission or generation, or create barriers to entry, or have engaged in prohibited affiliate transactions. In the event that one or more of the Debtors' market-based rate authorizations were to be revoked or adversely revised, the Debtors may be subject to sanctions and penalties, and would be required to file with FERC for authorization of individual wholesale sales transactions, which could involve costly and possibly lengthy regulatory proceedings and the loss of flexibility afforded by the waivers associated with the current market-based rate authorizations.

11. Temperature Variations as well as Weather Conditions or other Natural Disasters Could Adversely Affect the Debtors' Energy Margins, and Could Have an Adverse Effect on the Debtors' Financial Condition and Results of Operations, and the Demand for Power.

Weather conditions directly influence the demand for electric power. Demand for power generally peaks during the summer and winter months, with market prices also typically peaking at that time. Overall operating results may fluctuate based on weather conditions. In addition, the Debtors have historically sold less power, and consequently received less revenue, when weather conditions are milder. Severe weather, such as tornadoes, hurricanes, ice or snowstorms, or droughts or other natural disasters, may cause outages and property damage that may require the Debtors to incur additional costs that are generally not insured and that may not be recoverable from customers. The effect of the failure of the Debtors' facilities to operate as planned under these conditions would be particularly burdensome during a peak demand period and could have an adverse effect on the Debtors' financial condition and results of operations.

12. The Risks Associated with Climate Change May Have an Adverse Impact on the Debtors' Business Operations, Operating Results and Cash Flows.

Physical risks of climate change, such as more frequent or more extreme weather events, changes in temperature and precipitation patterns, and other related phenomena, could affect some, or all, of the Debtors' operations. Severe weather or other natural disasters could be destructive, which could result in increased costs, including supply chain costs. Further, as extreme weather conditions increase system stress, the Debtors may incur costs relating to additional system backup or service interruptions, and in some instances, the Debtors may be unable to recover such costs. For all of these reasons, these physical risks could have an adverse financial impact on the Debtors' business operations, operating results and

cash flows. Climate change poses other financial risks as well. To the extent weather conditions are affected by climate change, customers' energy use could increase or decrease depending on the duration and magnitude of the changes. Increased energy use due to weather changes may require the Debtors to invest in additional system assets and purchase additional power. Additionally, decreased energy use due to weather changes may affect the Debtors' financial condition through decreased rates, revenues, margins or earnings.

13. Physical Acts of War, Terrorism or Other Attacks on any of the Debtors' Facilities or Other Infrastructure Could Have an Adverse Effect on the Debtors' Business, Results of Operations and Financial Condition.

As a result of the continued threat of physical acts of war, terrorism, or other attacks in the United States, the Debtors' electric generation and fuel storage facilities and other infrastructure, including power plants, transformer and high voltage lines and substations, or the facilities or other infrastructure of an interconnected company, could be direct targets of, or indirect casualties of, an act of war, terrorism, or other attack, which could result in disruption of the Debtors' ability to generate, purchase, transmit or distribute electricity for a significant period of time, otherwise disrupt customer operations and/or result in incidents that could result in harmful effects on the environment and human health, including loss of life. Any such disruption or incident could result in a significant decrease in revenue, significant additional capital and operating costs, including costs to implement additional security systems or personnel to purchase electricity and to replace or repair the Debtors' assets over and above any available insurance reimbursement, higher insurance deductibles, higher premiums and more restrictive insurance policies, legal claims or proceedings, greater regulation with higher attendant costs, generally, and significant damage to the Debtors' reputation, which could have a material adverse effect on the Debtors' business, results of operations and financial condition.

14. Cyber-Attacks, Data Security Breaches and Other Disruptions to the Debtors' Information Technology Systems Could Compromise the Debtors' Business Operations, Critical and Proprietary Information and Employee and Customer Data, Which Could Have a Material Adverse Effect on Their Business, Financial Condition and Reputation.

In the ordinary course of the Debtors' business, the Debtors depend on information technology systems that utilize sophisticated operational systems and network infrastructure to run all facets of their generation services. Additionally, the Debtors store sensitive data, intellectual property and proprietary or personally identifiable information regarding their business, employees, shareholders, customers, suppliers, business partners and other individuals in their data centers and on their networks. The secure maintenance of information and information technology systems is critical to the Debtors' operations.

Over the last several years, there has been an increase in the frequency of cyber-attacks by terrorists, hackers, international activist organizations, countries and individuals. These and other unauthorized parties may attempt to gain access to the Debtors' network systems or facilities, or those of third parties with whom the Debtors do business in many ways, including directly through their network infrastructure or through fraud, trickery, or other forms of deceiving the Debtors' employees, contractors and temporary staff. Additionally, the Debtors information and information technology systems may be increasingly vulnerable to data security breaches, damage and/or interruption due to viruses, human error, malfeasance, faulty password management or other malfunctions and disruptions. Further, hardware, software, or applications the Debtors develop or procure from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information and/or security.

Despite security measures and safeguards the Debtors have employed, including certain measures implemented pursuant to mandatory NERC Critical Infrastructure Protection Standards, the Debtors' infrastructure may be increasingly vulnerable to such attacks as a result of the rapidly evolving and increasingly sophisticated means by which attempts to defeat the Debtors' security measures and gain access to the Debtors' information technology systems may be made. Also, the Debtors may be at an increased risk of a cyber-attack and/or data security breach due to the nature of their business.

Any such cyber-attack, data security breach, damage, interruption and/or defect could: (i) disable the Debtors' generation services for a significant period of time; (ii) delay capital improvement projects; (iii) adversely affect the Debtors' customer operations; (iv) corrupt data; and/or (v) result in unauthorized access to the information stored in the Debtors' data centers and on their networks, including, company proprietary information, supplier information, employee data, and personal customer data, causing the information to be publicly disclosed, lost or stolen or result in incidents that could result in economic loss and liability and harmful effects on the environment and human health, including loss of life. Additionally, because the Debtors' generation services are part of an interconnected system, disruption caused by a cybersecurity incident at an interconnected transmission provider, a utility, another electric generator, or a commodity supplier could also adversely affect the Debtors' operations.

Although the Debtors maintain cyber insurance and property and casualty insurance, there can be no assurance that liabilities or losses they may incur, including as a result of cybersecurity-related litigation, will be covered under such policies or that the amount of insurance will be adequate. Further, as cyber threats become more difficult to detect and successfully defend against, there can be no assurance that the Debtors can implement adequate preventive measures, accurately assess the likelihood of a cyber-incident or quantify potential liabilities or losses. Also, the Debtors may not discover any data security breach and loss of information for a significant period of time after the data security breach occurs. For all of these reasons, any such cyber incident could result in significant lost revenue, the inability to conduct critical business functions and serve customers for a significant period of time, the use of significant management resources, legal claims or proceedings, regulatory penalties, significant remediation costs, increased regulation, increased capital costs, increased protection costs for enhanced cybersecurity systems or personnel, damage to the Debtors' reputation and/or the rendering of the Debtors' internal controls ineffective, all of which could materially adversely affect the Debtors' business and financial condition.

15. The Debtors Face Certain Risks Associated with Potential Labor Disruptions and/or With Retaining Trained and Qualified Labor in Certain Positions to Meet Their Future Staffing Requirements.

The Debtors face challenges with respect to retaining certain highly experienced personnel and positions requiring significant training. A significant number of the Debtors' physical workforce are represented by unions. While the Debtors believe that their relations with their employees are generally fair, they cannot provide assurances that the business will be completely free of labor disruptions such as work stoppages, work slowdowns, union organizing campaigns, strikes, lockouts or that any labor disruption will be favorably resolved. In addition, the Debtors will be in negotiation with the unions that are parties to collective bargaining agreements with the Debtors regarding modifications necessary for the Debtors' post-Effective Date operations. Mitigating these risks could require additional financial commitments and the failure to prevent labor disruptions and retain trained and experienced labor could have an adverse effect on the Debtors' business.

16. Changes in Technology and Regulatory Policies May Make the Debtors' Facilities Significantly Less Competitive and Adversely Affect Their Results of Operations.

Traditionally, electricity is generated at large central station generation facilities. This method results in economies of scale and lower unit costs than newer generation technologies such as fuel cells, microturbines, windmills and photovoltaic solar cells. It is possible that advances in newer generation technologies will make newer generation technologies more cost-effective, or that changes in regulatory policy will create benefits that otherwise make these newer generation technologies even more competitive with central station electricity production. To the extent that newer generation technologies are connected directly to load, bypassing the transmission and distribution systems, potential impacts could include decreased transmission and distribution revenues, stranded assets and increased uncertainty in load forecasting and integrated resource planning and could adversely affect the Debtors' business and results of operations.

17. Energy Efficiency and Peak Demand Reduction Mandates Applicable to the Distribution Utilities the Debtors Supply as well as Mandatory Renewable Portfolio Requirements Could Negatively Impact the Debtors' Financial Condition and Results of Operations.

A number of regulatory and legislative bodies have introduced requirements and/or incentives to reduce peak demand and energy consumption. Such conservation programs could result in load reduction and adversely impact the Debtors' financial results in different ways. Additionally, where federal or state legislation mandates the use of renewable and alternative fuel sources, such as wind, solar, biomass and geothermal, it could result in significant reductions in the demand for generation supplied by the Debtors' generation facilities.

The Debtors have already been adversely impacted by reduced electric usage due in part to energy conservation efforts applicable to distribution utilities supplied by the Debtors including the use of efficient lighting products such as CFLs, halogens and LEDs and in part to federal or state legislation mandating the use of renewable energy. The Debtors are unable to determine what impact, if any, conservation and mandatory renewable portfolio requirements will have on their financial condition or results of operations.

18. The EPA is Conducting New Source Review Investigations at Generating Plants that the Debtors Currently or Formerly Owned, the Results of Which Could Negatively Impact the Debtors' Results of Operations and Financial Condition.

The Debtors may be subject to risks from changing or conflicting interpretations of existing laws and regulations, including, for example, the applicability of the EPA's New Source Review programs. Under the CAA, modification of the Debtors' generation facilities in a manner that results in increased emissions could subject the Debtors' existing generation facilities to the far more stringent new source standards applicable to new generation facilities.

The EPA has taken the view that many companies, including many energy producers, have been modifying emissions sources in violation of New Source Review standards during work considered by the companies to be routine maintenance. The EPA has investigated alleged violations of the New Source Review standards at certain of the Debtors' existing and former generating facilities. The Debtors intend to vigorously pursue and defend the Debtors' position, but the Debtors are unable to predict their outcomes. If New Source Review and similar requirements are imposed on the Debtors' generation facilities, in addition to the possible imposition of fines, compliance could entail significant capital

investments in pollution control technology, which could have an adverse impact on the Debtors' business, results of operations, cash flows and financial condition.

19. The Debtors Could be Exposed to Private Rights of Action Relating to Environmental Matters Seeking Damages Under Various State and Federal Law Theories Which Could Have an Adverse Impact on Our Results of Operations, Financial Condition and Business Operations.

Private individuals may seek to enforce environmental laws and regulations against the Debtors and could allege personal injury, property damages or other relief. For example, claims have been made against certain energy companies alleging that CO2 emissions from power generating facilities constitute a public nuisance under federal and/or state common law. While the Debtors are not a party to this litigation, it, and/or one of its subsidiaries, could be named in other actions making similar allegations. An unfavorable ruling in any such case could result in the need to make modifications to the Debtors' coal-fired plants or reduce emissions, suspend operations or pay money damages or penalties. Adverse rulings in these or other types of actions could have an adverse impact on the Debtors' results of operations and financial condition and could significantly impact their business operations.

20. The Debtors Are or May be Subject to Environmental Liabilities, Including Costs of Remediation of Environmental Contamination at Current or Formerly Owned Facilities, Which Could Have a Material Adverse effect on Their Results of Operations and Financial Condition.

The Debtors may be subject to liability under environmental laws for the costs of remediating environmental contamination of property now or formerly owned or operated by the Debtors and of property contaminated by hazardous substances that they may have generated regardless of whether the liabilities arose before, during or after the time they owned or operated the facilities. The Debtors are currently involved in a number of proceedings relating to sites where hazardous substances have been released and they may be subject to additional proceedings in the future. Citizen groups or others may bring litigation over environmental issues including claims of various types, such as property damage, personal injury, and citizen challenges to compliance decisions on the enforcement of environmental requirements, such as opacity and other air quality standards, which could subject the Debtors to penalties, injunctive relief and the cost of litigation. The Debtors cannot predict the amount and timing of all future expenditures (including the potential or magnitude of fines or penalties) related to such environmental matters, although the Debtors expect that they could be material.

In some cases, a third party who has acquired assets from the Debtors has assumed the liability they may otherwise have for environmental matters related to the transferred property. If the transferee fails to discharge the assumed liability or disputes its responsibility, a regulatory authority or injured person could attempt to hold the Debtors responsible, and their remedies against the transferee may be limited by the financial resources of the transferee.

In connection with the acquisition of the Pleasants Power Plant, FG (or a subsidiary of FG that acquires the plant) will enter into a Disposal Cost Sharing and Access Agreement (the "Pleasants Disposal Agreement") with AE Supply with respect to the use and operation of the disposal facilities currently utilized by the Pleasants Power Plant for the disposal of wet and solid waste generated by the plant in its operations. Subject to the terms of the Pleasants Disposal Agreement (which includes certain limitations and excluded costs), FG (or its subsidiary) will be obligated to reimburse AE Supply for the costs it incurs in operating the disposal facilities, which may include certain environmental liabilities. These costs may be material to the operation of the Pleasants Power Plant and could impact the Debtors' future decisions as to whether to continue to operate the plant. In addition, the Pleasants Disposal

Agreement contains certain limitations on the amount of unreimbursed costs AE Supply is obligated to incur in connection with the operating of the disposal facilities. In the event such limits are exceeded, FG (or its applicable subsidiary) may have to determine whether to reimburse AE Supply for such excess costs or allow AE Supply to terminate the Pleasants Disposal Agreement, in which case FG (or its applicable subsidiary) would either need to incur substantial costs to utilize other disposal methods for the plan or to shut down the plant, either of which may result in material costs to the Debtors.

21. In the Event of Volatility or Unfavorable Conditions in the Capital and Credit Markets, the Debtors' Business, Including the Immediate Availability and Cost of Short-Term Funds for Liquidity Requirements, the Debtors' Ability to Meet Long-Term Commitments and the Competitiveness and Liquidity of Energy Markets May be Adversely Affected, Which Could Negatively Impact Their Results of Operations, Cash Flows and Financial Condition.

The Debtors may in the future rely on the capital markets or credit facilities to meet their financial commitments and short-term liquidity needs if internal funds are not available from their operations. As referenced in the Financial Projections, the Debtors' liquidity needs will include mandatory purchases applicable to the Allowed Secured FG PCN Reinstated Claims and the Allowed Secured NG PCN Reinstated Claims in 2021 ($157 million) and 2022 ($307 million). The Debtors also expect to continue using letters of credit provided by various financial institutions to support their operations. The Debtors also deposit cash in short-term investments. In the event of volatility in the capital and credit markets, the Debtors' ability to draw on cash and/or any credit facilities they obtain after the Effective Date may be adversely affected. The Debtors' access to funds under any such credit facilities will be dependent on the ability of the financial institutions that are parties to such facilities to meet their funding commitments. Those institutions may not be able to meet their funding commitments if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests within a short period of time. Any delay in the Debtors' ability to access those funds, even for a short period of time, could have an adverse effect on their results of operations and financial condition.

Should there be fluctuations in the capital and credit markets as a result of uncertainty, changing or increased regulation, reduced alternatives or failures of significant foreign or domestic financial institutions or foreign governments, the Debtors' access to liquidity needed for their business could be adversely affected. Unfavorable conditions could require the Debtors to take measures to conserve cash until the markets stabilize or until alternative credit arrangements or other funding for our business needs can be arranged. Such measures could include deferring capital expenditures, changing hedging strategies to reduce collateral-posting requirements, and reducing or eliminating future dividend payments or other discretionary uses of cash.

Energy markets depend heavily on active participation by multiple counterparties, which could be adversely affected should there be disruptions in the capital and credit markets. Reduced capital and liquidity and failures of significant institutions that participate in the energy markets could diminish the liquidity and competitiveness of energy markets that are important to the Debtors business. Perceived weaknesses in the competitive strength of the energy markets could lead to pressures for greater regulation of those markets or attempts to replace those market structures with other mechanisms for the sale of power, including the requirement of long-term contracts, which could have a material adverse effect on the Debtors results of operations and cash flows.

22. Interest Rates and/or a Credit Rating Downgrade Could Negatively Affect the Debtors' Financing Costs, Ability to Access Capital and Requirement to Post Collateral.

The Debtors will have exposure to interest rates to the extent they seek to raise debt in the capital markets to meet maturing debt obligations and fund construction or other investment opportunities. Past disruptions in capital and credit markets have resulted in higher interest rates on new publicly issued debt securities, increased costs for certain of the Debtors' then outstanding variable interest rate debt securities and failed remarketing of the Debtors' then outstanding variable interest rate tax-exempt debt issued to finance certain of their facilities. Similar future disruptions could increase the Debtors' financing costs and adversely affect their results of operations. Also, interest rates could change as a result of economic or other events that are beyond the Debtors' risk management processes. As a result, the Debtors cannot always predict the impact that their risk management decisions may have on them if actual events lead to greater losses or costs than their risk management positions were intended to hedge. Although the Debtors employ risk management techniques to hedge against interest rate volatility, significant and sustained increases in market interest rates could materially increase their financing costs and negatively impact their reported results of operations.

After the Effective Date, the Debtors are expected to rely on access to bank and capital markets as sources of liquidity for cash requirements not satisfied by cash on hand or cash from operations. Although the Debtors will not have credit ratings from any of the nationally recognized credit rating agencies on the Effective Date, they are expected to pursue such ratings thereafter. In the event such ratings are obtained, a downgrade in the Debtors' or in the Debtors' subsidiaries' credit ratings, particularly to a level below investment grade, could negatively affect the Debtors' ability to access the bank and capital markets, especially in a time of uncertainty in either of those markets, and may require them to post cash collateral to support outstanding commodity positions in the wholesale market, as well as available letters of credit and other guarantees. Furthermore, a downgrade could increase the cost of such capital by causing the Debtors to incur higher interest rates and fees associated with such capital.

23. Any Default by Customers or Other Counterparties Could Have a Material Adverse Effect on the Debtors' Results of Operations and Financial Condition.

The Debtors are exposed to the risk that counterparties that owe them money, power, fuel or other commodities could breach their obligations. Should the counterparties to these arrangements fail to perform, the Debtors may be forced to enter into alternative arrangements at then-current market prices that may exceed their contractual prices, which would cause their financial results to be diminished, and they might incur losses. Some of the Debtors' agreements contain provisions that require the counterparties to provide credit support to secure all or part of their obligations to the Debtors. If the counterparties to these arrangements fail to perform, the Debtors may have a right to receive the proceeds from the credit support provided, however the credit support may not always be adequate to cover the related obligations.

In such event, the Debtors may incur losses in addition to amounts, if any, already paid to the counterparties, including by being forced to enter into alternative arrangements at then-current market prices that may exceed their contractual prices. Although the Debtors' estimates take into account the expected probability of default by a counterparty, the Debtors actual exposure to a default by customers or other counterparties may be greater than the estimates predict, which could have a material adverse effect on the Debtors' results of operations and financial condition.

24. Energy Companies are Subject to Adverse Publicity Causing Less Favorable Regulatory and Legislative Outcomes Which Could have an Adverse Impact on the Debtors' Business.

Negative publicity associated with the operation or bankruptcy of nuclear and/or coal-fired facilities or proceedings seeking regulatory support or market reforms may cause less favorable legislative and regulatory outcomes and damage the Debtors' reputation, which could have an adverse impact on their business.

25. Nuclear Generation Involves Risks that Include Uncertainties Relating to Health and Safety, the Environment, Additional Capital Costs, the Adequacy of Insurance Coverage, NRC Actions and Nuclear Plant Decommissioning, Which Could Have a Material Adverse Effect on the Debtors' Business, Results of Operations and Financial Condition.

The Debtors are subject to the risks of nuclear generation, including but not limited to the following:

- the potential harmful effects on the environment, human health and safety, including loss of life, resulting from unplanned radiological releases associated with the operation of the Debtors' nuclear facilities and the storage, handling and disposal of radioactive materials;

- limitations on the amounts and types of insurance commercially available to cover losses that might arise in connection with the Debtors' nuclear operations, including any incidents of unplanned radiological release, and retrospective premiums that could be assessed for nuclear incidents of others, including other reactor operators in the United States;

- uncertainties with respect to contingencies and assessments if insurance coverage is inadequate; and

- uncertainties with respect to the technological and financial aspects of spent fuel storage and decommissioning nuclear plants, including but not limited to, waste disposal at the end of their licensed operation and increases in funding requirements or costs of decommissioning or spent fuel management and reimbursement for spent fuel management costs from DOE.

The NRC has broad authority under federal law to impose licensing, security and safety-related requirements for the operation of nuclear generation facilities. In the event of non-compliance, the NRC has the authority to impose fines and/or order other actions, including shutting down a unit, depending upon its assessment of the severity of the situation, until compliance is achieved. Revised safety requirements promulgated by the NRC could necessitate substantial capital expenditures at nuclear plants, including the Debtors' plants, or increase expenses related to decommissioning of the nuclear units. States at times may also impose certain regulatory requirements that materially increase decommissioning costs. Also, a serious nuclear incident at a nuclear facility anywhere in the world could cause the NRC to limit or prohibit the operation or relicensing of any domestic nuclear unit. Any one of these risks relating to the Debtors' nuclear generation could have a material adverse effect on their business, results of operations and financial condition.

26. The Continuing Availability and Operation of Generating Units is Dependent on Retaining or Renewing the Necessary Licenses, Permits, and Operating Authority from Governmental Entities, Including the NRC.

The Debtors are required to have numerous permits, approvals and certificates from the agencies that regulate their business. The Debtors believe the necessary permits, approvals and certificates have been obtained for their existing operations and that their business is conducted in accordance with applicable laws; however, the Debtors are unable to predict the impact on their operating results from future regulatory activities of any of these agencies, and they are not assured that any such permits, approvals or certifications will be renewed.

27. Potential NRC Regulation in Response to the Incident at Japan's Fukushima Daiichi Nuclear Plant Could Adversely Affect the Debtors' Business and Financial Condition.

As a result of the NRC's investigation of the incident at the Fukushima Daiichi nuclear plant, the NRC has been promulgating new or revised requirements with respect to nuclear plants located in the United States, which could necessitate additional expenditures at the Debtors' nuclear plants. For example, as a follow up to the NRC near-term Task Force's review and analysis of the Fukushima Daiichi accident, in January 2012, the NRC released an updated seismic risk model that plant operators must use in performing the seismic reevaluations recommended by the task force. The NRC has also issued orders and guidance that increase procedural and testing requirements, require physical modifications to plants as well as other measures to respond to extreme natural phenomena and mitigate beyond-design-basis events, and are expected to increase future compliance and operating costs. Site-specific reevaluations of seismic and flooding risk could result in the required implementation of additional mitigation strategies or modifications. The impact of any such regulatory actions could adversely affect the Debtors' financial condition or results of operations.

28. Capital Market Performance and Other Changes May Decrease the Value of Pension Fund Assets and Other Trust Funds, Which Could Require Significant Additional Funding and Negatively Impact the Debtors' Results of Operations and Financial Condition.

The Debtors' financial statements reflect the values of the assets held in trust to satisfy their obligations to decommission their nuclear generating facilities and under pension and other postemployment benefit plans. Certain of the assets held in these trusts do not have readily determinable market values. Changes in the estimates and assumptions inherent in the value of these assets could affect the value of the trusts. If the value of the assets held by the trusts declines by a material amount, the Debtors' funding obligation to the trusts could materially increase. These assets are subject to market fluctuations and will yield uncertain returns, which may fall below the Debtors' projected return rates. Forecasting investment earnings and costs to decommission the Debtors' nuclear generating facilities, to pay future pension and other obligations, requires significant judgment and actual results may differ significantly from current estimates. Capital market conditions that generate investment losses or that negatively impact the discount rate and increase the present value of liabilities may have significant impacts on the value of the decommissioning, pension and other trust funds, which could require significant additional funding and negatively impact the Debtors' results of operations and financial position.

29. The Deactivation of our Nuclear Generating Units Could Have a Material Adverse Effect on the Debtors' Business, Financial Condition and Results of Operations.

The deactivation of the Debtors' nuclear generating units could have a material adverse effect on the Debtors' business, financial condition and results of operations as the NDTs may be insufficient to address all radiological decommissioning costs thus requiring financial guarantees or additional contributions, which could be significant. Additionally, the funds from the NDTs may be restricted from being used or insufficient to address other significant costs resulting from a deactivation, such as the costs associated with storing spent nuclear fuel onsite. The Debtors' nuclear facilities are currently scheduled to be deactivated by 2020 or 2021, as applicable.

30. Continued Low Prices in the Wholesale Energy and Capacity Markets May Negatively and Materially Impact the Future Results of Operations and Financial Condition of the Debtors.

Long-term low prices in the wholesale energy and capacity markets continue to challenge the coal and nuclear baseload generating units of the Debtors. The continued weakness of these markets may negatively and materially impact the future results of operations and financial condition of the Debtors and may limit the ability of the Debtors to sell these units to third parties. The Debtors have announced the deactivation of their generation facilities because of, among other things, continued low prices. Absent legislative relief, the Debtors' nuclear facilities are currently scheduled to be deactivated by 2020 or 2021, as applicable.

31. Disruptions in Fuel Supplies and Changes in Fuel Transportation Needs Could Adversely Affect Relationships With Suppliers, the Ability to Operate Generation Facilities or Lead to Business Disputes and Material Judgments, Any of Which May Adversely Impact Financial Results, and in the Case of a Certain Fuel Transportation Contract, an Adverse Resolution Could Cause the Debtors to Seek Bankruptcy Protection and Result in One or More Events of Default Under Various Agreements Related to the Indebtedness of the Debtors.

The Debtors purchase fuel from a number of suppliers. The lack of availability of fuel at expected prices, or a disruption in the delivery of fuel which exceeds the duration of the Debtors' on-site fuel inventories, including disruptions as a result of weather, increased transportation costs or other difficulties, labor relations or environmental or other regulations affecting fuel suppliers, could cause an adverse impact on the ability to operate the Debtors' generating facilities, possibly resulting in lower sales and/or higher costs and thereby adversely affecting results of operations of the Debtors.

32. Continued Pressure on Commodity Prices Including, but Not Limited to, Fuel for Generation Facilities, Could Adversely Affect Profit Margins.

The Debtors continue to purchase and sell electricity in the competitive retail and wholesale markets. Increases in the costs of fuel for generation facilities (particularly coal, uranium and natural gas) may affect the Debtors' profit margins. Competition and changes in the short or long-term market price of electricity, which are affected by changes in other commodity costs and other factors including, but not limited to, weather, energy efficiency mandates, demand response initiatives and deactivations and retirements at power generation facilities, may impact the results of operations and financial position of the Debtors by decreasing sales margins or increasing the amount paid to purchase power to satisfy sales obligations in the states in which the Debtors do business. The Debtors are exposed to risk from the volatility of the market price of natural gas. Their ability to sell at a profit is highly dependent on the price of natural gas. Low natural gas prices have been a significant contributor to the decision to deactivate the

Debtors' plants as other market participants that utilize natural gas-fired generation continue to be able to offer electricity at increasingly competitive prices, so the margins the Debtors realize from sales have been and are likely to continue to be lower. The availability of natural gas and issues related to its accessibility may have a long-term material impact on the price of natural gas.

33. The Debtors Are Exposed to Price Risks Associated With Marketing and Selling Products in the Power Markets That It Does Not Always Completely Hedge Against.

The Debtors purchase and sell power at the wholesale level under market-based rate tariffs authorized by FERC, and also enters into agreements to sell available energy and capacity from its generation assets. If the Debtors are unable to deliver firm capacity and energy under these agreements, they may be required to pay damages, including significant penalties under PJM's Capacity Performance market reform. These damages would generally be based on the difference between the market price to acquire replacement capacity or energy and the contract price of the undelivered capacity or energy. Depending on price volatility in the wholesale energy markets, such damages and penalties could be significant. A single outage could result in penalties that exceed capacity revenues for a given unit in a given year. Extreme weather conditions, unplanned power plant outages, transmission disruptions, and other factors could affect the Debtors' ability to meet their obligations, or cause increases in the market price of replacement capacity and energy.

The Debtors' attempts to mitigate risks associated with satisfying their contractual power sales arrangements by reserving generation capacity to deliver electricity to satisfy its net firm sales contracts and, when necessary, by purchasing firm transmission service. The Debtors also routinely enter into contracts, such as fuel and power purchase and sale commitments, to hedge exposure to fuel requirements and other energy-related commodities. The Debtors may not, however, hedge the entire exposure of its operations from commodity price volatility. To the extent the Debtors do not hedge against commodity price volatility, the results of operations and financial position of the Debtors could be negatively affected. In addition, these risk management related contracts could require the posting of additional collateral in the event market prices or market conditions change or the Debtors' credit ratings are further downgraded.

F. Miscellaneous Risk Factors and Disclaimers.

1. The Financial Information is Based on the Debtors' Books and Records and, Unless Otherwise Stated, No Audit was Performed.

In preparing this Disclosure Statement, the Debtors utilized financial information derived from their books and records at the time of such preparation. Such derivation nevertheless includes certain contingencies and estimates and assumptions about future events that affect the reporting of assets and liabilities and amounts of revenue and expense, including fair value measurements, each of which, by its forward-looking nature, involves uncertainties. Although the Debtors have used their reasonable business judgment to assure the accuracy of the financial information provided in this Disclosure Statement, and while the Debtors believe that such financial information fairly reflects their financial condition, the Debtors are unable to warrant or represent that the financial information contained in this Disclosure Statement (or any information in any of the Exhibits to this Disclosure Statement) is without inaccuracies or inconsistencies.

2. No Legal or Tax Advice is Provided by This Disclosure Statement.

This Disclosure Statement is not legal advice to any person or Entity. The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each reader is urged to

consult its own legal counsel, accountant and tax advisor with regard to any legal, tax, and other matters concerning its Claim or Interest. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote to accept or reject the Plan or whether to object to Confirmation.

3. No Admissions Made.

The information and statements contained in this Disclosure Statement will neither (i) constitute an admission of any fact or liability by any person or Entity (including the Debtors and the FE Non-Debtor Parties) nor (ii) be deemed evidence of the tax or other legal effects of the Plan on the Debtors, the Reorganized Debtors, Holders of Allowed Claims and Allowed Interests, or any other parties in interest.

4. Information Was Provided by the Debtors and was Relied Upon by the Debtors' Advisors.

Counsel to and other advisors retained by the Debtors and the Independent Directors and Managers have relied upon information provided by the Debtors in connection with the preparation of this Disclosure Statement. Although counsel to and other advisors retained by the Debtors and the Independent Directors and Managers have performed certain limited first-hand due diligence in connection with the preparation of this Disclosure Statement and the Exhibits to this Disclosure Statement, they have not independently verified the information contained in this Disclosure Statement or the information in the Exhibits to this Disclosure Statement.

5. No Representations Outside This Disclosure Statement are Authorized.

No representations concerning or relating to the Debtors, the Chapter 11 Cases, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure acceptance or rejection of the Plan that are other than as contained in, or included with, this Disclosure Statement, should not be relied upon by Holders in arriving at their decisions as to whether to accept or reject the Plan. Holders should promptly report unauthorized representations or inducements to counsel to the Debtors and the Office of the U.S. Trustee for the Northern District of Ohio.

FORWARD-LOOKING STATEMENTS

This Disclosure Statement, including the information incorporated into this Disclosure Statement by reference, contains "forward-looking statements." All statements, other than statements of historical facts, that are included in or incorporated by reference into this Disclosure Statement that address activities, events, or developments that the Debtors expect or anticipate to occur in the future, including such matters as projections, capital allocation, future capital expenditures, business strategy, competitive strengths, goals, future acquisitions or dispositions, development, or operation of facilities, market and industry developments and the growth of the Debtors' businesses and operations (often, but not always, through the use of words or phrases such as "intends," "plans," "will likely result," "are expected to," "could," "will continue," "is anticipated," "estimated," "should," "projection," "target," "goal," "objective," and "outlook"), are forward-looking statements. Although the Debtors believe that in making any such forward-looking statement their expectations are based on reasonable assumptions, any such forward- looking statement involves uncertainties and is qualified in its entirety by reference to the discussion of risk factors under "Risk Factors" contained elsewhere in this Disclosure Schedule and the following important factors, among others, that could cause the Debtors' actual results to differ materially from those projected in such forward-looking statements:

- the Debtors' ability to receive Bankruptcy Court approval and the required creditors' votes for the approval of the Plan or any other plan filed by the Debtors, particularly prior to the expiration of the exclusivity period, and the Debtors ability to consummate the Plan or any such other plan;

- the Debtors' ability to obtain the approval of the Bankruptcy Court with respect to motions filed in the Chapter 11 Cases and such approvals not being overturned on appeal or being stayed for any extended period of time;

- the effectiveness of the overall restructuring activities pursuant to the Chapter 11 Cases and any additional strategies the Debtors employ to address their liquidity and capital resources;

- the terms and conditions of any reorganization plan that is ultimately approved by the Bankruptcy Court;

- the extent to which the Chapter 11 Cases cause customers, suppliers, and others with whom the Debtors have commercial relationships to lose confidence in them, which may make it more difficult for the Debtors to obtain and maintain such commercial relationships on competitive terms;

- difficulties the Debtors may face in retaining and motivating their key employees through the bankruptcy process, and difficulties they may face in attracting new employees;

- the significant time and effort required to be spent by the Debtors' senior management in dealing with the bankruptcy and restructuring activities rather than focusing exclusively on business operations;

- the actions and decisions of creditors, regulators, and other third parties that have an interest in the Chapter 11 Cases that may be inconsistent with, or interfere with, the Debtors' business and/or plans;

- the duration of the Chapter 11 Cases;

- the actions and decisions of regulatory authorities relative to any reorganization plan;

- the Debtors' ability to satisfy any of the conditions to the Restructuring Transactions;

- changes in assumptions regarding economic conditions within the Debtors' territories;

- the Debtors' ability to accomplish or realize anticipated benefits from strategic and financial goals, including, but not limited to, their ability to continue to reduce costs and to successfully execute their financial plans designed to improve their credit metrics and strengthen their balance sheets;

- the risks and uncertainties associated with litigation, arbitration, mediation and like proceedings;

- the uncertainties associated with the sale, transfer or deactivation of remaining commodity-based generating units, including the impact on vendor commitments, and as it relates to the reliability of the transmission grid, the timing thereof;

- the uncertainty of the timing and amounts of the capital expenditures that may arise in connection with any litigation, including NSR litigation, or potential regulatory initiatives or rulemakings;

- changes in customers' demand for power, including, but not limited to, changes resulting from the implementation of state and federal energy efficiency and peak demand reduction mandates;

- economic and weather conditions affecting future sales, margins and operations, such as significant weather events, and all associated regulatory events or actions;

- changes in national and regional economic conditions affecting the Debtors and/or the Debtors' major industrial and commercial customers, and other counterparties with which they do business;

- the impact of labor disruptions by the Debtors' unionized workforce;

- the risks associated with cyber-attacks and other disruptions to the Debtors' information technology system that may compromise the Debtors' generation services and data security breaches of sensitive data, intellectual property and proprietary or personally identifiable information regarding the Debtors' business, employees, shareholders, customers, suppliers, business partners and other individuals in their data centers and on their networks;

- the impact of the regulatory process and resulting outcomes on the matters at the federal level and in the various states in which the Debtors do business, including but not limited to, matters related to rates;

- the impact of the federal regulatory process on FERC-regulated entities and transactions, in particular FERC regulation of PJM wholesale energy and capacity markets and cost-of-service rates, as well as FERC's compliance and enforcement activity, including compliance and enforcement activity related to NERC's mandatory reliability standards;

- the Debtors' ability to comply with applicable state and federal reliability standards and energy efficiency and peak demand reduction mandates;

- other legislative and regulatory changes, including the federal administration's required review and potential revisions of environmental requirements, including, but not limited to, the effects of the EPA's CCP, CCR, and CSAPR programs, including the Debtors' estimated costs of compliance, CWA waste water effluent limitations for power plants, and CWA 316(b) water intake regulation;

- the impact of changes to significant accounting policies; and

- the impact of any changes in tax laws or regulations, including the 2017 tax reform legislation commonly referred to as the Tax Cuts and Jobs Act, or adverse tax audit results or rulings.

Any forward-looking statement speaks only as of the date on which it is made, and except as may be required by law, the Debtors undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of unanticipated events or circumstances. New factors emerge from time to time, and it is not possible for

the Debtors to predict all of them; nor can the Debtors assess the impact of each such factor or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. As such, you should not unduly rely on such forward-looking statements.

IX. Important Securities Laws Disclosures

A. New Equity.

As discussed herein, the Plan provides for the Debtors to distribute New FES Common Stock to certain Holders of Allowed Claims. The Debtors believe that the New FES Common Stock will be "securities," as defined in section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code and any applicable state securities law (each, a "Blue Sky Law").

B. Issuance and Resale of Securities Under the Plan.

1. Exemptions from Registration Requirements of the Securities Act and Blue Sky Laws.

All shares of New FES Common Stock issued under the Plan will be issued in reliance upon section 1145 of the Bankruptcy Code, except with respect to an entity that is an "underwriter" as described below, in which case such shares of New FES Common Stock will be issued pursuant to section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder.

Section 1145 of the Bankruptcy Code provides that the registration requirements of section 5 of the Securities Act (and any applicable state Blue Sky Laws) will not apply to the offer or sale of stock, options, warrants, rights, privileges, or other securities by a debtor if: (a) the offer or sale occurs under a plan of reorganization; (b) the recipients of the securities hold a claim against, an interest in, or claim for administrative expense against, the debtor; and (c) the securities are issued in exchange for a claim against or interest in a debtor or affiliate or are issued principally in such exchange and partly for cash and property. In reliance upon these exemptions, the offer and sale of the New FES Common Stock under the Plan will not be registered under the Securities Act or any applicable state Blue Sky Laws.

To the extent that the issuance and distribution of the New FES Common Stock is covered by section 1145 of the Bankruptcy Code, the New FES Common Stock may be resold by any initial recipient thereof without registration under the Securities Act or other federal securities laws, unless the holder is (i) an "underwriter" (as discussed below) with respect to such securities, as that term is defined in section 2(a)(11) of the Securities Act and in the Bankruptcy Code, or (ii) at the time of the transfer an "affiliate" of the Reorganized Debtors, as defined in Rule 144(a)(1) under the Securities Act or has been such an "affiliate" within 90 days of such transfer. In addition, the New FES Common Stock generally may be resold without registration under applicable state Blue Sky Laws pursuant to various exemptions provided by the respective Blue Sky Laws of those states; however, the availability of those exemptions for any such resale cannot be known unless individual state Blue Sky Laws are examined.

The Plan contemplates the application of section 1145 of the Bankruptcy Code to the New FES Common Stock, but at this time, the Debtors express no view as to whether the issuance of the New FES Common Stock is exempt from registration pursuant to section 1145 of the Bankruptcy Code and, in turn, whether any Person may freely resell New FES Common Stock without registration under the Securities Act, other federal securities laws, or applicable state Blue Sky Laws. Recipients of Shares of New FES Common Stock are advised to consult with their own legal advisors as to the applicability of section 1145 of the Bankruptcy Code to the New FES Common Stock and the availability of any exemption from registration under the Securities Act, other federal securities laws, or applicable state Blue Sky Laws.

All shares of Reorganized Holdco Common Stock issued pursuant to section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder will be considered "restricted securities" and may not be transferred except pursuant to an effective registration statement under the Securities Act or an available exemption therefrom.

Recipients of the New FES Common Stock are advised to consult with their own legal advisors as to the availability of any exemption from registration under the Bankruptcy Code, the Securities Act and any applicable state Blue Sky Law.

2. **Resale of the New FES Common Stock by Persons Deemed to be "Underwriters"; Definition of Underwriter.**

Section 1145(b)(1) of the Bankruptcy Code defines an "underwriter" as one who, except with respect to "ordinary trading transactions" of an entity that is not an "issuer": (a) purchases a claim against, interest in, or claim for an administrative expense in the case concerning, the debtor, if such purchase is with a view to distribution of any security received or to be received in exchange for such Claim or Interest; (b) offers to sell securities offered or sold under a plan for the holders of such securities; (c) offers to buy securities offered or sold under a plan from the holders of such securities, if such offer to buy is (i) with a view to distribution of such securities and (ii) under an agreement made in connection with the Plan, with the consummation of the Plan, or with the offer or sale of securities under the Plan; or (d) is an issuer of the securities within the meaning of section 2(a)(11) of the Securities Act. In addition, a Person who receives a fee in exchange for purchasing an issuer's securities could also be considered an underwriter within the meaning of section 2(a)(11) of the Securities Act.

The definition of an "issuer" for purposes of whether a Person is an underwriter under section 1145(b)(1)(D) of the Bankruptcy Code, by reference to section 2(a)(11) of the Securities Act, includes as "statutory underwriters" any person directly or indirectly controlling or controlled by an issuer, or any person under direct or indirect common control with an issuer, of securities. As a result, the reference to "issuer," as used in the definition of "underwriter" contained in section 2(a)(11) of the Securities Act, is intended to cover "controlling Persons" of the issuer of the securities. "Control," as defined in Rule 405 of the Securities Act, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise. Accordingly, an officer, director or significant shareholder of a reorganized debtor or its successor under a plan of reorganization may be deemed to be a "controlling Person" of such debtor or successor, particularly, with respect to officers and directors, if the management position or directorship is coupled with ownership of a significant percentage of the reorganized debtor's or its successor's voting securities, through contract or otherwise. In addition, the legislative history of section 1145 of the Bankruptcy Code suggests that a creditor who owns ten percent (10%) or more of a class of securities of a reorganized debtor may be presumed to be a "controlling Person" and, therefore, an underwriter.

Resales of the New FES Common Stock by entities deemed to be "underwriters" (which definition includes "controlling Persons" of an issuer) are not exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act, state Blue Sky Laws, or other applicable law. Under certain circumstances, holders of New FES Common Stock who are deemed to be "underwriters" may be entitled to resell their New FES Common Stock pursuant to the limited safe harbor resale provisions for control securities under Rule 144 of the Securities Act. Generally, Rule 144 of the Securities Act would permit the public sale of control securities if current information regarding the issuer is publicly available, and if volume limitations, notice and manner of sale requirements are met. Whether any particular Person would be deemed to be an "underwriter" (including whether such Person is a

"controlling Person" of an issuer) with respect to the New FES Common Stock would depend upon various facts and circumstances applicable to that Person. Accordingly, the Debtors express no view as to whether any Person would be deemed an "underwriter" with respect to the New FES Common Stock and, in turn, whether any Person may freely resell New FES Common Stock. The Debtors recommend that potential recipients of New FES Common Stock consult their own counsel concerning their ability to freely trade such securities without compliance with the Securities Act, other federal securities laws, or applicable state Blue Sky Laws.

THE FOREGOING SUMMARY DISCUSSION IS GENERAL IN NATURE AND HAS BEEN INCLUDED IN THIS DISCLOSURE STATEMENT SOLELY FOR INFORMATIONAL PURPOSES. WE MAKE NO REPRESENTATIONS CONCERNING, AND DO NOT PROVIDE, ANY OPINIONS OR ADVICE WITH RESPECT TO THE SECURITIES OR THE BANKRUPTCY MATTERS DESCRIBED IN THIS DISCLOSURE STATEMENT. IN LIGHT OF THE UNCERTAINTY CONCERNING THE AVAILABILITY OF EXEMPTIONS FROM THE RELEVANT PROVISIONS OF FEDERAL AND STATE SECURITIES LAWS, WE ENCOURAGE EACH HOLDER AND PARTY-IN-INTEREST TO CONSIDER CAREFULLY AND CONSULT WITH ITS OWN LEGAL ADVISORS WITH RESPECT TO ALL SUCH MATTERS. BECAUSE OF THE COMPLEX, SUBJECTIVE NATURE OF THE QUESTION OF WHETHER A SECURITY IS EXEMPT FROM THE REGISTRATION REQUIREMENTS UNDER THE FEDERAL OR STATE SECURITIES LAWS OR WHETHER A PARTICULAR HOLDER MAY BE AN UNDERWRITER, WE MAKE NO REPRESENTATION CONCERNING THE ABILITY OF A PERSON TO DISPOSE OF THE SECURITIES ISSUED UNDER THE PLAN.

X. Certain U.S. Federal Income Tax Consequences of the Plan

A. Introduction.

The following discussion summarizes certain material U.S. federal income tax consequences of the implementation of the Plan to the Debtors and to certain Holders of Claims in Voting Classes (collectively, the "Voting Claims"), in their capacities as such. Pursuant to the Plan, and in complete and final satisfaction, compromise, settlement, release, and discharge of their respective Voting Claims, Holders of such Voting Claims will receive either New FES Common Stock or Cash. As set forth in the Plan, in certain cases, Holders of certain Voting Claims can elect to receive New FES Common Stock or Cash.

This summary is provided for informational purposes only and is based on the Internal Revenue Code, the Treasury regulations promulgated thereunder (the "Treasury Regulations"), judicial authority and current administrative rulings and practice, all as in effect as of the date hereof and all of which are subject to change, possibly with retroactive effect. A substantial amount of time may elapse between the date of this Disclosure Statement and the receipt of one's final distribution under the Plan. Events subsequent to the date of this Disclosure Statement, such as the enactment of additional tax legislation, court decisions or administrative changes, could affect the U.S. federal income tax consequences of the implementation of the Plan and the transactions contemplated thereunder. No ruling will be sought from the Internal Revenue Service (the "IRS") with respect to any of the tax aspects of the implementation of the Plan and the transactions contemplated thereunder, and no opinion of counsel has heretofore been obtained by the Debtors with respect thereto. No representations are being made regarding the particular tax consequences of the confirmation and consummation of the Plan to the Debtor or any Holder of a Claim. No assurance can be given that the IRS would not assert, and/or that a court would not sustain, a different position from any discussed herein. This summary does not address any aspects of U.S. federal non-income, state, local, estate, or non-U.S. taxation.

The summary of certain U.S. federal income tax consequences to holders of Voting Claims does not address all aspects of U.S. federal income taxation that may be relevant to a particular holder of a Voting Claim in light of its particular facts and circumstances or to particular types of holders of Voting Claims subject to special treatment under the Internal Revenue Code (for example, financial institutions; banks; broker-dealers; insurance companies; tax-exempt organizations; retirement plans or other tax-deferred accounts; mutual funds; real estate investment trusts; traders in securities that elect mark-to-market treatment; persons subject to the alternative minimum tax; certain former U.S. citizens or long-term residents; persons who hold Claims or New FES Common Stock as part of a hedge, straddle, constructive sale, conversion or other integrated transaction; U.S. holders that have a functional currency other than the U.S. dollar; governments or governmental organizations; pass-through entities; investors in pass-through entities that hold Claims or New FES Common Stock; persons who received their Claims or New FES Common Stock upon exercise of employee unit options or otherwise as compensation; holders of Voting Claims whose Claims are treated as a "United States real property interest" as defined under Internal Revenue Code section 897(c); holders not entitled to vote on the Plan; or persons subject to special tax accounting rules as a result of any item of gross income being taken into account in an applicable financial statement). Furthermore, the summary of certain U.S. federal income tax consequences to holders of Claims applies only to holders that hold their Claims as capital assets for U.S. federal income tax purposes (generally, property held for investment) and will hold their New FES Common Stock as capital assets for U.S. federal income tax purposes. This discussion also assumes that the various debt and other arrangements to which the Debtors are parties will be respected for U.S. federal income tax purposes in accordance with their form. Insofar as such summary addresses U.S. federal income tax consequences related to the New FES Common Stock, such summary applies only to holders of Voting Claims that acquire the New FES Common Stock in exchange for their Claims pursuant to the Plan.

A "U.S. holder" for purposes of this summary is a beneficial owner of a Voting Claim that is, for U.S. federal income tax purposes:

- an individual who is a U.S. citizen or U.S. resident alien;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, that was created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust (1) if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (2) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

A "Non-U.S. Holder" means a holder of a Voting Claim that is not a U.S. holder and is, for U.S. federal income tax purposes, an individual, corporation (or other entity treated as a corporation for U.S. federal income taxes purposes), estate or trust.

If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of a Voting Claim or New FES Common Stock, the treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships and their partners should consult their tax advisors about the U.S. federal income tax

consequences of participating in the Plan, including the tax consequences with respect to the ownership and disposition of New FES Common Stock received under the Plan.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND/OR ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER. ALL HOLDERS OF VOTING CLAIMS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF THE PLAN.

B. Certain U.S. Federal Income Tax Consequences of the Plan to the Debtors.

The Debtors are currently part of the FE Consolidated Tax Group that files a consolidated return for U.S. federal income tax purposes. The rights and obligations of the Debtors as members of the FE Consolidated Tax Group are currently governed by the Tax Allocation Agreement, as modified by the FE Settlement Agreement. The Tax Allocation Agreement requires FE Corp. and the non-Debtor members of the FE Consolidated Tax Group to compensate the Debtors for any tax attributes of the Debtors that are utilized by other members of the FE Consolidated Tax Group in a given year, and requires the Debtors to compensate other members of the FE Consolidated Tax Group for the use of their tax attributes in such tax year as well. On and after the Effective Date, the Debtors will no longer be members of the FE Consolidated Tax Group. Subject to the limitations described below, the tax attributes of the Debtors generally will remain with the Reorganized Debtors following their separation from the FE Consolidated Tax Group.

The transactions contemplated under the Plan are expected to qualify as a reorganization under section 368(a)(1) of the Internal Revenue Code.

The FE Consolidated Tax Group has reported consolidated U.S. net operating loss ("NOL") carryovers for U.S. federal income tax purposes, a portion of which were generated by the Debtors. As of December 31, 2017, the Debtors' share of the NOLs was approximately $1.7 billion, and it is estimated that an additional $149 million of NOLs were generated by the Debtors during the 2018 tax year. Unutilized NOLs incurred prior to January 1, 2018, will expire in the years 2030 through 2035. NOLs incurred on or after January 1, 2018, can be carried forward indefinitely, but are subject to an annual limitation of 80% of taxable income. The amount of any such NOL carryforwards and other losses, and the extent to which any limitations may apply (e.g., limitations under section 382 of the Internal Revenue Code, discussed below), remains subject to audit and adjustment by the IRS.

As discussed below, the amount of NOL carryforwards attributable to the Debtors, and possibly certain other tax attributes, to the extent not utilized by the FE Consolidated Tax Group in accordance with applicable law and the FE Settlement Agreement, are expected to be significantly reduced upon implementation of the Plan. In addition, the Reorganized Debtors' subsequent utilization of any net built-in losses with respect to their assets and any NOLs remaining, and possibly certain other tax attributes, may be restricted as a result of and upon the implementation of the Plan.

1. **Cancellation of Debt and Reduction of Tax Attributes.**

It is anticipated that the Plan will result in a cancellation of a portion of the Debtors' outstanding indebtedness. In general, absent an exception, a U.S. debtor will realize and recognize cancellation of debt income ("COD Income") upon satisfaction of its outstanding indebtedness in the event that the total consideration received for such indebtedness is less than the amount of such indebtedness. The amount of COD Income, in general, is the excess of (a) the adjusted issue price of the indebtedness satisfied, over

(b) the sum of the amount of cash paid and the fair market value of any other consideration given in satisfaction of such indebtedness at the time of the exchange.

However, because the Debtors are under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code, and the discharge of indebtedness is expected to be pursuant to such proceeding, the Debtors do not expect to be required to include any amount of COD Income in gross income (except with respect to the cancellation of intercompany indebtedness, which may result in taxable COD Income). Instead, the Debtors will be required to reduce certain of their tax attributes by the amount of COD Income that they excluded from gross income. In general, tax attributes will be reduced in the following order: (a) NOLs and NOL carryovers; (b) certain tax credit carryovers; (c) net capital losses and capital loss carryovers; (d) tax basis in assets (but not below the amount of liabilities to which the debtor remains subject); (e) passive activity loss and credit carryovers; and (f) foreign tax credit carryovers. The Debtors may elect first to reduce the basis of its depreciable assets. In the context of a consolidated group of corporations, the tax rules provide for a complex ordering mechanism in determining how the tax attributes of one member can be reduced by the COD Income of another member.

Because the Plan provides that holders of certain Claims may receive New FES Common Stock, the amount of COD Income of the Debtors and, therefore, the amount of tax attributes required to be reduced will depend in part on the fair market value of the New FES Common Stock. These values cannot be known with certainty as of the date hereof.

2. **Reduction of Tax Attributes Under Anti-Loss Duplication Rules.**

The Plan contemplates that FE Corp.'s equity interests in the Debtors will be cancelled. The cancellation of such equity interests is expected to generate a loss for FE Corp. Due to such loss, it is expected that the Debtors will be required to further reduce their tax attributes pursuant to the anti-loss duplication rules of Treasury Regulations 1.1502-36(d). The attributes are required to be reduced by the lesser of (i) the "net stock loss" of FE Corp. and (ii) the "aggregate inside loss" of the Debtors (as such terms are defined in the Treasury Regulations). Due to the substantial amount of the loss that FE Corp. is expected to incur pursuant to the Plan, it is expected that the amount of attribute reduction under the anti-loss duplication rules will be significant.

3. **Limitation of NOL Carryforwards and Other Tax Attributes.**

Under section 382 of the Internal Revenue Code, if a corporation undergoes an "ownership change," the amount of its pre-ownership change NOLs (collectively, "Pre-Change Losses") that may be utilized to offset future taxable income generally is subject to an annual limitation. Corresponding rules may reduce a corporation's ability to use losses if it has net unrealized built-in losses in its assets at the time of an ownership change. Capital loss carryovers and certain tax credit carryovers are also generally limited after an ownership change under section 383 of the Internal Revenue Code.

The Debtors anticipate that the cancellation of FE Corp.'s interest in the Debtors and the issuance of the New FES Common Stock pursuant to the Plan will result in an "ownership change" of the Debtors for these purposes, and that the Reorganized Debtors' use of their Pre-Change Losses (and built-in losses if there is a "net unrealized built-in loss" on the Effective Date) will be subject to limitation unless an exception to the general rules of section 382 of the Internal Revenue Code applies. This limitation is independent of, and in addition to, the reduction of tax attributes described in the preceding sections resulting from the exclusion of COD Income and the anti-loss duplication rules.

In general, the annual limitation determined under section 382 of the Internal Revenue Code in the case of an "ownership change" of a corporation (the "Section 382 Limitation") is equal to the product

of (a) the fair market value of the stock of the corporation immediately before the ownership change (with certain adjustments) multiplied by (b) the applicable "long-term tax-exempt rate" posted by the IRS (e.g., 2.51% for December 2018). Generally, the Section 382 Limitation may be increased if the corporation has a "net unrealized built-in gain" in its assets as of the Effective Date to the extent the corporation recognizes, or is treated as recognizing, certain built-in gains in its assets during the five-year period following the ownership change. Corresponding rules may reduce a corporation's ability to use losses if it has net unrealized built-in losses in its assets at the time of an ownership change. Section 383 of the Internal Revenue Code applies a limitation, similar to the Section 382 Limitation, to capital loss carryforwards and tax credits. Any unused limitation may be carried forward, thereby increasing the annual limitation in the subsequent taxable year. The debtor corporation's Pre-Change Losses will be subject to further limitations if the debtor does not continue its business enterprise for at least two years following the ownership change or if it experiences additional future ownership changes. As discussed below, however, special rules may apply in the case of a corporation which experiences an ownership change as the result of a bankruptcy proceeding.

An exception to the foregoing annual limitation rules generally applies to a debtor corporation in chapter 11 when existing shareholders and so-called "qualified creditors" of a debtor corporation under the jurisdiction of a court in a chapter 11 case receive, in respect of their claims or interests, at least 50% of the vote and value of the stock of the reorganized debtor (or a controlling corporation if also in chapter 11) pursuant to a confirmed chapter 11 plan (the "Section 382(l)(5) Exception"). Under the Section 382(l)(5) Exception, a debtor's Pre-Change Losses and excess credits, which may be carried forward to a future year, are recomputed as if no interest deductions were claimed during the three taxable years preceding the effective date of the plan of reorganization, and during the part of the taxable year prior to and including the effective date of the plan of reorganization, in respect of all debt converted into stock in the reorganization. If the Section 382(l)(5) Exception applies and a debtor undergoes another ownership change within two years after the effective date of the plan of reorganization, then the debtor's Pre-Change Losses are effectively eliminated in their entirety. For purposes of the Section 382(l)(5) Exception, a "qualified creditor" generally consists of certain long-term creditors (who held their claims continuously for at least 18 months prior to the filing of the bankruptcy petition), ordinary course creditors (e.g., trade creditors) or creditors receiving less than 5% of the stock of the debtor in a bankruptcy case. If a debtor qualifies for the Section 382(l)(5) Exception, the exception applies unless the debtor affirmatively elects for it not to apply.

Where the Section 382(l)(5) Exception is not applicable to a corporation in bankruptcy (either because the debtor does not qualify for it or the debtor otherwise elects not to utilize the Section 382(l)(5) Exception), a second special rule will generally apply (the "Section 382(l)(6) Exception"). When the Section 382(l)(6) Exception applies, a debtor corporation that undergoes an ownership change generally is permitted to determine the fair market value of its stock for purposes of computing the annual limitation amount after taking into account the increase in value to such stock resulting from any surrender or cancellation of creditors' claims in the bankruptcy. The Section 382(l)(6) Exception also differs from the Section 382(l)(5) Exception in that under it the debtor corporation is not required to reduce its NOL carryforwards by the amount of interest deductions claimed within the prior three-year period, and the debtor may undergo a change of ownership within two years following the first "ownership change" without triggering the elimination of its Pre-Change Losses.

It is expected that the Reorganized Debtors' use of their Pre-Change Losses may be subject to the Section 382 Limitation following confirmation of the Plan. Although no assurances can be provided in this regard, the Debtors do not expect that the Section 382(l)(5) Exception will apply, but do expect the Section 382(1)(6) Exception to apply to the Reorganized Debtors.

C. Certain U.S. Federal Income Tax Consequences of the Plan to the U.S. Holders of Voting Claims Against the Debtors.

1. U.S. Holders of Voting Claims Receiving New FES Common Stock Under the Plan.

The U.S. federal income tax consequences of the Plan to a U.S. holder of a Voting Claim receiving New FES Common Stock will depend, in part, on whether the transactions set forth in the Plan constitute one or more reorganizations described in section 368 of the Internal Revenue Code, whether the related Voting Claim constitutes a "security" issued or deemed issued by FES for U.S. federal income tax purposes, whether the holder reports income on the accrual or cash basis, whether the holder has taken a bad debt deduction or worthless security deduction with respect to such Voting Claim and whether the holder receives distributions under the Plan in more than one taxable year. In this regard, it is contemplated that the transfer of FES's assets to New FES and the distribution of New FES Common Stock to Holders of Claims against FES, as determined for U.S. federal income tax purposes, together with related transactions, would constitute a reorganization described in section 368(a) of the Internal Revenue Code. In addition, FG and NG are entities disregarded from their wholly owned parent, FES, for U.S. federal income tax purposes. As such, notes issued by FG and NG are generally treated for U.S. federal income tax purposes as having been issued by FES. In contrast, FGMUC and FENOC are classified as corporations for U.S. federal income tax purposes. Thus, notes issued by FGMUC and FENOC are not treated as having been issued by FES. **U.S. holders should consult their tax advisors regarding the tax consequences of the Plan based on their individual circumstances.**

i. Definition of Securities.

Whether an instrument constitutes a "security" is determined based upon all the facts and circumstances, but most authorities have held that the length of the term of a debt instrument is an important factor in determining whether such instrument is a security for U.S. federal income tax purposes. These authorities have indicated that a term of less than five years is evidence that the instrument is not a security, whereas a term of ten years or more is evidence that it is a security for U.S. federal income tax purposes. There are numerous other factors that could be taken into account in determining whether a debt instrument is a security, including the collateral supporting such security, the creditworthiness of the obligor, the subordination or lack thereof to other creditors, the right to vote or otherwise participate in the management of the obligor, convertibility of the instrument into an equity interest of the obligor, whether payments of interest are fixed, variable, or contingent, and whether such payments are made on a current basis or are accrued. Additionally, due to the fact that the PCNs were, in form, issued by instrumentalities of the State of Pennsylvania or the State of Ohio, and the Mansfield Certificates were, in form, issued under the Mansfield Pass Through Trust Agreement, there is potential uncertainty as to whether the related Claims can be construed as "securities of FES". **Because of the inherently factual nature of this determination, each U.S. holder of a Voting Claim receiving New FES Common Stock is urged to consult its tax advisor regarding whether such Voting Claim held by the U.S. holder constitutes a "security" of FES for U.S. federal income tax purposes, including, if relevant, the particular issues as to whether the PCN Claims or Mansfield Certificate Claims are securities of FES.**

ii. Exchange of Claims.

a. U.S. Holders of Voting Claims that are Treated as Securities of FES Receiving New FES Common Stock.

If a U.S. holder of a Voting Claim that is treated as a security of FES for U.S. federal income tax purposes receives New FES Common Stock, it is contemplated that the exchange of such Voting Claim for New FES Common Stock and Cash, if any, would be pursuant to a reorganization described in section 368(a) of the Internal Revenue Code. In general, if an exchange of a Voting Claim for New FES Common Stock and Cash, if any, is treated as pursuant to a reorganization for U.S. federal income tax purposes, a U.S. holder (i) will not be permitted to recognize a loss and, (ii) generally will not recognize income or gain except to the extent of Cash, if any, received. To the extent that a portion of the New FES Common Stock or Cash, if any, received in exchange for such Voting Claims is allocable to accrued but untaxed interest, such amount will not be taken into account pursuant to the preceding sentence. Instead, the U.S. holder may recognize ordinary income (see "Accrued Interest" below). A U.S. holder's adjusted tax basis in the shares of New FES Common Stock received pursuant to a reorganization will generally equal the adjusted tax basis of the Voting Claim exchanged therefor, increased by any gain recognized and reduced by the amount of Cash, if any, received. A U.S. holder would have a holding period for the New FES Common Stock that includes the holding period for such Voting Claims exchanged therefor. The adjusted tax basis of any share of New FES Common Stock treated as received in satisfaction of accrued interest would equal the fair market value of such New FES Common Stock and the holding period for such share of New FES Common Stock would begin on the day following the day of receipt.

b. U.S. Holders of Voting Claims that are Not Treated as Securities of FES Receiving New FES Common Stock.

If a U.S. holder of a Voting Claim that is not treated as a "security" of FES for U.S. federal income tax purposes receives New FES Common Stock, the exchange of such a Voting Claim should be a taxable transaction for U.S. federal income tax purposes. Subject to the discussion under "Distributions After the Effective Date" below, a U.S. holder should generally recognize gain or loss on the exchange of such Voting Claim pursuant to the Plan equal to the difference between (i) the fair market value of the New FES Common Stock and the amount of Cash, if any (excluding New FES Common Stock or Cash treated as attributable to accrued interest on such Voting Claims, which is taxable as described below under "Accrued Interest"), and (ii) the U.S. holder's adjusted tax basis in such Voting Claims. The character of such gain or loss as capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the nature of such Voting Claim in such U.S. holder's hands, whether such Voting Claim was purchased at a discount, and whether and to what extent the U.S. holder has previously claimed a bad debt deduction with respect to such Voting Claim. See the discussions below under "Accrued Interest" and "Market Discount." The U.S. holder's tax basis in such New FES Common Stock should generally be the fair market value of the New FES Common Stock at the time received, and the U.S. holder's holding period in such New FES Common Stock, if any, should generally begin on the day following the day of receipt. **U.S. holders of Voting Claims Receiving New FES Common Stock should consult their tax advisors regarding the tax consequences of the exchange, including, without limitation: the tax consequences of any distributions that may be made after the Effective Date on account of the disallowance of any Disputed Claim and possible alternative characterizations of the exchange.**

2. **U.S. Holders of Voting Claims receiving Solely Cash.**

U.S. Holders of Voting Claims receiving solely Cash should recognize gain or loss equal to the difference between: (i) the fair market value of the Cash received in exchange for the Claim (excluding any Cash treated as attributable to accrued interest on such Voting Claims, which is taxable as described below under "Accrued Interest"); and (ii) the U.S. Holder's adjusted basis, if any, in such Voting Claim. The character of such gain or loss as capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the nature of such Voting Claim in such U.S. holder's hands, whether such Voting Claim was purchased at a discount, and whether and to what extent the U.S. holder has previously claimed a bad debt deduction with respect to such Voting Claim.

3. **Consequences of Ownership and Disposition of the New FES Common Stock.**

i. Distributions.

The gross amount of any distribution of cash or property made to a U.S. holder with respect to New FES Common Stock generally will be includible in gross income by a U.S. holder as dividend income to the extent such distribution is treated as paid out of current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Dividends received by non-corporate U.S. holders may qualify for reduced rates of taxation. Subject to applicable limitations, a distribution which is treated as a dividend for U.S. federal income tax purposes may qualify for the dividends-received deduction if such amount is distributed to a U.S. holder that is a corporation and certain holding period and certain other requirements are satisfied. Any dividend received by a U.S. holder that is a corporation may be subject to the "extraordinary dividend" provisions of the Internal Revenue Code. A distribution in excess of current and accumulated earnings and profits, as determined under U.S. federal income tax principles, will first be treated as a return of capital to the extent of the U.S. holder's adjusted tax basis in its New FES Common Stock and will be applied against and reduce such basis dollar-for-dollar (thereby increasing the amount of gain or decreasing the amount of loss recognized on a subsequent taxable disposition of the New FES Common Stock). To the extent that such distribution exceeds the U.S. holder's adjusted tax basis in its New FES Common Stock, the distribution will be treated as capital gain, which will be treated as long-term capital gain if such U.S. holder's holding period in its New FES Common Stock exceeds one year as of the date of the distribution.

ii. Sale, Exchange, or Other Taxable Disposition.

For U.S. federal income tax purposes, a U.S. holder generally will recognize gain or loss on the sale, exchange, or other taxable disposition of any of its New FES Common Stock in an amount equal to the difference, if any, between the amount realized for the New FES Common Stock and the U.S. holder's adjusted tax basis in the New FES Common Stock. Subject to the rules discussed below under "Market Discount," any such gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the holder has a holding period in the New FES Common Stock of more than one year as of the date of disposition. Capital gains of non-corporate U.S. holders derived with respect to a sale, exchange, or other taxable disposition of New FES Common Stock held for more than one year may be eligible for reduced rates of taxation. Under the Internal Revenue Code section 108(e)(7) recapture rules, a holder may be required to treat gain recognized on the taxable disposition of the New FES Common Stock as ordinary income if the holder took a bad debt deduction with respect to such Voting Claims or recognized an ordinary loss on the exchange of such Voting Claim for New FES Common Stock. The deductibility of capital losses is subject to limitations. Holders are urged to consult their own tax advisors regarding such limitations.

Holders of New FES Common Stock are urged to consult their tax advisors regarding the tax consequences related to the ownership and disposition of the New FES Common Stock.

4. **Other Considerations for U.S. Holders.**

i. Distributions After the Effective Date.

If a U.S. holder of a Voting Claim receives a distribution pursuant to the Plan subsequent to the Effective Date, a portion of such distributions may be treated as imputed interest under the imputed interest provisions of the Internal Revenue Code. Such imputed interest may accrue over time, in which case a holder may be required to include such imputed interest in income prior to the actual distributions. Any loss and a portion of any gain realized by such holder may be subject to deferral. Furthermore, the "installment sale" rules of the Internal Revenue Code may apply to gain recognized by such U.S. holder unless the U.S. holder elects out of such rules.

U.S. holders of Claims should consult their tax advisors regarding the tax consequences of distributions made after the Effective Date, including the potential applicability of (and ability to elect out of) the installment sale rules and the potential applicability of the imputed interest rules.

ii. Accrued Interest.

To the extent that any amount received by a U.S. holder under the Plan is attributable to accrued but unpaid interest and such interest has not previously been included in the U.S. holder's gross income for U.S. federal income tax purposes, such amount would generally be taxable to the U.S. holder as ordinary interest income. A U.S. holder may be able to recognize a deductible loss to the extent that any accrued interest on the debt instrument constituting such Voting Claim was previously so included in the U.S. holder's gross income but was not paid in full by the Debtors.

The extent to which any amount received by a U.S. holder will be attributable to accrued but untaxed interest is unclear. Under the Plan, the aggregate consideration to be distributed to Holders of Allowed Claims in each Class in full or partial satisfaction of their Claims will be treated as first satisfying the stated principal amount of the Allowed Claims for such Holders and any remaining consideration as satisfying accrued, but unpaid, interest, if any. However, there is no assurance that the IRS will respect such allocation for U.S. federal income tax purposes. The IRS could thus take the position that the consideration received by a Holder should be allocated in some way other than as provided in the Plan.

iii. Market Discount.

Under the "market discount" provisions of sections 1276 through 1278 of the Internal Revenue Code, some or all of any gain realized by a U.S. holder exchanging any debt instrument may be treated as ordinary income (instead of capital gain), to the extent of the amount of accrued "market discount" on the debt constituting the surrendered Voting Claim.

A debt instrument is generally considered to have been acquired with "market discount" if it is acquired other than on original issue and its basis immediately after its acquisition by the U.S. holder is less than (i) its "stated redemption price at maturity," or (ii) in the case of a debt instrument issued with "original issue discount," its "revised issue price," by at least a statutorily defined *de minimis* amount.

Any gain recognized by a U.S. holder on the taxable disposition of debts that it acquired with market discount would be treated as ordinary income to the extent of the market discount that accrued

thereon while such debts were considered to be held by the U.S. holder (unless the U.S. holder elected to include market discount in income as it accrued). To the extent that such surrendered debts that had been acquired with market discount are exchanged for New FES Common Stock in a reorganization, any market discount that accrued on such debts but was not recognized by the U.S. holder may be required to be carried over to the property received therefor and any gain recognized on the subsequent sale, exchange, redemption, or other disposition of the New FES Common Stock may be treated as ordinary income to the extent of the accrued but unrecognized market discount with respect to the exchanged debt instrument.

iv. Medicare Tax.

Certain U.S. holders that are individuals, estates, or trusts are required to pay an additional 3.8% tax on, among other things, dividends, interest, and gains from the sale or other disposition of capital assets. **U.S. holders that are individuals, estates, or trusts should consult their tax advisors regarding the effect, if any, of this tax provision on their own situation.**

Holders of Claims are urged to consult their own tax advisors regarding the allocation of consideration and the inclusion and deductibility of accrued but untaxed interest for U.S. federal income tax purposes.

D. Certain U.S. Federal Income Tax Consequences of the Plan to Non-U.S. Holders of Voting Claims Against the Debtors.

The rules governing U.S. federal income taxation of a Non-U.S. holder are complex. The following discussion includes only certain material U.S. federal income tax consequences of the Plan to Non-U.S. holders. The discussion does not include any non-U.S. tax considerations. **Non-U.S. holders should consult with their own tax advisors to determine the effect of U.S. federal, state, and local tax laws, as well as any other applicable non-U.S. tax laws and/or treaties, with regard to their participation in the transactions contemplated by the Plan, their ownership of Voting Claims and the ownership and disposition of the New FES Common Stock.**

1. **Gain Recognition.**

Any gain realized by a Non-U.S. holder on the exchange of its Voting Claim generally will not be subject to U.S. federal income taxation unless (a) the Non-U.S. holder is an individual who was present in the U.S. for 183 days or more during the taxable year which includes the Effective Date and certain other conditions are met or (b) such gain is effectively connected with the conduct by such Non-U.S. holder of a trade or business in the U.S. including as a result of such non-U.S. holder's Claim being considered a "United States real property interest" within the meaning of section 897(c) of the Internal Revenue Code (and if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. holder in the U.S.).

If the first exception applies, to the extent that any gain is taxable and does not qualify for deferral as described above, the Non-U.S. holder generally will be subject to U.S. federal income tax at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such Non-U.S. holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the exchange. If the second exception applies, the Non-U.S. holder generally will be subject to U.S. federal income tax (and possibly withholding tax) with respect to any gain realized on the exchange in the same manner as a U.S. holder if such gain is effectively connected with the Non-U.S. holder's conduct of a trade or business in the U.S.

In order to claim an exemption from withholding tax, a Non-U.S. holder will be required to provide, as applicable, a properly executed IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, IRS Form W-8IMY, or any other applicable IRS Form W-8 (or, with respect to the foregoing, such appropriate successor form). In addition, if such Non-U.S. holder is a corporation, it may be subject to a branch profits tax equal to 30% (or such lower rate provided by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

1. **U.S. Federal Income Tax Consequences to Non-U.S. Holders of Owning and Disposing of New FES Common Stock.**

i. Dividends on New FES Common Stock.

Any distributions made with respect to New FES Common Stock will constitute dividends for U.S. federal income tax purposes to the extent treated as paid from Reorganized FES's current or accumulated earnings and profits as determined under U.S. federal income tax principles. Except as described below, dividends paid with respect to New FES Common Stock held by a Non-U.S. holder that are not effectively connected with a Non-U.S. holder's conduct of a U.S. trade or business (or if an income tax treaty applies, are not attributable to a permanent establishment maintained by such Non-U.S. holder in the U.S.) will be subject to U.S. federal withholding tax at a rate of 30% (or lower treaty rate or exemption from tax, if applicable). A Non-U.S. holder generally will be required to satisfy certain IRS certification requirements in order to claim a reduction of or exemption from withholding under a tax treaty by filing IRS Form W-8BEN, IRS Form W-8BEN-E, IRS Form W-8IMY, or other applicable IRS Form W-8 (or, with respect to the foregoing, such appropriate successor form) upon which the Non-U.S. holder certifies, under penalties of perjury, its status as a non-U.S. person and its entitlement to the lower treaty rate or exemption from tax with respect to such payments. Dividends paid with respect to New FES Common Stock held by a Non-U.S. holder that are effectively connected with a Non-U.S. holder's conduct of a U.S. trade or business (and if an income tax treaty applies, are attributable to a permanent establishment maintained by such Non-U.S. holder in the U.S.) generally will be subject to U.S. federal income tax in the same manner as a U.S. holder, and a Non-U.S. holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such Non-U.S. holder's effectively connected earnings and profits that are attributable to the dividends at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty).

ii. Sale, Redemption, or Repurchase of New FES Common Stock.

A Non-U.S. holder generally will not be subject to U.S. federal income tax with respect to any gain realized on the sale or other taxable disposition (including a cash redemption) of New FES Common Stock, unless:

a. such Non-U.S. holder is an individual who is present in the U.S. for 183 days or more in the taxable year of disposition or who is subject to special rules applicable to former citizens and residents of the U.S.; or

b. such gain is effectively connected with such Non-U.S. holder's conduct of a U.S. trade or business (and if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. holder in the U.S.); or

c. Reorganized FES is or has been a "United States real property holding corporation" for U.S. federal income tax purposes (a "USRPHC") at any time during the shorter of the Non-U.S. holder's holding period for the New FES Common Stock and the five year period ending on the date of disposition (the "Applicable Period").

If the first exception applies, the Non-U.S. holder generally will be subject to U.S. federal income tax at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such Non-U.S. holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of disposition of New FES Common Stock. If the second exception applies, the Non-U.S. holder generally will be subject to U.S. federal income tax with respect to such gain in the same manner as a U.S. holder, and a Non-U.S. holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to earnings and profits effectively connected with a U.S. trade or business that are attributable to such gains at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty).

Generally, a corporation is a USRPHC if the fair market value of its United States real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business. The Debtors' analysis of the expected status of Reorganized FES as a USRPHC is ongoing. At this stage, it has not yet been determined whether Reorganized FES is or is likely to become a USRPHC.

If New FES Common Stock becomes regularly traded on an established securities market for U.S. federal income tax purposes, a Non-U.S. holder generally will not be subject to U.S. federal income tax on any gain from the disposition of the New FES Common Stock by virtue of Reorganized FES being a USRPHC unless such Non-U.S. holder actually or constructively owned more than 5% of the outstanding New FES Common Stock at some time during the Applicable Period. Any gain that is taxable because Reorganized FES is or has been a USRPHC will generally be taxable in the same manner as gain that is effectively connected income (as described above), except that the branch profits tax will not apply. If Reorganized FES is or has been a USRPHC during the Applicable Period, a Non-U.S. holder disposing of New FES Common Stock may also be subject to withholding at a rate equal to 15% of the amount realized in connection with such disposition.

iii. FATCA.

Under the sections 1471 through 1474 of the Internal Revenue Code and administrative guidance issued thereunder, known as the Foreign Account Tax Compliance Act ("FATCA"), foreign financial institutions and certain other foreign entities must report certain information with respect to their U.S. account holders and investors or be subject to withholding on the direct or indirect receipt of "withholdable payments." For this purpose, "withholdable payments" are generally U.S.-source payments of fixed or determinable, annual or periodical income (including dividends, if any, on New FES Common Stock.) FATCA withholding will apply even if the applicable payment would not otherwise be subject to U.S. federal nonresident withholding tax. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Under certain circumstances, a Non-U.S. holder might be eligible for refunds or credits of such taxes.

Each Non-U.S. holder should consult its own tax advisor regarding the possible impact of these rules on such Non-U.S. holder's ownership of New FES Common Stock.

E. Information Reporting and Backup Withholding Considerations.

Payments made pursuant to the Plan will generally be subject to any applicable U.S. federal income tax information reporting and backup withholding requirements. The Internal Revenue Code imposes backup withholding tax on certain payments, including payments of interest and dividends, if a taxpayer (a) fails to furnish its correct taxpayer identification number (generally on IRS Form W-9 for a U.S. holder); (b) furnishes an incorrect taxpayer identification number; (c) is notified by the IRS that it has previously failed to report properly certain items subject to backup withholding tax; or (d) fails to certify, under penalty of perjury, that such taxpayer has furnished its correct taxpayer identification number and that the IRS has not notified such taxpayer that it is subject to backup withholding tax. However, taxpayers that are C corporations generally are excluded from these information reporting and backup withholding tax rules provided that evidence of such corporate status is furnished to the payor. Backup withholding is not an additional U.S. federal income tax. Any amounts withheld under the backup withholding tax rules will generally be allowed as a credit against a taxpayer's U.S. federal income tax liability, if any, or will be refunded to the extent the amounts withheld exceed the taxpayer's actual tax liability, if such taxpayer timely furnishes required information to the IRS. Each taxpayer should consult its own tax advisor regarding the information reporting and backup withholding tax rules as they relate to distributions under the Plan.

In addition, from an information reporting perspective, U.S. Treasury regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds.

IMPORTANCE OF OBTAINING PROFESSIONAL TAX ASSISTANCE

The foregoing discussion is intended only as a summary of certain U.S. federal income tax consequences of the Plan, does not discuss all aspects of U.S. federal income taxation that may be relevant to a particular Holder of a Claim in light of such Holder's circumstances and tax situation and is not a substitute for consultation with a tax professional. The above discussion is for informational purposes only and is not tax advice. The tax consequences of the Plan are complex and are in many cases uncertain and may vary depending on a claimant's particular circumstances. Accordingly, all Holders of Voting Claims are strongly urged to consult their own tax advisors about the federal, state, local, and applicable non-U.S. income and other tax consequences to them under the Plan, including with respect to tax reporting and record keeping requirement.

XI. Recommendation of the Debtors

In the opinion of the Debtors, the Plan is preferable to the alternatives described in this Disclosure Statement because it provides for a larger distribution to such Debtors' creditors and other parties in interest than would otherwise result through an alternative plan or through a liquidation under chapter 7 of the Bankruptcy Code. In addition, any alternative other than Confirmation could result in extensive delays and increased administrative expenses resulting in smaller distributions to Holders of Allowed Claims against the Debtors than proposed under the Plan. Accordingly, the Debtors recommend that Holders of Claims entitled to vote to accept or reject the Plan support Confirmation and vote to accept the Plan.

Dated: February 11, 2019

Respectfully submitted,

FIRSTENERGY SOLUTIONS CORP.
FE AIRCRAFT LEASING CORP.
FIRSTENERGY GENERATION, LLC
FIRSTENERGY GENERATION MANSFIELD UNIT 1 CORP.
FIRSTENERGY NUCLEAR GENERATION, LLC
FIRSTENERGY NUCLEAR OPERATING COMPANY
NORTON ENERGY STORAGE L.L.C.

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Counsel for Debtors
and Debtors in Possession

Exhibit A

LIST OF DEBTORS

FE Aircraft Leasing Corp.

FirstEnergy Generation, LLC

FirstEnergy Generation Mansfield Unit 1 Corp.

FirstEnergy Nuclear Generation, LLC

FirstEnergy Nuclear Operating Company

FirstEnergy Solutions Corp.

Norton Energy Storage, LLC

Exhibit B

PLAN OF REORGANIZATION

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

In re:	)	Chapter 11
	)	
	)	Case No. 18-50757
FIRSTENERGY SOLUTIONS CORP., *et al.*,[1]	)	(Jointly Administered)
	)	
Debtors.	)	
	)	Hon. Judge Alan M. Koschik
	)	

JOINT PLAN OF REORGANIZATION OF FIRSTENERGY SOLUTIONS CORP., *ET AL.*, PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: FE Aircraft Leasing Corp. (9245), case no. 18-50759; FirstEnergy Generation, LLC (0561), case no. 18-50762; FirstEnergy Generation Mansfield Unit 1 Corp. (5914), case no. 18-50763; FirstEnergy Nuclear Generation, LLC (6394), case no. 18-50760; FirstEnergy Nuclear Operating Company (1483), case no. 18-50761; FirstEnergy Solutions Corp. (0186); and Norton Energy Storage L.L.C. (6928), case no. 18-50764. The Debtors' address is: 341 White Pond Dr., Akron, OH 44320.

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INTRODUCTION

The Debtors propose this joint plan of reorganization (the "Plan") for the resolution of the outstanding claims against, and interests in, the Debtors pursuant to the Bankruptcy Code. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in Article I.A of the Plan. Holders of Claims and Interests should refer to the Disclosure Statement for a discussion of the Debtors' history, businesses, assets, results of operations, historical financial information, events during the Chapter 11 Cases, and projections of future operations, as well as a summary and description of the Plan and certain related matters. The Debtors are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code. The Chapter 11 Cases have been consolidated for procedural purposes only and are being jointly administered pursuant to an order of the Bankruptcy Court. Accordingly, the Plan constitutes a separate plan of reorganization for each of the Debtors.

ALL HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

ARTICLE I.

DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME, AND GOVERNING LAW

A. *Defined Terms.*

As used in the Plan, capitalized terms have the meanings set forth below.

1. "503(b)(9) Claim" means a Claim or any portion thereof entitled to administrative expense priority pursuant to section 503(b)(9) of the Bankruptcy Code.

2. "Ad Hoc Noteholders Group" means the ad hoc group of certain Holders of (i) pollution control revenue bonds supported by PCNs issued by FG and NG and (ii) the FES Notes in each case that are signatories to the Restructuring Support Agreement (and any such Holder that may become, in accordance with Section 6 of the Restructuring Support Agreement, a signatory thereto) represented by Kramer Levin Naftalis & Frankel LLP and GLC Advisors & Co.

3. "Administrative Claim" means a Claim for costs and expenses of administration of the Estates under sections 503(b) (including 503(b)(9) Claims), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (i) the actual and necessary costs and expenses incurred after the Petition Date through the Effective Date of preserving the applicable Estates and operating the businesses of the Debtors; (ii) Allowed Professional Fee Claims; and (iii) all fees and charges assessed against the Estates under chapter 123 of title 28 of the United States Code, 28 U.S.C. §§ 1911-1930.

4. "Administrative Claims Bar Date" means the deadline for Filing requests for payment of Administrative Claims, other than Professional Fee Claims, any obligations arising in the ordinary course of the Debtors' business with respect to post-petition accounts payable which by their terms become due and owing after the Effective Date, and any post-petition obligations owed to employees, former employees, and retirees of the Debtors, which deadline shall be 30 days after the Effective Date.

5. "AE Supply" means Allegheny Energy Supply Company LLC, an FE Non-Debtor Party.

6. "AE Supply/FES Note" means that certain Revolving Credit Note, dated June 29, 2016, by and among FES, as borrower, and AE Supply, as lender, as amended.

7. "Affiliate" has the meaning set forth in section 101(2) of the Bankruptcy Code, except that for the avoidance of doubt, unless specifically articulated in this Plan, no FE Non-Debtor Party will be considered an Affiliate of any Debtor. With respect to any Person that is not a Debtor (other than any FE Non-Debtor Party), the term "Affiliate" shall apply to such person as if the Person were a Debtor.

8. "Allocated Administrative Expense" means those Estimated Administrative Expenses that were allocated among the Debtor entities in accordance with the Plan Settlement.

9. "Allowed" means with respect to any Claim or Interest, except as otherwise provided herein: (i) a Claim or Interest as to which no objection has been Filed prior to the Claims Objection Deadline and that is evidenced by a Proof of Claim or Interest, as applicable, timely Filed by the applicable Bar Date or that is not required to be evidenced by a Final Proof of Claim or Interest, as applicable, under the Plan, the Bankruptcy Code, or a Final Order; (ii) a Claim or Interest that is scheduled by the Debtors as neither disputed, contingent, nor unliquidated, and as for which no Proof of Claim or Interest, as applicable, has been timely Filed in an unliquidated or a different amount; or (iii) a Claim or Interest that is upheld or otherwise allowed (a) pursuant to the Plan, (b) in any stipulation that is approved by the Bankruptcy Court, or (c) by Final Order (including any such Claim to which the Debtors had objected or which the Bankruptcy Court had disallowed prior to such Final Order); *provided, however*, that any Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court will not be considered "Allowed" under the Plan; *provided further, however*, that unless otherwise expressly specified in the Plan, the Consummation and the occurrence of the Effective Date is not intended to impair the right of any Holder or any of the Indenture Trustees to prosecute and appeal from, or otherwise petition for review of, any order or judgment of the Bankruptcy Court (or any other court of competent jurisdiction) disallowing any Claim; *provided, further*, for the avoidance of doubt, all parties reserve all rights in connection with any such appeal or petition, including (i) the right of any party to move for the dismissal of any such appeal or petition on grounds of equitable mootness or any other prudential basis and (ii) the right of any Holder or any of the Indenture Trustees to oppose any such appeal or petition on any grounds, including on grounds that the relief sought in the appeal or petition is contemplated by or provided for under the Plan. Except as otherwise specified in the Plan or any Final Order, the amount of an Allowed Claim shall not include interest or other charges on such Claim from and after the Petition Date. Notwithstanding anything to the contrary herein, no Claim of any Entity subject to section 502(d) of the Bankruptcy Code shall be deemed Allowed unless and until such Entity pays in full the amount that it owes such Debtor or Reorganized Debtor, as applicable.

10. "Assets" means, with respect to any Debtor, all of such Debtors' right, title and interest of any nature in property of any kind, wherever located, as specified in section 541 of the Bankruptcy Code. For the avoidance of doubt, with respect to any Debtor, all of such Debtor's rights and benefits under any license, permit, or other governmental or quasi-governmental undertaking or action shall constitute an interest in property.

11. "Assumed Executory Contract or Unexpired Lease" means the list of Executory Contracts and Unexpired Leases to be assumed by a Debtor (with proposed cure amounts) as reflected in the Plan Supplement and as may be further amended or modified by inclusion in the Plan Supplement, and any Executory Contracts and Unexpired Leases previously assumed by a Debtor by an order of the Bankruptcy Court. For the avoidance of doubt, none of the PPA Appeal Proceeding Contracts shall be deemed to be Assumed Executory Contracts.

12. "Bankruptcy Code" means title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as amended from time to time.

13. "Bankruptcy Court" means the United States Bankruptcy Court for the Northern District of Ohio having jurisdiction over the Chapter 11 Cases or any other court having jurisdiction over the Chapter 11 Cases, including, to the extent of the withdrawal of any reference under 28 U.S.C. § 157, the United States District Court for the Northern District of Ohio.

14. "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure promulgated under section 2075 of the Judicial Code and the general, local, and chambers rules of the Bankruptcy Court.

15. "Bar Date" means the applicable date established by the Bankruptcy Court by which respective Proofs of Claim and Interests must be filed.

16. "BCIDA" means the Beaver County Industrial Development Authority.

17. "Business Day" means any day, other than a Saturday, Sunday, or "legal holiday" (as defined in Bankruptcy Rule 9006(a)).

18. "Cash" means cash and cash equivalents, including bank deposits, checks, and other similar items in legal tender of the U.S., less the amount of any outstanding checks or transfers at such time.

19. "Causes of Action" means any claims, interests, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, in contract, tort, law, equity, or otherwise. Causes of Action also include: (i) all rights of setoff, counterclaims, or recoupment and claims under contracts or for breaches of duties imposed by law; (ii) the right to object to or otherwise contest Claims or Interests; (iii) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code; and (iv) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code.

20. "Chapter 11 Cases" means, collectively: (i) when used with reference to a particular Debtor, the case pending for that Debtor under chapter 11 of the Bankruptcy Code in the Bankruptcy Court; and (ii) when used with reference to all the Debtors, the procedurally consolidated and jointly administered chapter 11 cases pending for the Debtors in the Bankruptcy Court.

21. "Claim" means any claim, as defined in section 101(5) of the Bankruptcy Code, against any of the Debtors.

22. "Claims and Noticing Agent" means Prime Clerk LLC, retained as the Debtors' notice and claims agent pursuant to the Order Authorizing Retention and Appointment of Prime Clerk LLC as Claims, Noticing and Solicitation Agent Nunc Pro Tunc to the Petition Date [Docket No. 152].

23. "Claims Objection Deadline" means the later of: (i) the date that is 240 days after the Effective Date; and (ii) such other date as may be fixed by the Bankruptcy Court, after notice and hearing, upon a motion Filed before the expiration of the deadline to object to Claims or Interests.

24. "Claims Register" means the official register of Claims maintained by the Claims and Noticing Agent.

25. "Class" means a category of Claims or Interests as set forth in Article III of the Plan.

26. "CM/ECF" means the Bankruptcy Court's Case Management and Electronic Case Filing system.

27. "COBRA" means Section 4980B of the Internal Revenue Code and Part 6 of Subtitle B of Title 1 of the Employee Retirement Income Security Act of 1974.

28. "COBRA Costs" means any costs (other than any indirect costs relating to human resources management services) borne by the FE Non-Debtor Parties for compliance with COBRA under any group health plan of the FE Non-Debtor Parties related to a Debtors' Current Employee or a Debtors' Former Employee or a dependent of any such person.

29. "Committee" means the statutory committee of unsecured creditors appointed in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code by the U.S. Trustee on April 11, 2018, the membership of which may be reconstituted from time to time.

30. "Confirmation" means the entry of the Confirmation Order on the docket of the Chapter 11 Cases, subject to the conditions precedent to Confirmation set forth in Article IX of the Plan.

31. "Confirmation Date" means the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases, within the meaning of Bankruptcy Rules 5003 and 9021, subject to the conditions precedent to Confirmation set forth in Article IX of the Plan.

32. "Confirmation Hearing" means the one or more hearings held by the Bankruptcy Court to consider Confirmation of the Plan as to one or more Debtors pursuant to section 1129 of the Bankruptcy Code.

33. "Confirmation Order" means the order of the Bankruptcy Court confirming the Plan with respect to the Debtors pursuant to section 1129 of the Bankruptcy Code, which shall be in form and substance reasonably acceptable to the Debtors, the FE Non-Debtor Parties (solely to the extent provided in the FE Settlement Agreement), the Requisite Supporting Parties and the Committee.

34. "Consenting Creditors" has the meaning ascribed to such term in the Restructuring Support Agreement.

35. "Consummation" means the occurrence of the Effective Date.

36. "Convenience Claim" means a General Unsecured Claim that is either (i) in an amount that is equal to or less than $1,000,000 or (ii) in an amount that is greater than $1,000,000, but with respect to which the Holder of such General Unsecured Claim voluntarily and irrevocably reduces the aggregate amount of such Claim to $1,000,000 or less pursuant to a valid election by the Holder of such General Unsecured Claim made on its Ballot on or before the Plan Voting Deadline.

37. "Cure Claim" means a Claim based upon the Debtors' monetary defaults under any Executory Contract or Unexpired Lease at the time such Executory Contract or Unexpired Lease is assumed by the Debtors pursuant to section 365 of the Bankruptcy Code.

38. "Debtor" means one of the Debtors, in its individual capacity as a debtor and debtor in possession in its respective Chapter 11 Case.

39. "Debtor Released Parties" means each of the Debtors and the Reorganized Debtors and, with respect to the Debtors, their current and former Affiliates (other than the FE Non-Debtor Parties), and the Debtors' and their current and former Affiliates' (other than the FE Non-Debtor Parties) current and former directors, managers (including all Independent Directors and Managers), officers, predecessors, successors and assigns, subsidiaries, and each of their respective current and former officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such.

40. "Debtor Releases" means the release set forth in Article VIII.C.

41. "Debtors" means, collectively, FES, FG, NG, FENOC, FGMUC, FE Aircraft and Norton.

42. "Debtors' Current Employees" means, collectively, any employee that is assigned to a Debtor company code in the SAP System of Record as of the Effective Date. For the avoidance of doubt, no employee that is assigned to an FE Non-Debtor Party's company code in the SAP System of Record as of the Effective Date shall be considered a Debtors' Current Employee.

43. "Debtors' Former Employees" means, collectively, any former employee that was assigned to a Debtor company code in the SAP System of Record prior to but not as of the Effective Date, *provided, however*, that a person shall not be considered a Debtors' Former Employee if, as of the Effective Date, he or she is assigned to a Debtor or FE Non-Debtor company code in the SAP System of Record, and, *provided, further, however*, that a person shall only be a Debtors' Former Employee if prior to the Effective Date his or her last assignment of company code in the SAP System of Record was with a Debtor.

44. "Debtors' Incentive and Retention Plans" means the 2019 FES Short-Term Incentive Plan, the 2019 FENOC Short-Term Incentive Plan, the 2019 FES Annual Incentive Plan, the 2019 FENOC Annual Incentive Plan, the 2018 FENOC Key Employee Retention Plan as approved by the Bankruptcy Court [Docket No. 1782] and any other employee retention plans approved by the Bankruptcy Court prior to the Effective Date.

45. "Debtors' Retirees" means, collectively, any of the Debtors' Former Employees who, as of the effective date under the FE Settlement Agreement, have terminated employment from a Debtor after satisfying the age and service requirements for retirement under the applicable employee benefit plan.

46. "Deferred Compensation Claims" means claims related to the participation of the Debtors' Current Employees and the Debtors' Former Employees in the Deferred Compensation Plans.

47. "Deferred Compensation Plans" means, collectively, the (i) FirstEnergy Corp. Amended and Restated Executive Deferred Compensation Plan, effective as of November 1, 2015 (including with respect to the supplemental pension benefit set forth therein, *i.e.*, the non-qualified pension benefit); (ii) FirstEnergy Corp. Supplemental Executive Retirement Plan, amended and restated as of January 1, 2005 and further amended December 31, 2010, as amended by Amendment No. 1 effective as of January 1, 2012; and (iii) FirstEnergy Corp. Cash Balance Restoration Plan, effective as of January 1, 2014.

48. "Disbursing Agent" means the Plan Administrator; *provided, however* that the Indenture Trustees shall serve as the Disbursing Agent for Holders of the Unsecured PCN Claims, FES Notes Claims and Mansfield Certificate Claims, as applicable.

49. "Disclosure Statement" means the *Disclosure Statement for the Joint Plan of Reorganization of FirstEnergy Solutions Corp., et al*., *Pursuant to Chapter 11 of the Bankruptcy Code*, dated [__] [Docket No. __], including all exhibits and schedules thereto, as approved pursuant to the Disclosure Statement Order.

50. "Disclosure Statement Order" means the *Order (a) Approving the Disclosure Statement, (b) Establishing the Voting Record Date, Voting Deadline and Other Dates, (c) Approving Procedures for Soliciting, Receiving, and Tabulating Votes on the Plan and for Filing Objections to the Plan, and (d) Approving the Manner and Forms of Notice and Other Related Documents* [Docket No. __].

51. "Disputed" means with regard to any Claim or Interest, a Claim or Interest that is not Allowed.

52. "Disputed Claims Reserve" means a reserve consisting of Cash and New FES Common Stock (including any corresponding portion of the Effective Date Cash Distribution), in amounts determined by the Debtors, in consultation with the Requisite Supporting Parties and the Committee, unless otherwise ordered by the Bankruptcy Court, to the extent Holders elect to receive New FES Common Stock as set forth herein, reserved for distributions on account of Disputed Claims that are subsequently Allowed after the Effective Date.

53. "Distributable Value Split" means, with respect to each Class of General Unsecured Claims and Unsecured Bondholder Claims (other than any Classes of Inter-Debtor Claims or Convenience Claims), the ratable share of the aggregate Unsecured Distributable Value, after taking into account adjustments for the reallocation of the Reallocation Pool, the NG Reallocation Pool, and the FENOC/FES Claims Reallocation, as applicable, available for distribution to Holders of Allowed Claims of that particular Class, which shall be as set forth on **Exhibit A** to the Plan, subject only to adjustment based on the actual recoveries (to the extent different from estimated recoveries reflected in the Plan Settlement) on prepetition Inter-Debtor Claims due to changes in the estimated amount of Allowed Unsecured Claims by virtue of the settlement or adjudication of all other prepetition Unsecured Claims asserted against the applicable Debtors.

54. "Distributable Value Adjustment Amount" means, with respect to each Class of General Unsecured Claims and Unsecured Bondholder Claims (other than any Classes of Inter-Debtor Claims or Convenience Claims), its share, based on the respective Distributable Value Splits for such Class, of the amount equal to (i) the difference between, on the one hand, (a) the aggregate value of the actual amount of Cash on the Effective Date and (b) the aggregate value the projected amount of Cash as of the Effective Date, incorporated into Exhibit A to the Plan Term Sheet, on the other hand, whether positive or negative and (ii) the difference between (a) the aggregate estimated Allowed amount of Administrative Claims, Priority Tax Claims, Other Priority Claims and Other Secured Claims on the Effective Date as estimated on the Effective Date, on the one hand and, (b) the aggregate Estimated Administrative Expenses, on the other hand, whether positive or negative.

55. "Distribution Date" means the Effective Date and any Periodic Distribution Date thereafter.

56. "Distribution Record Date" means other than with respect to any publicly-held securities, the record date for purposes of making distributions under the Plan on account of Allowed Claims, which date shall be seven days prior to the Effective Date.

57. "DTC" means the Depository Trust Company.

58. "Effective Date" means the Business Day upon which all of the conditions to Consummation of the Plan as set forth in Article IX.B have been satisfied or waived as provided in Article IX.C of the Plan, and is the date on which the Plan becomes effective.

59. "Effective Date Cash Distribution" means an amount of cash that may be determined prior to the Effective Date by the Requisite Supporting Parties and the Debtors, in consultation with the Committee, to be distributed to all Holders of Unsecured Claims that are to receive New FES Common Stock under the Plan, as described in Article IV.B.5 of the Plan.

60. "Electing Bondholder" means a Holder of an Allowed Unsecured Bondholder Claim who has opted to elect to receive, in lieu of New FES Common Stock, all or a portion of its recovery in Cash based upon its Pro Rata portion of the Unsecured Bondholder Cash Pool.

61. "Entity" shall have the meaning set forth in section 101(15) of the Bankruptcy Code.

62. "Equity Election Conditions" means the conditions set forth in Article III.G.

63. "Equity Election Record Date" means January 23, 2019 or such later date as may be agreed to by the Debtors with the consent of the Requisite Supporting Parties and the Committee.

64. "ERISA" means the Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001-1461 as amended, and the regulations promulgated thereunder.

65. "Estate" means, as to each Debtor, the estate created for the Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

66. "Estimated Administrative Expenses" means the aggregate estimated amount as of the Effective Date of Administrative Claims, Priority Tax Claims, Other Priority Claims and Other Secured Claims with respect to each Debtor, which amount was estimated for the purposes of the Plan Settlement and is equal to $216,905,308.

67. "Exculpated Parties" means, collectively, and in each case in its capacity as such: (i) the Debtors; (ii) the FE Non-Debtor Parties; (iii) the Indenture Trustees; (iv) the Consenting Creditors; (v) the Committee and each of its members, in their capacities as such; and (vi) with respect to each of the foregoing Entities in clauses (i) through (v), such Entity and its current and former Affiliates and members (except any such member of the Ad Hoc Noteholders Group, the Mansfield Certificateholders Group, or the FES Creditor Group that voted to reject the Plan and has not changed its vote to accept the Plan by the Confirmation Date), and such Entities' and their current and former Affiliates' current and former directors, managers (including all Independent Directors and Managers), officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, managed/advised funds or accounts, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such.

68. "Executory Contract" means a contract to which one or more of the Debtors is a party and that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

69. "FE Aircraft" means Debtor FE Aircraft Leasing Corp.

70. "FE Aircraft Cash Distribution Pool" means, to the extent there are any General Unsecured Claims Against FE Aircraft, Cash in the amount of $19,900,000.

71. "FE Consolidated Tax Group" means, until the tax year immediately following the Effective date, the FE Non-Debtor Parties and the Debtors, collectively.

72. "FE Corp." means FirstEnergy Corp., an FE Non-Debtor Party and the ultimate parent of each of the Debtors.

73. "FE Non-Debtor Parties" means, collectively, the Debtors' non-Debtor Affiliates, including FE Corp.

74. "FE Non-Debtor Released Parties" means, collectively, the FE Non-Debtor Parties and each of their respective current and former officers, directors, members, shareholders, employees, advisors, attorneys, professionals, accountants, investment bankers, consultants, agents, and other representatives (including their respective officers, directors, employees, members and professionals), each solely in their capacity as such.

75. "FE Non-Debtor Parties' Third Party Release" means the releases provided to the FE Non-Debtor Parties set forth in Article VIII.E of the Plan.

76. "FE Settlement Agreement" means the Settlement Agreement dated as of August 26, 2018, by and among (i) the Debtors, (ii) the FE Non-Debtor Parties, (iii) the Ad Hoc Noteholder Group, (iv) the Mansfield Certificateholders Group, and (v) the Committee and approved by the FE Settlement Order. A copy of the FE Settlement Agreement is attached to the Plan as **Exhibit B**.

77. "FE Settlement Cash" means the cash settlement payment described in Section 2.1 of the FE Settlement Agreement in an amount equal to $225,000,000, which amount shall not be subject to any setoff or reduction.

78. "FE Settlement Direct Consideration" means the FE Settlement Value other than the waivers of Claims.

79. "FE Settlement Order" means the *Order Granting Motion of Debtors to Approve Settlement Among the Debtors, Non-Debtor Affiliates and Certain Other Settlement Parties Pursuant to 11 U.S.C. §§ 105, 363, 365, and 502 and Rule 9019 of the Federal Rules of Bankruptcy Procedure* [Docket No. 1465].

80. "FE Settlement Value" means the overall value contributed by the FE Non-Debtor Parties to the Debtors' Estates pursuant to the FE Settlement Agreement, including, but not limited to (i) the FE Settlement Cash, (ii) the New FE Notes, (iii) the Pleasants Power Plant, (iv) payments under the Tax Allocation Agreement, (v) credits for shared services and other operational support, and (vi) waivers of certain Claims as set forth in the FE Settlement Agreement.

81. "FE/FES Revolver" means that certain $700,000,000 credit agreement, consisting of a $500,000,000 revolver facility and a $200,000,000 surety bond credit facility, dated December 6, 2016,

by and among FE Corp. as lender, FES as borrower, and FG and NG as guarantors, as the same has been modified, amended, supplemented, or otherwise revised from time to time, and together with all instruments, documents and agreements related thereto.

82. "Federal Judgment Rate" means the rate of interest calculated pursuant to the provisions of 28 U.S.C. § 1961, which shall be a rate equal to the weekly average 1-year constant maturity Treasury yield, as published by the Board of Governors of the Federal Reserve System, as of the Petition Date, which rate was 2.09%, compounded annually.

83. "FENOC" means Debtor FirstEnergy Nuclear Operating Company.

84. "FENOC Distributable Value" means $144,463,616, which shall be comprised of the following assets: (i) all cash in FENOC bank accounts, which cash shall be fixed at $38,000,000, (ii) the value of FENOC's assets, (iii) the projected FENOC accounts receivable as of the Effective Date excluding accounts receivable arising from Inter-Debtor Claims, (iv) 2.7% of the FE Settlement Value and (v) the FENOC Inter-Debtor Recovery, subject only to adjustment based on the actual recoveries (to the extent different from estimated recoveries reflected in the Plan Settlement) on prepetition Inter-Debtor Claims due to changes in the estimated amount of Allowed Unsecured Claims by virtue of the settlement or adjudication of all other prepetition Unsecured Claims asserted against the applicable Debtors.

85. "FENOC Inter-Debtor Recovery" means the recovery on account of all Inter-Debtor Claims owed to FENOC.

86. "FENOC-FES Claim Reallocation" means $12,500,000 of the aggregate Unsecured Distributable Value otherwise available for distribution to the Holders of Unsecured Bondholder Claims, which shall be re-allocated to Holders of FES Single-Box Unsecured Claims and Holders of FENOC-FES Unsecured Claims.

87. "FENOC-FES Unsecured Claims" means any General Unsecured Claim, other than Inter-Debtor Claims, against both FENOC and FES (and only FENOC and FES).

88. "FENOC Unsecured Distributable Value" means the value available for distribution to Holders of Allowed Unsecured Claims against FENOC, which shall be determined by calculating the FENOC Distributable Value *less* (i) the payment of Allocated Administrative Expenses allocated to FENOC in accordance with the Plan Settlement and as set forth on Exhibit A to the Plan Term Sheet, (ii) Other Secured Claims Allowed against FENOC, as set forth on Exhibit A to the Plan Term Sheet and (iii) Administrative Claims arising from postpetition Inter-Debtor Claims Allowed against FENOC, pursuant to the Plan Settlement

89. "FENOC Single-Box Unsecured Claim" means any General Unsecured Claim, other than Inter-Debtor Claims, against only FENOC.

90. "FERC" means the Federal Energy Regulatory Commission.

91. "FERC-Jurisdictional Debtors" means all of the Debtors subject to FERC's jurisdiction, including, without limitation, FES, FG, NG, and FGMUC.

92. "FES" means Debtor FirstEnergy Solutions Corp.

93. "FES Creditor Group" has the meaning ascribed to such term in the Restructuring Support Agreement.

94. "FES Distributable Value" means $2,030,820,514, which shall be comprised of the following assets: (i) the projected amount of Cash in the FES bank accounts, other than the proceeds from the FE/FES Revolver as of the Effective Date, that was incorporated into Exhibit A to the Plan Term Sheet; (ii) the value of the FES retail business; (iii) any surplus proceeds of the FE Aircraft Cash Distribution Pool after satisfaction of any Allowed General Unsecured Claims against FE Aircraft; (iv) the projected FES accounts receivable as of the Effective Date, excluding accounts receivable arising from Inter-Debtor Claims, incorporated into Exhibit A to the Plan Term Sheet; (v) $475,000,000 of the proceeds from the FE/FES Revolver; (vi) 57.5% of the FE Settlement Value; (vii) the value of the Interests in FE Aircraft held by FES; and (viii) the FES Inter-Debtor Recovery, subject only to adjustment based on the actual recoveries (to the extent different from estimated recoveries reflected in the Plan Settlement) on prepetition Inter-Debtor Claims due to changes in the estimated amount of Allowed Unsecured Claims by virtue of the settlement or adjudication of all other prepetition Unsecured Claims asserted against the applicable Debtors.

95. "FES Inter-Debtor Recovery" means the recovery on account of all Inter-Debtor Claims owed to FES.

96. "FES Notes" means, collectively, those certain: (i) 6.05% senior unsecured notes due 2021; and (ii) 6.80% senior unsecured notes due 2039, in each case issued under the FES Notes Indenture.

97. "FES Notes Claims" means, collectively, any Claims evidenced by, arising under, or in connection with the FES Notes Indenture, the FES Notes, or other agreements related thereto.

98. "FES Notes Indenture" means that certain Indenture, dated as of August 1, 2009, between FES and the FES Notes Indenture Trustee, as the same has been modified, amended, supplemented, or otherwise revised from time to time, including by the First Supplemental Indenture, dated as of August 1, 2009, and together with all instruments, documents, and agreements related thereto.

99. "FES Notes Indenture Trustee" means The Bank of New York Mellon Trust Company, N.A., in its capacity as trustee under the FES Notes Indenture.

100. "FES-Only Administrative Expenses" means, if applicable, any Allowed Administrative Claims arising from the PPA Appeal Proceeding Contracts.

101. "FES Single-Box Unsecured Claim" means any General Unsecured Claim against only FES.

102. "FES Tax Overpayment" means any overpayment that may have been made to certain of the Debtors by FE Corp. pursuant to the Tax Allocation Agreement for the tax year 2017.

103. "FES Unsecured Distributable Value" means the value available for distribution to Holders of Allowed Unsecured Claims against FES, which shall be determined by calculating the FES Distributable Value *less* (i) the payment of (x) Allocated Administrative Expenses allocated to FES in accordance with the Plan Settlement as set forth on Exhibit A to the Plan Term Sheet, (y) FES-Only Administrative Expenses, (ii) Other Secured Claims Allowed against FES, as set forth on Exhibit A of the Plan Term Sheet, and (iii) Administrative Claims arising from postpetition Inter-Debtor Claims Allowed against FES pursuant to the Plan Settlement.

104. "FESC" means FirstEnergy Service Company, an FE Non-Debtor Party.

105. "FG" means Debtor FirstEnergy Generation, LLC.

106. "FG Distributable Value" means $1,093,194,361, which shall be comprised of the following assets: (i) the value of FG's assets; (ii) the projected FG accounts receivable as of the Effective Date, excluding accounts receivable arising from Inter-Debtor Claims, incorporated into Exhibit A to the Plan Term Sheet; (iii) $25,000,000 of proceeds from the FE/FES Revolver; (iv) the value of the membership interests in Norton, if any; (v) 23.4% of the FE Settlement Value; and (vi) the FG Inter-Debtor Recovery, subject only to adjustment based on the actual recoveries (to the extent different from estimated recoveries reflected in the Plan Settlement) on prepetition Inter-Debtor Claims due to changes in the estimated amount of Allowed Unsecured Claims by virtue of the settlement or adjudication of all other prepetition Unsecured Claims asserted against the applicable Debtors.

107. "FG Inter-Debtor Recovery" means the recovery on account of all Inter-Debtor Claims owed to FG.

108. "FG Mortgage" means that certain Open-End Mortgage, General Mortgage Indenture and Deed of Trust, dated as of June 19, 2008, as amended and supplemented, by and between FG and UMB Bank, National Association, as successor trustee.

109. "FG Mortgage Indenture Trustee" means UMB Bank, National Association, as successor trustee under the FG Mortgage, solely in its capacity as such.

110. "FG Single-Box Unsecured Claim" means any General Unsecured Claim against only FG.

111. "FG Unsecured Distributable Value" means the value available for distribution to Holders of Allowed Unsecured Claims against FG, which shall be determined by calculating the FG Distributable Value *less* (i) the payment of Allocated Administrative Expenses allocated to FG in accordance with the Plan Settlement as set forth on Exhibit A to the Plan Term Sheet, (ii) Other Secured Claims Allowed against FG, as set forth on Exhibit A to the Plan Term Sheet, (iii) the value of the Secured FG PCN Claims being reinstated or paid in full in accordance with the Plan, and (iv) Administrative Claims arising from postpetition Inter-Debtor Claims Allowed against FG pursuant to the Plan Settlement.

112. "FGMUC" means Debtor FirstEnergy Generation Mansfield Unit 1 Corp.

113. "FGMUC Distributable Value" means $134,059,905, which shall be comprised of the following assets: (i) FGMUC's assets, if any, (ii) 1.3% of the FE Settlement Value; and (iii) the FGMUC Inter-Debtor Recovery, subject only to adjustment based on the actual recoveries (to the extent different from estimated recoveries reflected in the Plan Settlement) on prepetition Inter-Debtor Claims due to changes in the estimated amount of Allowed Unsecured Claims by virtue of the settlement or adjudication of all other prepetition Unsecured Claims asserted against the applicable Debtors.

114. "FGMUC Inter-Debtor Recovery" means the recovery on account of all Inter-Debtor Claims owed to FGMUC.

115. "FGMUC Single-Box Unsecured Claims" means any General Unsecured Claim against only FGMUC.

116. "FGMUC Unsecured Distributable Value" means the value available for distribution to Holders of Allowed Unsecured Claims against FGMUC, which shall be determined by calculating the FGMUC Distributable Value *less* (i) the payment of Allocated Administrative Expenses allocated to FGMUC in accordance with the Plan Settlement as set forth on Exhibit A to the Plan Term Sheet, (ii)

Other Secured Claims Allowed against FGMUC as set forth on Exhibit A to the Plan Term Sheet, and (iii) Administrative Claims arising from on postpetition Inter-Debtor Claims Allowed against FGMUC pursuant to the Plan Settlement.

117. "File," "Filed," or "Filing" means file, filed, or filing in the Chapter 11 Cases with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases, including with respect to a Proof of Claim or Proof of Interest, the Claims and Noticing Agent.

118. "Final Order" means (i) an order or judgment of the Bankruptcy Court, as entered on the docket in any Chapter 11 Case (or any related adversary proceeding or contested matter) or the docket of any other court of competent jurisdiction, or (ii) an order or judgment of any other court having jurisdiction over any appeal from (or petition seeking certiorari or other review of) any order or judgment entered by the Bankruptcy Court (or any other court of competent jurisdiction, including in an appeal taken) in any Chapter 11 Case (or any related adversary proceeding or contested matter), in each case that has not been reversed, stayed, modified, or amended, and as to which the time to appeal, or seek certiorari or move for a new trial, reargument, or rehearing has expired according to applicable law and no appeal or petition for certiorari or other proceedings for a new trial, reargument, or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may timely be Filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice; *provided, however*, that the possibility a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or the local rules of the Bankruptcy Court, may be filed relating to such order shall not prevent such order from being a Final Order.

119. "FMB" means the first mortgage bonds issued by FG or NG, as the case may be, pursuant to the FG Mortgage and the NG Mortgage, respectively.

120. "FPA 203 Authorization" means authorization from FERC under Section 203 of the Federal Power Act, 16 U.S.C. § 824b.

121. "General Administrative Claim" means any Administrative Claim, other than a Professional Fee Claim but including any Claims of ordinary course professionals retained pursuant to the Ordinary Course Professional Order for fees and expenses incurred postpetition.

122. "General Unsecured Claim" means any Unsecured Claim that is not an Unsecured Bondholder Claim and is not otherwise paid in full pursuant to a Final Order of the Bankruptcy Court, but excluding: (i) Administrative Claims, (ii) Priority Tax Claims, (iii) Inter-Debtor Claims, and (iv) Other Priority Claims.

123. "General Unsecured Claim Against FE Aircraft" means any Unsecured Claim against FE Aircraft that is not an Unsecured Bondholder Claim and is not otherwise paid in full pursuant to a Final Order of the Bankruptcy Court, but excluding: (i) Administrative Claims, (ii) Priority Tax Claims against FE Aircraft, (iii) Inter-Debtor Claims and (iv) Other Priority Claims against FE Aircraft.

124. "General Unsecured Claim Against Norton" means any Unsecured Claim against Norton that is not an Unsecured Bondholder Claim and is not otherwise paid in full pursuant to a Final Order of the Bankruptcy Court, but excluding: (i) Administrative Claims, (ii) Priority Tax Claims against Norton, (iii) Inter-Debtor Claims and (iv) Other Priority Claims against Norton.

125. "Governmental Unit" has the meaning set forth in section 101(27) of the Bankruptcy Code.

126. "Health Care Plans" means the medical and prescription drug benefits provided under the FirstEnergy Corp. Health Care Plan, FirstEnergy Prescription Drug Plan, and any similar plans sponsored by FE Corp.

127. "Holder" means an Entity holding a Claim or an Interest, as applicable.

128. "HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

129. "Impaired" means, with respect to a particular Class of Claims or Interests, a Class of Claims or Interests that is impaired within the meaning of section 1124 of the Bankruptcy Code.

130. "Incentive Securities" means New FES Common Stock, or options, warrants, or similar equity securities to be distributed pursuant to the terms of the Management Incentive Plan.

131. "Indemnification Obligations" means each of the Debtors' indemnification obligations in place as of the Effective Date, whether in the bylaws, certificates of incorporation or formation, limited liability company agreements, other organizational or formation documents, board resolutions, management or indemnification agreements, or employment or other contracts, for their current and former directors, officers, managers (including all Independent Directors and Managers), employees, attorneys, accountants, investment bankers, and other professionals and agents of the Debtors, as applicable.

132. "Indentures" means, collectively, (i) the FES Notes Indenture, (ii) the Mansfield Pass Through Trust Agreement and Mansfield Lease Note Indentures, (iii) the FG Mortgage, (iv) the NG Mortgage, (v) the PCN Indentures, and (vi) the PCN Loan Agreements.

133. "Indenture Trustees" means, collectively: (i) the FES Notes Indenture Trustee, (ii) the Mansfield Indenture Trustee, (iii) the Secured PCN Indenture Trustees, and (iv) the Unsecured PCN Indenture Trustee.

134. "Independent Directors and Managers" means the independent directors and/or managers of FES, FENOC, FG and NG.

135. "Insurance Policies" means any insurance policies, insurance settlement agreements, coverage-in-place agreements, or other agreements relating to the provision of insurance entered into by or issued to or for the benefit of any of the Debtors or their predecessors.

136. "Inter-Debtor Claims" means a Claim or Cause of Action by a Debtor against any other Debtor.

137. "Interest" means any equity security (as defined in section 101(16) of the Bankruptcy Code) issued with respect of any Debtor, any membership interests issued with respect to any Debtor, and any other rights, options, warrants, stock appreciation rights, phantom stock rights, restricted stock units, redemption rights, repurchase rights, convertible, exercisable or exchangeable securities or other agreements, arrangements or commitments of any character relating to, or whose value is related to, any such interest or other ownership interest in any Entity.

138. "Interim Compensation Order" means the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals* [Docket No. 177].

139. "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

140. "Judicial Code" means title 28 of the United States Code, 28 U.S.C. §§ 1-4001.

141. "Lien" has the meaning set forth in section 101(37) of the Bankruptcy Code.

142. "Management Incentive Plan" means a management incentive plan which may be implemented with respect to the Reorganized Debtors on or after the Effective Date providing for the issuance of New FES Common Stock, which Management Incentive Plan shall not exceed 7.5% of the New FES Common Stock as of the Effective Date (on a fully diluted basis), the terms of which shall be disclosed in the Plan Supplement (or left to the determination of the New Board) and which shall be reasonably acceptable to the Debtors, the Committee, and the Requisite Supporting Parties to the extent disclosed in the Plan Supplement.

143. "Mansfield Certificate Claims" means, collectively, Claims that could be brought by the Mansfield Indenture Trustee or the Holders of Mansfield Certificates, evidenced by, arising under or in connection with the Mansfield Certificates, the Mansfield Pass Through Trust Agreement, the Mansfield Lease Note Indentures or any other Mansfield Facility Documents.

144. "Mansfield Certificate Claims Against FES" means any Mansfield Certificate Claims against FES, including Mansfield Certificate Claims against FES arising from guarantees.

145. "Mansfield Certificate Claims Against FG" means any Mansfield Certificate Claims against FG, including Mansfield Certificate Claims against FG arising from guarantees.

146. "Mansfield Certificate Claims Against FGMUC" means any Mansfield Certificate Claims against FGMUC.

147. "Mansfield Certificate Claims Against NG" means any Mansfield Certificate Claims against NG, including Mansfield Certificate Claims against NG arising from guarantees.

148. "Mansfield Certificateholders Group" means the ad hoc group of certain Holders of the Mansfield Certificate Claims that are signatories to the Restructuring Support Agreement (and any such Holder that may, in accordance with Section 6 of the Restructuring Support Agreement, become a signatory thereto).

149. "Mansfield Certificates" means those certain 6.85% pass through certificates issued under the Mansfield Pass Through Trust Agreement.

150. "Mansfield Facility Documents" means, collectively, the Mansfield Facility Lease Agreements, the Mansfield Participation Agreements, the Mansfield Pass Through Trust Agreement, the Mansfield Guarantees, the Mansfield Site Subleases, and the Mansfield Tax Indemnity Agreements.

151. "Mansfield Facility Lease Agreements" means those certain six facility leases dated as of July 1, 2007, between FG, as lessee, and Mansfield 2007 Trusts A-F, as lessors, relating to an aggregate undivided interest in 93.825% of Unit 1 of the Mansfield Plant.

152. "Mansfield Guarantees" means those certain guarantees dated July 1, 2007 pursuant to which FES guaranteed FG's obligations under the Mansfield Facility Lease Agreements and certain other agreements associated with the 2007 sale and leaseback transaction.

153. "Mansfield Indenture Trustee" means Wilmington Savings Fund Society, FSB (not in its individual capacity, but solely as Pass Through Trustee for the Mansfield Pass Through Trust Agreement dated as of June 26, 2007, as the same has been amended or modified from time to time, and the Indenture Trustee under the Mansfield Lease Notes Indentures).

154. "Mansfield Lease Note Indentures" means the six Indentures of Trust, Open-End Mortgages and Security Agreements, dated July 1, 2007 with Mansfield Trusts A-F (as amended from time to time).

155. "Mansfield Owner Participants" means those certain equity owners of the Mansfield 2007 Trusts A-F, as lessors under the Mansfield Facility Leases. Metlife Capital, Limited Partnership is the current Mansfield Owner Participant of Mansfield 2007 Trusts A-E. FE Corp. is the current Mansfield Owner Participant of Mansfield 2007 Trust F.

156. "Mansfield Participation Agreements" means those certain participation agreements dated June 26, 2007, setting forth the manner in which the parties intended to participate in the 2007 sale and leaseback transactions for an aggregate undivided interest in 93.825% of Unit 1 of the Mansfield Plant, the conditions precedent to such participation, the representations and warranties of the parties, and certain covenants and indemnities of the parties in connection with such transactions.

157. "Mansfield Pass Through Trust Agreement" means that certain Pass Through Trust Agreement, dated as of June 26, 2007, among FG, FES and the Mansfield Indenture Trustee (not in its individual capacity, but solely as Pass Through Trustee for the Bruce Mansfield Unit 1 2007 Pass Through Trust), as the same has been modified, amended, supplemented, or otherwise revised from time to time, and together with all instruments, documents, and agreements related thereto.

158. "Mansfield Plant" means the Bruce Mansfield Plant, a 2,490 megawatt coal-fired power plant located in Shippingport, Pennsylvania.

159. "Mansfield Reallocation" means $10,000,000 of the aggregate Unsecured Distributable Value from all Debtors otherwise available for distribution to the Holders of the Mansfield Certificate Claims, which shall be reallocated to Holders of Unsecured PCN Claims and FES Notes Claims as set forth in Article III of the Plan.

160. "Mansfield Settlement" means that certain settlement agreement, by and among the Bruce Mansfield Certificateholders Group and the Ad Hoc Noteholders Group, which settlement is incorporated herein.

161. "Mansfield Site Subleases" means those certain six site subleases dated as of July 1, 2007, between Mansfield 2007 Trust A-F, as site sublessors, and FG, as site sublessee.

162. "Mansfield Tax Indemnity Agreements" means those certain tax indemnity agreements dated July 1, 2007, pursuant to which FG agreed to indemnify the Mansfield Owner Participants for certain adverse tax consequences related to the 2007 sale and leaseback transactions for an aggregate undivided interest in 93.825% of Unit 1 of the Mansfield Plant.

163. "Mansfield TIA Claims" means the claims of the Mansfield Owner Participants arising under the Mansfield Tax Indemnity Agreements and other Mansfield Facility Documents.

164. "Money Pool Balance" means the Debtors' liability as of the Petition Date, as adjusted by the transactions contemplated by the FE Settlement Agreement, under the Fifth Amended and Restated Non-Utility Money Pool Agreement, dated as of December 19, 2013 as the same has been or may be subsequently modified, amended, supplemented or otherwise revised from time to time, and together with all instruments, documents, and agreements related thereto.

165. "Multi-Debtor Unsecured Claims" means Unsecured Claims which are Allowed against multiple Debtors, which for the avoidance of doubt, shall include, among others, the Unsecured Bondholder Claims, any Mansfield TIA Claims, and Claims Allowed against both FENOC and NG.

166. "New FE Notes" means the senior notes to be issued by FE Corp. to the Debtors on the Effective Date pursuant to the terms of the FE Settlement Agreement.

167. "New FES" means a new legal entity which may be formed at the election of the Debtors and the Requisite Supporting Parties, in consultation with the Committee, to which the assets of FES are transferred.

168. "New FES Board" means the board of directors of Reorganized FES, New FES or a newly created holding company, and the board of directors and the board of managers of the other Reorganized Debtors, as applicable, on and after the Effective Date.

169. "New FES Common Stock" means the shares of common stock in Reorganized FES, New FES or a new holding company entity to be created, to be issued and distributed under and in accordance with the Plan.

170. "New Management Employment Contracts" means employment contracts to be entered into between the Reorganized Debtors and members of management for the Reorganized Debtors on terms and conditions to be agreed by the Debtors and the Requisite Supporting Parties prior to approval of the Disclosure Statement.

171. "New Organizational Documents" means the certificates or articles of incorporation of formation, by-laws, limited liability company agreements, or other applicable organizational documents of each of the Reorganized Debtors, as applicable, the form of which shall be included in the Plan Supplement.

172. "NG" means Debtor FirstEnergy Nuclear Generation, LLC.

173. "NG Distributable Value" means $1,365,187,029, which shall be comprised of the following assets: (i) the value of the power plants owned by NG and all related assets, (ii) the insurance proceeds from Mansfield Unit 1, as well as the value of any other assets comprising the "Undivided Interest" in the "Facility" as such terms are defined in the Mansfield Facility Documents, (iii) the projected NG accounts receivable as of the Effective Date, excluding accounts receivable arising from Inter-Debtor Claims, incorporated into Exhibit A to the Plan Term Sheet, (iv) 15.1% of the FE Settlement Value, and (v) the NG-Inter-Debtor Recovery, subject only to adjustment based on the actual recoveries (to the extent different from estimated recoveries reflected in the Plan Settlement) on prepetition Inter-Debtor Claims due to changes in the estimated amount of Allowed Unsecured Claims by virtue of the settlement or adjudication of all other prepetition Unsecured Claims asserted against the applicable Debtors.

174. "NG-FENOC Unsecured Claim" means any General Unsecured Claim against both NG and FENOC.

175. "NG Inter-Debtor Recovery" means the recovery on account of all Inter-Debtor Claims owed to NG.

176. "NG Mortgage" means that certain Open-End Mortgage, General Mortgage Indenture and Deed of Trust, dated as of June 1, 2009, as amended and supplemented, by and between NG and UMB Bank, National Association, as successor trustee.

177. "NG Mortgage Indenture Trustee" means UMB Bank, National Association, as successor trustee under the NG Mortgage, in its capacity as such.

178. "NG Reallocation Pool" means the portion of the Reallocation Pool allocable to NG.

179. "NG Single Box Unsecured Claims" means any General Unsecured Claim, other than an Inter-Debtor Claim, solely against NG.

180. "NG Unsecured Distributable Value" means the value available for distribution to Holders of Allowed Unsecured Claims against NG, which shall be determined by calculating the NG Distributable Value *less* (i) the payment of Allocated Administrative Expenses allocated to NG in accordance with the Plan Settlement as set forth on Exhibit A to the Plan Term Sheet, (ii) Other Secured Claims Allowed against NG, as set forth on Exhibit A to the Plan Term Sheet, (iii) the value of the Secured NG PCN Claims being reinstated pursuant to the Plan, and (iv) Administrative Claims arising from postpetition Inter-Debtor Claims Allowed against NG pursuant to the Plan Settlement.

181. "Norton" means Debtor Norton Energy Storage L.L.C.

182. "Norton Cash Distribution Pool" means, to the extent there are any General Unsecured Claims against Norton, Cash [in an amount to be determined].

183. "NRC" means the United States Nuclear Regulatory Commission.

184. "Nuclear Decommissioning Obligations" means the Debtors' funding obligations related to nuclear decommissioning trusts, as required by the United States Department of Energy, that will be established by the Debtors to fund the decommissioning of the Beaver Valley, Davis-Besse, and Perry nuclear power plants.

185. "OAQDA" means the Ohio Air Quality Development Authority.

186. "OWDA" means the Ohio Water Development Authority.

187. "Ordinary Course Professional Order" means the *Order Authorizing the Debtors to Employ and Compensate Professionals Utilized in the Ordinary Course of Business* [Docket No. 428].

188. "Other Priority Claims" means any Claim, other than an Administrative Claim, or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

189. "Other Released Parties" means, collectively, (i) the Consenting Creditors, (ii) the Committee, (iii) the Indenture Trustees, (iv) the issuers of the PCNs, (v) the Plan Administrator, and (vi) with respect to each of the foregoing entities in clauses (i) through (v), their current and former Affiliates,

and such Entities' current and former Affiliates' current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, managed/advised funds or accounts and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such.

190. "Other Released Parties' Third Party Releases" means the releases provided to the Other Released Parties set forth in Article VIII.F of the Plan.

191. "Other Secured Claims" means any Secured Claim against any of the Debtors, other than the Secured PCN Claims.

192. "Party Releases" means the releases provided to the FE Non-Debtor Parties set forth in Article VIII.D of the Plan.

193. "PCNs" means, collectively, the following series of notes issued under the PCN Loan Agreements in support of the pollution control revenue bonds that were issued under the PCN Indentures: (i) FG's $56.6 million Pollution Control Facilities Note (Beaver County Industrial Development Authority), Series 2006-A due April 1, 2041; (ii) FG's $46.3 million Pollution Control Facilities Note (Beaver County Industrial Development Authority), Series 2008-B due October 1, 2047 , which note is secured by FG FMBs; (iii) FG's $25 million Pollution Control Facilities Note (Beaver County Industrial Development Authority), Series 2008-C due June 1, 2028 , which note is secured by FG FMBs; (iv) FG's $234.52 million Air Quality Facilities Note, Series 2006-A due December 1, 2023; (v) FG's $177 million Air Quality Facilities Note, Series 2009-E due August 1, 2020; (vi) FG's $50 million Air Quality Facilities Note, Series 2009-B due March 1, 2023; (vii) FG's $141.26 million Air Quality Facilities Note, Series 2009-C due June 1, 2018, which note is secured by FG FMBs; (viii) FG's $100 million Air Quality Facilities Note, Series 2009-D due August 1, 2029 , which note is secured by FG FMBs; (ix) FG's $90.14 million Waste Water Facilities Note, Series 2006-A due May 15, 2019; (x) FG's $26 million Exempt Facilities Notes (Pennsylvania Economic Development Financing Authority), Series 2006A due November 1, 2041; (xi) FG's $43 million Exempt Facilities Notes (Pennsylvania Economic Development Financing Authority), Series 2005A due December 1, 2040; (xii) FG's $15 million Exempt Facilities Notes (Pennsylvania Economic Development Financing Authority), Series 2002 A due June 1, 2028 , which note is secured by FG FMBs; (xiii) NG's $98.9 million Pollution Control Facilities Note (Beaver County Industrial Development Authority), Series 2008-A due April 1, 2035; (xiv) NG's $163.965 million Pollution Control Facilities Note (Beaver County Industrial Development Authority), Series 2006-B due December 1, 2035; (xv) NG's $72.65 million Pollution Control Facilities Note (Beaver County Industrial Development Authority), Series 2005-A due January 1, 2035; (xvi) NG's $60 million Pollution Control Facilities Note (Beaver County Industrial Development Authority), Series 2006-A due January 1, 2035, which note is secured by NG FMBs; (xvii) NG's $8 million Air Quality Facilities Note, Series 2010-A due July 1, 2033; (xviii) NG's $7.2 million Air Quality Facilities Note, Series 2005-B due January 1, 2034; (xix) NG's $9.1 million Air Quality Facilities Note, Series 2008-B due October 1, 2033; (xx) NG's $23 million Air Quality Facilities Note, Series 2008-C due November 1, 2032; (xxi) NG's $15.5 million Air Quality Facilities Note, Series 2006-B due December 1, 2033; (xxii) NG's $26 million Air Quality Facilities Note, Series 2010-B due June 1, 2033; (xxiii) NG's $62.5 million Air Quality Facilities Note, Series 2009-A due June 1, 2033 , which note is secured by NG FMBs; (xxiv) NG's $135.55 million Waste Water Facilities and Solid Waste Facilities Note, Series 2006-B due December 1, 2033; (xxv) NG's $46.5 million Waste Water Facilities and Solid Waste Facilities Note, Series 2010-C due June 1, 2033; (xxvi) NG's $20.45 million Waste Water Facilities and Solid Waste Facilities Note, Series 2008-B due October 1, 2033; (xxvii) NG's $33 million Waste Water Facilities and Solid Waste Facilities Note, Series 2008-C due November 1, 2032; (xxviii) NG's $99.1 million Waste Water Facilities

and Solid Waste Facilities Note, Series 2010-A due July 1, 2033; (xxix) NG's $82.8 million Waste Water Facilities and Solid Waste Facilities Note, Series 2005-B due January 1, 2034; (xxx) NG's $54.6 million Waste Water Facilities and Solid Waste Facilities Note, Series 2010-B due June 1, 2033 , which note is secured by NG FMBs; and (xxxi) NG's $107.5 million Waste Water Facilities and Solid Waste Facilities Note, Series 2009-A due June 1, 2033 , which note is secured by NG FMBs.

194. "PCN Claims" means, collectively, any Claims evidenced by, arising under or in connection with the PCN Loan Agreements, the PCN Indentures, the PCNs or other agreements related thereto.

195. "PCN Indentures" means, collectively, as they may have been subsequently amended, the following trust indentures: (i) the Trust Indenture, dated as of April 1, 2006, as supplemented as of April 2, 2012, between BCIDA and the Unsecured PCN Indenture Trustee, as successor trustee, with respect to which $56.6 million principal amount of Pollution Control Revenue Refunding Bonds, Series 2006-A (FirstEnergy Generation Project) are issued and outstanding; (ii) the Trust Indenture, dated as of September 1, 2008, as supplemented as of April 2, 2012, between BCIDA and the Secured PCN Indenture Trustee, as successor trustee, with respect to which $46.3 million principal amount of Pollution Control Revenue Refunding Bonds, Series 2008-B (FirstEnergy Generation Project) are issued and outstanding; (iii) the Trust Indenture, dated as of November 1, 2008, as supplemented as of May 25, 2012, between BCIDA and the Secured PCN Indenture Trustee, as successor trustee, with respect to which $25 million principal amount of Pollution Control Revenue Refunding Bonds, Series 2008-C (FirstEnergy Generation Project) are issued and outstanding; (iv) the Trust Indenture, dated as of December 1, 2006, as supplemented as of February 19, 2014, between OAQDA and the Unsecured PCN Indenture Trustee, as successor trustee, with respect to which $234.52 million principal amount of State of Ohio Pollution Control Revenue Bonds, Series 2006-A (FirstEnergy Generation Project) are issued and outstanding; (v) the Trust Indenture, dated as of August 1, 2009, between OAQDA and the Unsecured PCN Indenture Trustee, as successor trustee, with respect to which $177 million principal amount of State of Ohio Pollution Control Revenue Refunding Bonds, Series 2009-A (FirstEnergy Generation Project) are issued and outstanding; (vi) the Trust Indenture, dated as of March 1, 2009, between OAQDA and the Unsecured PCN Indenture Trustee, as successor trustee, with respect to which $50 million principal amount of State of Ohio Pollution Control Revenue Refunding Bonds, Series 2009-B (FirstEnergy Generation Project) are issued and outstanding; (vii) the Trust Indenture, dated as of June 1, 2009, between OAQDA and the Unsecured PCN Indenture Trustee, as successor trustee, with respect to which $141.26 million principal amount of State of Ohio Pollution Control Revenue Refunding Bonds, Series 2009-C (FirstEnergy Generation Project) are issued and outstanding; (viii) the Trust Indenture, dated as of June 1, 2009, as supplemented as of August 1, 2012, between OAQDA and the Secured PCN Indenture Trustee, as successor trustee, with respect to which $100 million principal amount of State of Ohio Pollution Control Revenue Refunding Bonds, Series 2009-D (FirstEnergy Generation Project) are issued and outstanding; (ix) the Trust Indenture, dated as of April 1, 2006, as supplemented as of April 2, 2012, between OWDA and the Secured PCN Indenture Trustee, as successor trustee, with respect to which $90.14 million principal amount of State of Ohio Pollution Control Revenue Refunding Bonds, Series 2006-A (FirstEnergy Generation Project) are issued and outstanding; (x) the Trust Indenture, dated as of November 1, 2006, as supplemented as of November 15, 2010, between PEDFA and the Unsecured PCN Indenture Trustee, as successor trustee, with respect to which $26 million principal amount of Exempt Facilities Revenue Bonds, Series 2006A (Shippingport Project) are issued and outstanding; (xi) the Trust Indenture, dated as of December 1, 2005, as supplemented as of September 14, 2010, between PEDFA and the Unsecured PCN Indenture Trustee, as successor trustee, with respect to which $43 million principal amount of Exempt Facilities Revenue Bonds, Series 2005A (Shippingport Project) are issued and outstanding; (xii) the Trust Indenture, dated as of July 1, 2002, as supplement as of July 30, 2010, and amended as of November 1, 2012, between PEDFA and the Secured PCN Indenture Trustee, as successor trustee, with respect to which $15 million principal amount of Exempt Facilities Revenue Bonds, Series

2002 A (Shippingport Project) are issued and outstanding; (xiii) the Trust Indenture, dated as of June 1, 2008, as supplemented as of May 25, 2012, between BCIDA and the Unsecured PCN Indenture Trustee, as successor trustee, with respect to which $98.9 million principal amount of Pollution Control Revenue Refunding Bonds, Series 2008-A (FirstEnergy Nuclear Generation Project) are issued and outstanding; (xiv) the Trust Indenture, dated as of December 1, 2006, as supplemented as of June 5, 2009 and April 2, 2012, between BCIDA and the Unsecured PCN Indenture Trustee, as successor trustee, with respect to which $163.965 million principal amount of Pollution Control Revenue Refunding Bonds, Series 2006-B (FirstEnergy Nuclear Generation Project) are issued and outstanding; (xv) the Trust Indenture, dated as of December 1, 2005, between BCIDA and the Unsecured PCN Indenture Trustee, as successor trustee, with respect to which $72.65 million principal amount of Pollution Control Revenue Refunding Bonds, Series 2005-A (FirstEnergy Nuclear Generation Project) are issued and outstanding; (xvi) the Trust Indenture, dated as of April 1, 2006, as supplemented as of May 25, 2012, between BCIDA and the Secured PCN Indenture Trustee, as successor trustee, with respect to which $60 million principal amount of Pollution Control Revenue Refunding Bonds, Series 2006-A (FirstEnergy Nuclear Generation Project) are issued and outstanding; (xvii) the Trust Indenture, dated as of September 15, 2010, between OAQDA and the Unsecured PCN Indenture Trustee, as successor trustee, with respect to which $8 million principal amount of State of Ohio Pollution Control Revenue Refunding Bonds, Series 2010-A (FirstEnergy Nuclear Generation Project) are issued and outstanding; (xviii) the Trust Indenture, dated as of December 1, 2005, between OAQDA and the Unsecured PCN Indenture Trustee, as successor trustee, with respect to which $7.2 million principal amount of State of Ohio Pollution Control Revenue Refunding Bonds, Series 2005-B (FirstEnergy Nuclear Generation Project) are issued and outstanding; (xix) the Trust Indenture, dated as of September 1, 2008, as supplemented as of April 2, 2012, between OAQDA and the Unsecured PCN Indenture Trustee, as successor trustee, with respect to which $9.1 million principal amount of State of Ohio Pollution Control Revenue Refunding Bonds, Series 2008-B (FirstEnergy Nuclear Generation Project) are issued and outstanding; (xx) the Trust Indenture, dated as of November 1, 2008, as supplemented as of November 1, 2012, between OAQDA and the Unsecured PCN Indenture Trustee, as successor trustee, with respect to which $23 million principal amount of State of Ohio Pollution Control Revenue Refunding Bonds, Series 2008-C (FirstEnergy Nuclear Generation Project) are issued and outstanding; (xxi) the Trust Indenture, dated as of December 1, 2006, between OAQDA and the Unsecured PCN Indenture Trustee, as successor trustee, with respect to which $15.5 million principal amount of State of Ohio Pollution Control Revenue Refunding Bonds, Series 2006-B (FirstEnergy Nuclear Generation Project) are issued and outstanding; (xxii) the Trust Indenture, dated as of November 15, 2010, between OAQDA and the Unsecured PCN Indenture Trustee, as successor trustee, with respect to which $26 million principal amount of State of Ohio Pollution Control Revenue Refunding Bonds, Series 2010-B (FirstEnergy Nuclear Generation Project) are issued and outstanding; (xxiii) the Trust Indenture, dated as of April 1, 2009, between OAQDA and the Secured PCN Indenture Trustee, as successor trustee, with respect to which $62.5 million principal amount of State of Ohio Pollution Control Revenue Refunding Bonds, Series 2009-A (FirstEnergy Nuclear Generation Project) are issued and outstanding; (xxiv) the Trust Indenture, dated as of December 1, 2006, as supplemented as of April 2, 2012, between OWDA and the Unsecured PCN Indenture Trustee, as successor trustee, with respect to which $135.55 million principal amount of State of Ohio Pollution Control Revenue Refunding Bonds, Series 2006-B (FirstEnergy Nuclear Generation Project) are issued and outstanding; (xxv) the Trust Indenture, dated as of November 15, 2010, between OWDA and the Unsecured PCN Indenture Trustee, as successor trustee, with respect to which $46.5 million principal amount of State of Ohio Pollution Control Revenue Refunding Bonds, Series 2010-C (FirstEnergy Nuclear Generation Project) are issued and outstanding; (xxvi) the Trust Indenture, dated as of September 1, 2008, as supplemented as of April 2, 2012, between OWDA and the Unsecured PCN Indenture Trustee, as successor trustee, with respect to which $20.45 million principal amount of State of Ohio Pollution Control Revenue Refunding Bonds, Series 2008-B (FirstEnergy Nuclear Generation Project) are issued and outstanding; (xxvii) the Trust Indenture, dated as of November 1, 2008, as supplemented as of November 1, 2012, between OWDA and the Unsecured PCN Indenture Trustee, as successor trustee, with respect to which $33 million principal

amount of State of Ohio Pollution Control Revenue Refunding Bonds, Series 2008-C (FirstEnergy Nuclear Generation Project) are issued and outstanding; (xxviii) the Trust Indenture, dated as of September 15, 2010, between OWDA and the Unsecured PCN Indenture Trustee, as successor trustee, with respect to which $99.1 million principal amount of State of Ohio Pollution Control Revenue Refunding Bonds, Series 2010-A (FirstEnergy Nuclear Generation Project) are issued and outstanding; (xxix) the Trust Indenture, dated as of December 1, 2005, between OWDA and the Unsecured PCN Indenture Trustee, as successor trustee, with respect to which $82.8 million principal amount of State of Ohio Pollution Control Revenue Refunding Bonds, Series 2005-B (FirstEnergy Nuclear Generation Project) are issued and outstanding; (xxx) the Trust Indenture, dated as of November 15, 2010, between OWDA and the Secured PCN Indenture Trustee, as successor trustee, with respect to which $54.6 million principal amount of State of Ohio Pollution Control Revenue Refunding Bonds, Series 2010-B (FirstEnergy Nuclear Generation Project) are issued and outstanding; and (xxxi) the Trust Indenture, dated as of June 1, 2009, between OWDA and the Secured PCN Indenture Trustee, as successor trustee, with respect to which $107.5 million principal amount of State of Ohio Pollution Control Revenue Refunding Bonds, Series 2009-A (FirstEnergy Nuclear Generation Project) are issued and outstanding.

196. "PCN Loan Agreements" means, collectively, as they may have been subsequently amended, the following loan agreements: (i) the Pollution Control Facilities Loan Agreement, dated as of April 1, 2006, between BCIDA and FG, as amended as of April 2, 2012, with respect to FG's $56.6 million Pollution Control Facilities Note (Beaver County Industrial Development Authority), Series 2006-A due April 1, 2041; (ii) the Pollution Control Facilities Loan Agreement, dated as of September 1, 2008, between BCIDA and FG, as amended as of April 2, 2012, with respect to FG's $46.3 million Pollution Control Facilities Note (Beaver County Industrial Development Authority), Series 2008-B due October 1, 2047, which note is secured by FG FMBs; (iii) the Pollution Control Facilities Loan Agreement, dated as of November 1, 2008, between BCIDA and FG, as amended as of May 25, 2012, with respect to FG's $25 million Pollution Control Facilities Note (Beaver County Industrial Development Authority), Series 2008-C due June 1, 2028, which note is secured by FG FMBs; (iv) the Air Quality Facilities Loan Agreement, dated as of December 1, 2006, between OAQDA and FG, with respect to FG's $234.52 million Air Quality Facilities Note, Series 2006-A due December 1, 2023; (v) the Air Quality Facilities Loan Agreement, dated as of August 1, 2009, between OAQDA and FG, with respect to FG's $177 million Air Quality Facilities Note, Series 2009-E due August 1, 2020; (vi) the Air Quality Facilities Loan Agreement, dated as of March 1, 2009, between OAQDA and FG, with respect to FG's $50 million Air Quality Facilities Note, Series 2009-B due March 1, 2023; (vii) the Air Quality Facilities Loan Agreement, dated as of June 1, 2009, between OAQDA and FG, as amended as of February 14, 2012, with respect to FG's $141.26 million Air Quality Facilities Note, Series 2009-C due June 1, 2018, which note is secured by FG FMBs; (viii) the Air Quality Facilities Loan Agreement, dated as of June 1, 2009, between OAQDA and FG, as amended as of February 14, 2012, with respect to FG's $100 million Air Quality Facilities Note, Series 2009-D due August 1, 2029, which note is secured by FG FMBs; (ix) the Waste Water Facilities Loan Agreement, dated as of April 1, 2006, between OWDA and FG, as amended as of April 2, 2012, with respect to FG's $90.14 million Waste Water Facilities Note, Series 2006-A due May 15, 2019; (x) the Exempt Facilities Loan Agreement, dated as of November 1, 2006, between PEDFA and FG, with respect to FG's $26 million Exempt Facilities Notes (Pennsylvania Economic Development Financing Authority), Series 2006A due November 1, 2041; (xi) the Exempt Facilities Loan Agreement, dated as of December 1, 2005, between PEDFA and FG, with respect to FG's $43 million Exempt Facilities Notes (Pennsylvania Economic Development Financing Authority), Series 2005A due December 1, 2040; (xii) the Exempt Facilities Loan Agreement, dated as of July 1, 2002, between PEDFA and FG, as amended as of July 30, 2010, with respect to FG's $15 million Exempt Facilities Notes (Pennsylvania Economic Development Financing Authority), Series 2002 A due June 1, 2028, which note is secured by FG FMBs; (xiii) the Pollution Control Facilities Loan Agreement, dated as of June 1, 2008, between BCIDA and NG, as amended as of May 25, 2012, with respect to NG's $98.9 million Pollution Control Facilities Note (Beaver County Industrial Development Authority), Series

2008-A due April 1, 2035; (xiv) the Pollution Control Facilities Loan Agreement, dated as of December 1, 2006, between BCIDA and NG, as amended as of April 2, 2012, with respect to NG's $163.965 million Pollution Control Facilities Note (Beaver County Industrial Development Authority), Series 2006-B due December 1, 2035; (xv) the Pollution Control Facilities Loan Agreement, dated as of December 1, 2005, between BCIDA and NG, as amended as of February 14, 2012, with respect to NG's $72.65 million Pollution Control Facilities Note (Beaver County Industrial Development Authority), Series 2005-A due January 1, 2035; (xvi) the Pollution Control Facilities Loan Agreement, dated as of April 1, 2006, between BCIDA and NG, as amended as of May 25, 2012, with respect to NG's $60 million Pollution Control Facilities Note (Beaver County Industrial Development Authority), Series 2006-A due, which note is secured by NG FMBs; (xvii) the Air Quality Facilities Loan Agreement, dated as of September 15, 2010, between OAQDA and NG, as amended as of February 14, 2012, with respect to NG's $8 million Air Quality Facilities Note, Series 2010-A due July 1, 2033; (xviii) the Air Quality Facilities Loan Agreement, dated as of December 1, 2005, between OAQDA and NG, as amended as of February 14, 2012, with respect to NG's $7.2 million Air Quality Facilities Note, Series 2005-B due January 1, 2034; (xix) the Air Quality Facilities Loan Agreement, dated as of September 1, 2008, between OAQDA and NG, as amended as of April 2, 2012, with respect to NG's $9.1 million Air Quality Facilities Note, Series 2008-B due October 1, 2033; (xx) the Air Quality Facilities Loan Agreement, dated as of November 1, 2008, between OAQDA and NG, as amended as of February 14, 2012, with respect to NG's $23 million Air Quality Facilities Note, Series 2008-C due November 1, 2032; (xxi) the Air Quality Facilities Loan Agreement, dated as of December 1, 2006, between OAQDA and NG, with respect to NG's $15.5 million Air Quality Facilities Note, Series 2006-B due December 1, 2033; (xxii) the Air Quality Facilities Loan Agreement, dated as of November 15, 2010, between OAQDA and NG, with respect to NG's $26 million Air Quality Facilities Note, Series 2010-B due June 1, 2033; (xxiii) the Air Quality Facilities Loan Agreement, dated as of April 1, 2009, between OAQDA and NG, as amended as of February 14, 2012, with respect to NG's $62.5 million Air Quality Facilities Note, Series 2009-A due June 1, 2033, which note is secured by NG FMBs; (xxiv) the Waste Water Facilities and Solid Waste Facilities Loan Agreement, dated as of December 1, 2006, between OWDA and NG, as amended as of April 2, 2012, with respect to NG's $135.55 million Waste Water Facilities and Solid Waste Facilities Note, Series 2006-B due December 1, 2033; (xxv) the Waste Water Facilities and Solid Waste Facilities Loan Agreement, dated as of November 15, 2010, between OWDA and NG, with respect to NG's $46.5 million Waste Water Facilities and Solid Waste Facilities Note, Series 2010-C due June 1, 2033; (xxvi) the Waste Water Facilities and Solid Waste Facilities Loan Agreement, dated as of September 1, 2008, between OWDA and NG, as amended as of April 2, 2012, with respect to NG's $20.45 million Waste Water Facilities and Solid Waste Facilities Note, Series 2008-B due October 1, 2033; (xxvii) the Waste Water Facilities and Solid Waste Facilities Loan Agreement, dated as of November 1, 2008, as amended as of February 14, 2012, between OWDA and NG, with respect to NG's $33 million Waste Water Facilities and Solid Waste Facilities Note, Series 2008-C due November 1, 2032; (xxviii) the Waste Water Facilities and Solid Waste Facilities Loan Agreement, dated as of September 15, 2010, between OWDA and NG, as amended as of February 14, 2012, with respect to NG's $99.1 million Waste Water Facilities and Solid Waste Facilities Note, Series 2010-A due July 1, 2033; (xxix) the Waste Water Facilities and Solid Waste Facilities Loan Agreement, dated as of December 1, 2005, between OWDA and NG, as amended as of February 14, 2012, with respect to NG's $82.8 million Waste Water Facilities and Solid Waste Facilities Note, Series 2005-B due January 1, 2034; (xxx) the Waste Water Facilities and Solid Waste Facilities Loan Agreement, dated as of November 15, 2010, between OWDA and NG, with respect to NG's $54.6 million Waste Water Facilities and Solid Waste Facilities Note, Series 2010-B due June 1, 2033, which note is secured by NG FMBs; and (xxxi) the Waste Water Facilities and Solid Waste Facilities Loan Agreement, dated as of June 1, 2009, between OWDA and NG, as amended as of February 14, 2012, with respect to NG's $107.5 million Waste Water Facilities and Solid Waste Facilities Note, Series 2009-A due June 1, 2033, which note is secured by NG FMBs.

197. "PEDFA" means the Pennsylvania Economic Development Financing Authority.

198. "Pension Bridge" means the terms of section B6.5 of the Pension Plan as in effect on the effective date of the FE Settlement Agreement, and as may be amended in the future as contemplated by the FE Settlement Agreement, under which an eligible participant who is (i) at least age 50, but not yet age 55, and is credited with at least 10 years of service, at the time of termination of employment, (ii) is terminated because the assets in his or her business unit are sold on or before December 31, 2020 after giving effect to the amendment contemplated by the FE Settlement Agreement, and (iii) remains employed by the buyer until the participant reaches age 55 or has an earlier qualifying termination of employment, will be eligible to elect to receive early retirement benefits under the Pension Plan as if the participant had remained employed by a participating employer under the Pension Plan until reaching age 55.

199. "Pension Plan" means the tax-qualified FirstEnergy Corp. Master Pension Plan.

200. "Pension Plan Claims" means claims arising from or related to the Pension Plan.

201. "Periodic Distribution Date" means, unless otherwise ordered by the Bankruptcy Court, the first Business Day that is [__] days after the Effective Date, and, for the first year thereafter, the first Business Day that is [__] days after the immediately preceding Periodic Distribution Date. After one year following the Effective Date, the Periodic Distribution Date will occur on the first Business Day that is [__] days after the immediately preceding Periodic Distribution Date, unless and otherwise ordered by the Bankruptcy Court.

202. "Person" means a person as such term is defined in section 101(41) of the Bankruptcy Code.

203. "Petition Date" means March 31, 2018.

204. "Plan" means this *Joint Plan of Reorganization of FirstEnergy Solutions Corp., et al., Pursuant to Chapter 11 of the Bankruptcy Code*, including the Plan Supplement.

205. "Plan Administrator" means an entity to be named in the Plan Supplement or any successor appointed in accordance with the Plan Administrator Agreement pursuant to the authority granted in Section IV.S of the Plan.

206. "Plan Administrator Agreement" means the agreement governing the appointment and operation of the Plan Administrator, which Plan Administrator Agreement shall be filed with the Plan Supplement.

207. "Plan Settlement" means the compromises and settlements by and among the Debtors and their respective Estates, the Independent Directors and Managers, the Committee, and the Consenting Creditors, of among other things (i) all Inter-Debtor Claims, (ii) the allocation of cash and/or New FES Common Stock between the Holders of Unsecured Bondholder Claims and the Holders of General Unsecured Claims against the Debtors, and (iii) the allocation of value between and among the Debtors' Estates, including allocation of the FE Settlement Value.

208. "Plan Supplement" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan, to be Filed by the Debtors no later than 7 days before the Voting Deadline or such later date as may be approved by the Bankruptcy Court on notice to parties in interest, and additional documents Filed with the Bankruptcy Court before the Effective Date as amendments to the Plan Supplement comprised of, among other documents, the following, as applicable: (i) the New Organizational Documents; (ii) the list of Rejected Executory Contracts and Unexpired Leases; (iii) the

list of Assumed Executory Contracts and Unexpired Leases; (iv) a list of retained Causes of Action; (v) the Management Incentive Plan; (vi) the identity of the members of the New Boards and management for the Reorganized Debtors; (vii) the Plan Administrator Agreement; (viii) the Reorganized Debtor Stockholders' Agreement; and (ix) the Transition Working Group Management Agreement. Any reference to the Plan Supplement in the Plan shall include each of the documents identified above as applicable. The documents that comprise the Plan Supplement shall be subject to any consent or consultation rights provided hereunder and thereunder, including as provided in the definitions of the relevant documents or the Restructuring Support Agreement. The Parties entitled to amend the documents contained in the Plan Supplement shall be entitled to amend such documents in accordance with their respective terms and Article X of the Plan through and including the Effective Date.

209. "Plan Term Sheet" means the term sheet attached as Exhibit A to the Restructuring Support Agreement.

210. "Pleasants Power Plant" means the 1,300 megawatt power plant located in Willow Island, West Virginia and currently owned by AE Supply.

211. "Pleasants Purchase Agreement" means that certain asset purchase agreement dated December 31, 2018 between AE Supply, as seller and FG (or its assignee), as buyer for the Pleasants Power Plant.

212. "PPA Appeal Proceeding" means collectively, (i) *FirstEnergy Solutions Corp. and FirstEnergy Generation, LLC v. Federal Energy Regulatory Commission and Ohio Valley Electric Corp., Case No. 18-0306* (6th Cir.) and (ii) *In re Ohio Valley Electric Corp*., Case No. *18-0307* (6th Cir.).

213. "PPA Appeal Proceeding Contracts" means, collectively, (i) that certain multi-party intercompany power purchase agreement pursuant to which FES and several other power companies "sponsor" and purchase power generated by fossil fuel from the Ohio Valley Electric Corporation and (ii) that certain Renewable Power Purchase Agreement between FES and Maryland Solar LLC.

214. "Priority Tax Claim" means the Claims of Governmental Units of the type specified in section 507(a)(8) of the Bankruptcy Code.

215. "Pro Rata" means (i) with respect to any individual Claim, the proportion that the amount of a Claim or Interest of a particular type bears to the aggregate amount of the Claims or Interests of that type, (ii) in connection with the Plan Settlement, with respect to any Debtor, the proportion of value or other distributions allocated to such Debtor in accordance with the Plan Settlement, (iii) in connection with the allocation of Unsecured Creditor Distributable Value, the Reallocation Pool, the NG Reallocation Pool, or the FENOC-FES Claim Reallocation, the proportion that the amount of an Allowed Claim or Allowed Interest bears to the aggregate amount of the Allowed Claims or Allowed Interests entitled to recover from the same Unsecured Distributable Value, the Reallocation Pool, the NG Reallocation Pool, and/or the FENOC-FES Claim Reallocation, (iv) in connection with the allocation of the Distributable Value Adjustment Amount, the proportion based upon the Distributable Value Split applicable to such Class of Claims, or (v) in connection with the allocation of the Effective Date Cash Distribution to each Holder of New FES Common Stock, the proportion that the amount of New FES Common Stock to be issued to such Holder bears to the aggregate amount of all New FES Common Stock to be issued under the Plan (including to the Disputed Claims Reserve) as of the Effective Date.

216. "Process Support Agreement" means that certain Process Support Agreement entered into by and among (i) the Debtors; (ii) members of the Ad Hoc Noteholder Group and the Mansfield Certificateholders Group; (iii) the Committee, solely for purposes of the Mansfield Issues Protocol (as

defined in the Process Support Agreement); (iv) MetLife Capital, Limited Partnership, solely for purposes of the Mansfield Issues Protocol, the Term Sheet (as defined in the Process Support Agreement) and Section 1, 2, 3 (solely with respect to the Mansfield Issues Protocol and the Term Sheet), 4, 5, 7.01, 8, 9, 10.02, 10.03, and 11; (v) U.S. Bank Trust National Association solely for purposes of the Mansfield Issues Protocol, the Term Sheet (as defined in the Process Support Agreement) and Section 1, 2, 3 (solely with respect to the Mansfield Issues Protocol and the Term Sheet), 4, 5, 7.01, 8, 9, 10.02, 10.03, and 11; and (vi) Wilmington Savings Fund Society, FSB, solely for purposes of the Mansfield Issues Protocol, and which Process Support Agreement was approved by the Bankruptcy Court on May 9, 2018 [Docket No. 509].

217. "Professional" means an Entity, excluding those Entities entitled to compensation pursuant to the Ordinary Course Professional Order: (i) retained pursuant to a Bankruptcy Court order in accordance with sections 327, 363, or 1103 of the Bankruptcy Code and to be compensated for services rendered before or on the Effective Date, pursuant to sections 327, 328, 329, 330, 331, and 363 of the Bankruptcy Code; or (ii) awarded compensation and reimbursement by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

218. "Professional Fee Claims" means all Administrative Claims for the compensation of Professionals and the reimbursement of expenses incurred by such Professionals through and including the Effective Date to the extent such fees and expenses have not been paid pursuant to the Interim Compensation Order or any other order of the Bankruptcy Court. To the extent the Bankruptcy Court denies or reduces by a Final Order any amount of a Professional's requested fees and expenses, then the amount by which such fees or expenses are reduced or denied shall reduce the applicable Professional Fee Claim.

219. "Professional Fee Claims Bar Date" means the deadline for Filing final requests for payment of Professional Fee Claims, which shall be 60 days after the Effective Date.

220. "Professional Fee Escrow Account" means an escrow account established and funded pursuant to Article II.A.3(b) of the Plan for Professional Fee Claims.

221. "Professional Fee Escrow Agent" means the escrow agents for the Professional Fee Escrow Account appointed pursuant to Article II.A.3(b) of the Plan and the escrow agreements entered into pursuant thereto.

222. "Professional Fee Reserve Amount" means the total amount of unpaid Professional Fee Claims through the Effective Date as estimated in accordance with Article II.A.3(c).

223. "Proof of Claim" means a proof of Claim Filed against any of the Debtors in the Chapter 11 Cases.

224. "Proof of Interest" means a proof of Interest Filed against any of the Debtors in the Chapter 11 Cases.

225. "Rail Claim Settlement" means that certain Settlement Agreement, dated May 1, 2017, by and among FE Corp., FG, BNSF Railway Company and CSX Transportation Inc.

226. "Reallocation Pool" means a pool consisting of $45,750,000 of the aggregate Unsecured Distributable Value from all Debtors otherwise available for distribution to Holders of Unsecured Bondholder Claims, which shall be reallocated to Holders of Single-Box Unsecured Claims against the various Debtors ratably based on the allocation of FE Settlement consideration to such Debtors.

227. "Reinstate," "Reinstated," or "Reinstatement" means with respect to Claims and Interests, that the Claim or Interest shall be rendered unimpaired in accordance with section 1124 of the Bankruptcy Code.

228. "Rejected Executory Contract or Unexpired Lease" means any Executory Contract or Unexpired Lease rejected by order of the Bankruptcy Court or to be rejected pursuant to the Plan, as reflected in the Plan Supplement and as may be further amended or modified by inclusion in the Plan Supplement.

229. "Released Parties" means collectively, the Debtor Released Parties, the FE Non-Debtor Released Parties and the Other Released Parties.

230. "Reorganized" or "Reorganized Debtor" means any Debtor as reorganized pursuant to and under the Plan or any successor thereto, by merger, consolidation, or otherwise, on or after the Effective Date, which in the case of FES and FENOC may include, in the discretion of the Debtors with the reasonable consent of the Requisite Supporting Parties, and in consultation with the Committee, a New FES, other newly created entities that will take transfer of certain of the Debtors' Assets, and/or a newly created holding company that will be a parent to the other Reorganized Debtors.

231. "Reorganized Debtor Stockholders' Agreement" means the one or more stockholders' agreements, if any, to be entered into (or deemed entered into) by the Reorganized Debtors and the holders of the New FES Common Stock on the Effective Date that will govern certain matters related to the governance of the Reorganized Debtors, which shall be included in the Plan Supplement and shall be reasonably acceptable to the Debtors, the Committee, and the Requisite Supporting Parties.

232. "Requisite Supporting Parties" means Consenting Creditors representing at least 70% of the total aggregate principal and face amount of Unsecured Claims held by the Consenting Creditors, which shall include (i) Consenting Creditors holding at least 33% of the total aggregate principal and face amount of the Mansfield Certificate Claims held by the Consenting Creditors and (ii) (x) to the extent affecting distributions on account of, or economic treatment of, FES Single-Box Unsecured Claims in a manner inconsistent with the Restructuring Support Agreement (except to the extent such inconsistency only results in Pro Rata dilution of New FES Common Stock), the rights of minority holders of New FES Common Stock (to the extent inconsistent with the corporate governance term sheet attached to the Restructuring Support Agreement) or release or exculpation provisions relating to the FES Creditor Group, members of the FES Creditor Group holding at least 50% of the total face amount of the FES Single-Box Unsecured Claims and FENOC-FES Unsecured Claims held by the FES Creditor Group and (y) to the extent affecting distributions on account of, or economic treatment of, FENOC-FES Unsecured Claims in a manner inconsistent with the Plan Term Sheet (except to the extent such inconsistency only results in Pro Rata dilution of New FES Common Stock), members of the FES Creditor Group holding at least 50% of the total face amount of the FENOC-FES Unsecured Claims held by the FES Creditor Group.

233. "Restructuring Support Agreement" means that certain Restructuring Support Agreement dated as of January 23, 2019 by and among the Debtors, the Consenting Creditors and the Committee, as may be amended, supplemented or otherwise modified from time to time in accordance therewith.

234. "Restructuring Transactions" means those mergers, amalgamations, consolidations, arrangements, continuances, restructurings, transfers, conversions, dispositions, liquidations, dissolutions, or other corporate transactions that the Debtors, the Consenting Creditors, and except as specifically provided herein, the Committee, reasonably determine to be necessary or desirable to implement the Plan.

235. "SAP System of Record" means the Systems, Applications and Products in Data Processing system maintained and controlled by FESC.

236. "Schedules" means the schedules of assets and liabilities, schedules of Executory Contracts or Unexpired Leases, and statements of financial affairs Filed by the Debtors pursuant to section 521 of the Bankruptcy Code, the official bankruptcy forms, and the Bankruptcy Rules.

237. "SEC" means the Securities and Exchange Commission.

238. "Secured" means when referring to a Claim: (i) secured by a Lien on property in which the Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor's interest in the Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code; or (ii) Allowed pursuant to the Plan or separate order of the Bankruptcy Court as a secured claim.

239. "Secured FG PCN Claims" means, collectively, any PCN Claims against FG that are Secured by FG FMBs.

240. "Secured FG PCN Designated Claims" means, collectively, the Secured FG PCN Claims relating to any series of Secured PCN Claims (i) that have matured on or before the Effective Date, or (ii) arise under PCNs listed as CUSIPs 074876HQ9 and 708686EE6.

241. "Secured FG PCN Reinstated Claims" means, collectively, the Secured FG PCN Claims that are not Secured FG PCN Designated Claims.

242. "Secured NG PCN Claims" means, collectively, any PCN Claims against NG that are Secured by NG FMBs.

243. "Secured PCN Claims" means, collectively the Secured FG PCN Claims and Secured NG PCN Claims.

244. "Secured PCN Indenture Trustee" means, as applicable, UMB Bank, National Association, as successor trustee under the applicable PCN Indentures, which entity is also successor trustee under the FG Mortgage and the NG Mortgage.

245. "Securities Act" means the Securities Act of 1933, as amended, codified at 15 U.S.C. § 77a *et seq*., together with the rules and regulations promulgated thereunder.

246. "Securities Exchange Act" means the Securities Exchange Act of 1934, as amended, codified at 15 U.S.C. §§ 78a *et. seq.*, together with the rules and regulations promulgated thereunder.

247. "Security" or "Securities" has the meaning set forth in section 101(49) of the Bankruptcy Code.

248. "Single-Box Unsecured Claim" means any General Unsecured Claim filed against only one Debtor.

249. "Standstill Agreement" means that certain Amended and Restated Standstill Agreement entered into by and among (i) the Debtors, (ii) members of the Ad Hoc Noteholders Group and the

Mansfield Certificateholders Group, (iii) the FE Non-Debtor Parties, and (iv) the Committee, and which Standstill Agreement was approved by the Bankruptcy Court on May 9, 2018 [Docket No. 509], as amended on August 1, 2018 [Docket No. 1084].

250. "Tax Allocation Agreement" means that certain Intercompany Income Tax Allocation Agreement, dated as of January 31, 2017, by and among FE Corp. and each of its subsidiaries, including the Debtors, as the same has been or may be subsequently modified, amended, supplemented or otherwise revised from time to time, and together with all instruments, documents and agreements related thereto.

251. "Tax Matters Agreement" means that certain Tax Matters Agreement to be entered into between the Debtors and the FE Non-Debtor Parties prior to the Plan Effective Date which agreement shall be in form and substance reasonably acceptable to the Requisite Supporting Parties.

252. "Third Party Release" means, collectively, the FE Non-Debtor Parties' Third Party Releases and the Other Released Parties' Third Party Releases.

253. "Transition Working Group" has the meaning ascribed to such term in the Restructuring Support Agreement.

254. "Transition Working Group Management Agreement" means the agreement among the Debtors and the members of the Transition Working Group who are not employees of the Debtors.

255. "Unexpired Lease" means a lease to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

256. "Unimpaired" means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

257. "U.S." means the United States of America.

258. "U.S. Trustee" means the Office of the U.S. Trustee for the Northern District of Ohio.

259. "Unsecured Bondholder Cash Pool" means, a pool of cash equal to the aggregate value of New FES Common Stock distributed on the Effective Date to Holders of Allowed General Unsecured Claims who have an election to receive New FES Common Stock in lieu of Cash and make such election.

260. "Unsecured Bondholder Claims" means, collectively: (i) FES Notes Claims, (ii) Unsecured PCN Claims, and (iii) Mansfield Certificate Claims.

261. "Unsecured Claim" means any Claim that is not a Secured Claim.

262. "Unsecured Distributable Value" means (i) with respect to FENOC, the FENOC Unsecured Distributable Value, (ii) with respect to FES, the FES Unsecured Distributable Value, (iii) with respect to FG, the FG Unsecured Distributable Value, (iv) with respect to FGMUC, the FGMUC Unsecured Distributable Value, and (v) with respect to NG, the NG Unsecured Distributable Value.

263. "Unsecured FG PCN Claims" means any PCN Claims against FG that are not Secured FG PCN Claims.

264. "Unsecured NG PCN Claims" means any PCN Claims against NG that are not Secured NG PCN Claims.

265. "Unsecured Non-Priority Claims" means any Unsecured Claims that are not Administrative Claims, Priority Tax Claims or Other Priority Claims.

266. "Unsecured PCN Claims" means collectively, the Unsecured FG PCN Claims and the Unsecured NG PCN Claims.

267. "Unsecured PCN/FES Notes Claims" means, collectively: (i) the Unsecured PCN Claims and (ii) the FES Notes Claims.

268. "Unsecured PCN/FES Notes Claims Against FES" means any Unsecured PCN Claims and FES Notes Claims against FES, including Unsecured PCN Claims and FES Notes Claims against FES arising from guarantees.

269. "Unsecured PCN/FES Notes Claims Against FG" means any Unsecured PCN Claims and FES Notes Claims against FG, including Unsecured PCN Claims and FES Notes Claims against FG arising from guarantees.

270. "Unsecured PCN/FES Notes Claims Against NG" means any Unsecured PCN Claims and FES Notes Claims against NG, including Unsecured PCN Claims and FES Notes Claims against NG arising from guarantees.

271. "Unsecured PCN Indenture Trustee" means the Bank of New York Mellon Trust Company, N.A., as trustee under the applicable PCN Indentures.

272. "Vacation Claims" means any claims guaranteed by FE Corp. in that certain Guarantee, dated as of February 21, 2017, in favor of certain employees who (i) participate in the FirstEnergy Time Off Program, (ii) have participated in a predecessor plan on or before December 31, 2008, and (iii) have earned a banked or frozen vacation benefit.

273. "Waived Tax Claims" means any Claim in respect of the FES Tax Overpayment.

274. "Welfare and Benefit Plan Administration Costs" means the costs (other than any indirect costs related to human resources management services pursuant to the Amended Shared Services Agreement) relating to the administration of any Welfare Plan that are incurred with respect to or allocable to the Debtors' Current Employees or the Debtors' Former Employees, from and after the date on which the Debtors cease to participate in any such plan.

275. "Welfare Plans" means the welfare benefit plans or programs sponsored by FE Corp. or FESC.

276. "Worthless Stock Deduction" means any deduction related to FE Corp.'s ownership interest in the Debtors to be claimed pursuant to 26 U.S.C. § 165.

B. *Rules of Interpretation.*

For the purposes of the Plan:

(1) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender;

(2) unless otherwise specified, any reference herein to an existing document, schedule, or exhibit, whether or not Filed, having been Filed or to be Filed shall mean that document, schedule, or exhibit, as it may thereafter be amended, modified, or supplemented; provided that any such amendment, modification, or supplement is made in accordance with the terms of the Plan and the Restructuring Support Agreement and the terms governing any applicable document, schedule, or exhibit, including any consent right in favor of the Debtors, the Reorganized Debtors, the FE Non-Debtor Parties, the Requisite Supporting Parties, or the Committee;

(3) any reference to an Entity as a Holder of a Claim or Interest includes the Entity's successors and assigns;

(4) unless otherwise specified, all references herein to "Articles" are references to Articles hereof or hereto;

(5) unless otherwise specified, all references herein to exhibits are references to exhibits in the Plan Supplement;

(6) unless otherwise specified, the words "herein," "hereof", and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan;

(7) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan;

(8) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply;

(9) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be;

(10) all references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system;

(11) all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, and as applicable to the Chapter 11 Cases, unless otherwise stated;

(12) any immaterial effectuating provisions may be interpreted by the Reorganized Debtors in such a manner that is consistent with the overall purpose and intent of the Plan all without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity;

(13) except as otherwise specifically provided in the Plan to the contrary, references in the Plan to the Debtors or the Reorganized Debtors shall mean the Debtors and the Reorganized Debtors, including a newly created holding company entity or other newly created entities, as applicable, to the extent the context requires.

C. *Computation of Time.*

Unless otherwise specifically stated herein, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. If the date on which a transaction may occur pursuant to the Plan shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day. Except as otherwise provided herein or in the

Restructuring Support Agreement, any action to be taken on the Effective Date may be taken on or as soon as reasonably practicable after the Effective Date.

D. *Governing Law.*

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of Ohio, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction and implementation of the Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); *provided, however*, that corporate governance matters relating to the Debtors or the Reorganized Debtors, as applicable, shall be governed by the laws of the state of incorporation or formation of the relevant Debtor or Reorganized Debtor, as applicable.

E. *References to Monetary Figures.*

All references in the Plan to monetary figures shall refer to currency of the U.S., unless otherwise expressly provided.

ARTICLE II.

ADMINISTRATIVE CLAIMS AND PRIORITY TAX CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests.

A. *Administrative Claims.*

1. General Administrative Claims.

Except as specified in this Article II, and with respect to the FE Non-Debtor Parties, subject to the FE Settlement Agreement, unless the Holder of an Allowed General Administrative Claim and the Debtors or the Reorganized Debtors, as applicable, agree to less favorable treatment, each Holder of an Allowed General Administrative Claim will receive, in full satisfaction of its General Administrative Claim, Cash equal to the amount of such Allowed General Administrative Claim either: (i) on the Effective Date; (ii) if the General Administrative Claim is not Allowed as of the Effective Date, 30 days after the date on which an order allowing such General Administrative Claim becomes a Final Order, or as soon thereafter as reasonably practicable; or (iii) if the Allowed General Administrative Claim is based on a liability incurred by the Debtors in the ordinary course of their business after the Petition Date, pursuant to the terms and conditions of the particular transaction or agreement giving rise to such Allowed General Administrative Claim, without any further action by the Holders of such Allowed General Administrative Claim, and without any further notice to or action, order, or approval of the Bankruptcy Court.

Requests for payment of General Administrative Claims must be Filed and served on the Debtors or the Reorganized Debtors, as applicable, no later than the Administrative Claims Bar Date applicable to the Debtor against whom the General Administrative Claim is asserted pursuant to the procedures specified in the Confirmation Order and the notice of the Effective Date. Holders of General Administrative Claims that are required to File and serve a request for payment of such General Administrative Claims by the Administrative Claims Bar Date that do not File and serve such a request by

the Administrative Claims Bar Date shall be forever barred, estopped, and enjoined from asserting such General Administrative Claims against the Debtors, the Reorganized Debtors, or their respective property and such General Administrative Claims shall be deemed forever discharged and released as of the Effective Date. Any requests for payment of General Administrative Claims that are not properly Filed and served by the Administrative Claims Bar Date shall not appear on the Claims Register and shall be disallowed automatically without the need for further action by the Debtors or the Reorganized Debtors or further order of the Bankruptcy Court. To the extent this Article II.A.1 conflicts with Article XII.C of the Plan with respect to fees and expenses payable under section 1930(a) of the Judicial Code, including fees and expenses payable to the U.S. Trustee, Article XII.C of the Plan shall govern.

2. Postpetition Inter-Debtor Claims.

Without the need to file or serve any request for payment of a General Administrative Claim, in accordance with the Plan Settlement, the postpetition Inter-Debtor Claims shall be Allowed as follows: (i) the postpetition Inter-Debtor Claim of FG against FES shall be Allowed as super-priority Administrative Claims in an amount equal to $120,291,389; (ii) the postpetition Inter-Debtor Claim of NG against FES shall be Allowed as super-priority Administrative Claims in an amount equal to $238,431,879; (iii) the postpetition Inter-Debtor Claims of FGMUC against FG shall be disallowed in full; (iv) the postpetition Inter-Debtor Claims of FENOC against FES shall be Allowed as a super-priority Administrative Claim in the amount of $2,000,000; and (v) the postpetition Inter-Debtor Claims of FENOC against NG shall be Allowed as super-priority Administrative Claims in the amount of $69,929,041. In lieu of Cash payment or other distribution to the Debtors holding such Inter-Debtor Claims, the distributions on account of such Inter-Debtor Claims may be made to the Holders of Allowed Unsecured Claims against the Debtor holding such Inter-Debtor Claims in accordance with the terms and conditions of this Plan.

3. Professional Compensation.

a. Final Fee Applications.

All final requests for payment of Professional Fee Claims incurred during the period from the Petition Date through the Effective Date, must be Filed and served on the Debtors or Reorganized Debtors, as applicable, the Committee and the United States Trustee no later than the Professional Fee Claims Bar Date. All such final requests will be subject to approval by the Bankruptcy Court after notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court in the Chapter 11 Cases, including the Interim Compensation Order, and once approved by the Bankruptcy Court, paid promptly from the Professional Fee Escrow Account in its full Allowed amount. Notwithstanding anything to the contrary herein, the provisions regarding the reimbursement of professional fees and expenses of the Supporting Creditors as set forth in the Process Support Agreement and of the Consenting Creditors as set forth in the Restructuring Support Agreement shall continue through the Effective Date and, for the avoidance of doubt, such professionals shall not be required to file any request for payment of such amounts pursuant to Article II.A.3 of the Plan or otherwise.

b. Professional Fee Escrow Account.

On the Effective Date, the Reorganized Debtors shall establish and fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Reserve Amount.

Upon the establishment of the Professional Fee Escrow Account, the Reorganized Debtors shall select a Professional Fee Escrow Agent for the Professional Fee Escrow Account to administer payments

to and from such Professional Fee Escrow Account in accordance with the Plan and shall enter into an escrow agreement providing for administration of such payments in accordance with the Plan.

The Professional Fee Escrow Account shall be maintained in trust solely for the Professionals. Such funds shall not be considered property of the Estates of the Debtors or the Reorganized Debtors. The amount of Professional Fee Claims owing to the Professionals shall be paid in Cash to such Professionals from the Professional Fee Escrow Account when such Professional Fee Claims are Allowed by Final Order.

c. Professional Fee Reserve Amount.

Professionals shall estimate their unpaid Professional Fee Claims and other unpaid fees and expenses incurred in rendering services to the Debtors before and as of the Effective Date and shall deliver such estimate to the Debtors no later than ten Business Days before the Effective Date; *provided, however*, that such estimate shall not be deemed to limit the amount of the fees and expenses that are the subject of the Professional's final request for payment of Filed Professional Fee Claims. If a Professional does not provide an estimate, the Debtors may estimate the unpaid and unbilled fees and expenses of such Professional. The total amount estimated pursuant to this Article II.A.3(c) shall comprise the Professional Fee Reserve Amount.

d. Post-Effective Date Fees and Expenses.

When all Allowed amounts owing to Professionals have been paid in full from the Professional Fee Escrow Account, any remaining amount in the Professional Fee Escrow Account shall be disbursed to the Reorganized Debtors without any further action or order of the Bankruptcy Court.

If the amount in the Professional Fee Escrow Account is insufficient to fund payment in full of all Allowed amounts owing to Professionals, the deficiency shall be promptly funded to the Professional Fee Escrow Account by the Reorganized Debtors.

Upon the Effective Date, any requirement that Professionals comply with sections 327 through 331, 363, and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Debtors or Reorganized Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

B. *Priority Tax Claims.*

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each Holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code and, for the avoidance of doubt, Holders of Allowed Priority Tax Claims will receive interest on such Allowed Priority Tax Claims after the Effective Date in accordance with sections 511 and 1129(a)(9)(C) of the Bankruptcy Code.

ARTICLE III.

CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

A. *Classification of Claims and Interests.*

Claims and Interests, except for Administrative Claims and Priority Tax Claims, are classified in the Classes set forth in this Article III. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim also is classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and has not been paid, released, or otherwise satisfied before the applicable Effective Date. The Debtors reserve the right to assert that the treatment provided to Holders of Claims and Interests pursuant to Article III.B of the Plan renders such Holders Unimpaired.

1. Class Identification for the Debtors.

The Plan constitutes a separate chapter 11 plan of reorganization for each Debtor, as applicable, and shall include the classifications set forth below. Subject to Article III.D of the Plan, to the extent that a Class contains Claims or Interests only with respect to one or more particular Debtor, such Class applies solely to such Debtor.

The following charts represent the classification of Claims and Interests for the Debtors pursuant to the Plan.

a. FES

Class	Claims and Interests	Status	Voting Rights
Class A1	Other Secured Claims Against FES	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class A2	Other Priority Claims Against FES	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class A3	Unsecured PCN/FES Notes Claims Against FES	Impaired	Entitled to Vote
Class A4	Mansfield Certificate Claims Against FES	Impaired	Entitled to Vote
Class A5	FENOC-FES Unsecured Claims	Impaired	Entitled to Vote
Class A6	FES Single-Box Unsecured Claims	Impaired	Entitled to Vote
Class A7	Mansfield TIA Claims	Impaired	Entitled to Vote
Class A8	Convenience Claims	Impaired	Entitled to Vote
Class A9	Inter-Debtor Claims	Impaired	Shall Not Vote
Class A10	Interests in FES	Impaired	Not Entitled to Vote (Deemed to Reject)

b. FG

Class	Claims and Interests	Status	Voting Rights
Class B1	Other Secured Claims	Unimpaired	Not Entitled to Vote (Deemed

Class	Claims and Interests	Status	Voting Rights
	Against FG		to Accept)
Class B2	Other Priority Claims Against FG	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class B3	Secured FG PCN Designated Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class B4	Secured FG PCN Reinstated Claims	Impaired	Entitled to Vote
Class B5	Unsecured PCN/FES Notes Claims Against FG	Impaired	Entitled to Vote
Class B6	Mansfield Certificate Claims Against FG	Impaired	Entitled to Vote
Class B7	FG Single-Box Unsecured Claims	Impaired	Entitled to Vote
Class B8	Mansfield TIA Claims	Impaired	Entitled to Vote
Class B9	Convenience Claims	Impaired	Entitled to Vote
Class B10	Inter-Debtor Claims	Impaired	Shall Not Vote
Class B11	Interests in FG	Unimpaired	Not Entitled to Vote (Deemed to Accept)

c. NG

Class	Claims and Interests	Status	Voting Rights
Class C1	Other Secured Claims Against NG	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class C2	Other Priority Claims Against NG	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class C3	Secured NG PCN Claims	Impaired	Entitled to Vote
Class C4	Unsecured PCN/FES Notes Claims Against NG	Impaired	Entitled to Vote
Class C5	Mansfield Certificate Claims Against NG	Impaired	Entitled to Vote
Class C6	NG Single-Box Unsecured Claims	Impaired	Entitled to Vote
Class C7	NG-FENOC Unsecured Claims against NG	Impaired	Entitled to Vote
Class C8	Convenience Claims	Impaired	Entitled to Vote
Class C9	Inter-Debtor Claims	Impaired	Shall Not Vote
Class C10	Interests in NG	Unimpaired	Not Entitled to Vote (Deemed to Accept)

d. FENOC

Class	Claims and Interests	Status	Voting Rights
Class D1	Other Secured Claims Against FENOC	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class D2	Other Priority Claims Against FENOC	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class D3	FENOC-FES Unsecured Claims against FENOC	Impaired	Entitled to Vote

Class	Claims and Interests	Status	Voting Rights
Class D4	FENOC Single-Box Unsecured Claims	Impaired	Entitled to Vote
Class D5	NG-FENOC Unsecured Claims against FENOC	Impaired	Entitled to Vote
Class D6	Convenience Claims	Impaired	Entitled to Vote
Class D7	Inter-Debtor Claims	Impaired	Shall Not Vote
Class D8	Interests in FENOC	Impaired	Not Entitled to Vote (Deemed to Reject)

e. FGMUC

Class	Claims and Interests	Status	Voting Rights
Class E1	Other Secured Claims Against FGMUC	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class E2	Other Priority Claims Against FGMUC	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class E3	Mansfield Certificate Claims Against FGMUC	Impaired	Entitled to Vote
Class E4	FGMUC Single-Box Unsecured Claims	Impaired	Entitled to Vote
Class E5	Mansfield TIA Claims	Impaired	Entitled to Vote
Class E6	Convenience Claims	Impaired	Entitled to Vote
Class E7	Inter-Debtor Claims	Impaired	Shall Not Vote
Class E8	Interests in FGMUC	Unimpaired/Impaired	Not Entitled to Vote (Deemed to Accept or Reject)

f. FE Aircraft

Class	Claims and Interests	Status	Voting Rights
Class F1	Other Secured Claims Against FE Aircraft	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class F2	Other Priority Claims Against FE Aircraft	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class F3	General Unsecured Claims Against FE Aircraft	Impaired	Entitled to Vote
Class F4	Inter-Debtor Claims	Impaired	Shall Not Vote
Class F5	Interests in FE Aircraft	Impaired	Not Entitled to Vote (Deemed to Reject)

g. Norton

Class	Claims and Interests	Status	Voting Rights
Class G1	Other Secured Claims Against Norton	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class G2	Other Priority Claims Against Norton	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class G3	General Unsecured Claims Against Norton	Impaired	Entitled to Vote
Class G4	Inter-Debtor Claims	Impaired	Shall Not Vote

Class	Claims and Interests	Status	Voting Rights
Class G5	Interests in Norton	Unimpaired	Not Entitled to Vote (Deemed to Accept)

B. *Treatment of Claims and Interests.*

To the extent a Class contains Allowed Claims or Allowed Interests with respect to any Debtor, the classification of Allowed Claims and Allowed Interests is specified below.

1. Class A1 – Other Secured Claims Against FES.

a. *Classification*: Class A1 consists of Other Secured Claims against FES.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class A1 agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class A1, each such Holder shall receive, at the option of FES, either:

i. payment in full in Cash;

ii. delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code;

iii. Reinstatement of such Claim; or

iv. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class A1 is Unimpaired under the Plan. Holders of Claims in Class A1 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

2. Class A2 – Other Priority Claims Against FES.

a. *Classification*: Class A2 consists of Other Priority Claims against FES.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class A2 agrees to less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class A2, each such Holder shall receive, at the option of FES, either:

i. payment in full in Cash; or

ii. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class A2 is Unimpaired under the Plan. Holders of Claims in Class A2 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

3. Class A3 Unsecured PCN/FES Notes Claims Against FES.

a. *Classification*: Class A3 consists of Unsecured PCN/FES Notes Claims against FES.

b. *Allowance*: The Unsecured PCN/FES Notes Claims Against FES shall be Allowed in the aggregate amount of $2,237,912,062, including the FES Notes Claims in the amount of $701,311,411 and the guarantee claims of the Holders of Unsecured FG PCN Claims in the amount of $684,638,378, and Unsecured NG PCN Claims in the amount of $851,962,273.

c. *Treatment*: Except to the extent that a Holder of an Allowed Unsecured PCN/FES Notes Claim Against FES agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each Unsecured PCN/FES Notes Claim Against FES, each Holder of an Allowed Unsecured PCN/FES Notes Claim Against FES shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES Common Stock, subject to dilution for the Management Incentive Plan, in an amount equal to its Pro Rata share of FES Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single Box Unsecured Claims, (ii) the FENOC-FES Claim Reallocation to Holders of FES Single-Box Unsecured Claims and Holders of FENOC-FES Unsecured Claims against FES and (iii) the Mansfield Reallocation. The aggregate amount of value available for distribution to Holders of Allowed Unsecured PCN/FES Notes Claims against FES in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class A3.

Notwithstanding the foregoing, Electing Bondholders shall receive, on the Effective Date or as soon as reasonably practicable thereafter, their Pro Rata share of the Unsecured Bondholder Cash Pool in lieu of New FES Common Stock, *provided, however* that to the extent the Unsecured Bondholder Cash Pool is insufficient to provide each Electing Bondholder its allocable recovery of FES Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single-Box Unsecured Claims, (ii) the FENOC-FES Claim Reallocation to Holders of FES Single-Box Unsecured Claims and Holders of FENOC-FES Unsecured Claims against FES and (iii) the Mansfield Reallocation, the Electing Bondholders shall receive the remainder of their distribution in New FES Common Stock, subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed Unsecured PCN/FES Notes Claims against FES in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class A3.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed Unsecured PCN/FES Notes Claim Against FES that received New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

d. *Voting*: Class A3 is Impaired under the Plan. Holders of Claims in Class A3 are entitled to vote to accept or reject the Plan.

4. Class A4 – Mansfield Certificate Claims Against FES.

a. *Classification*: Class A4 consists of Mansfield Certificate Claims against FES.

b. *Allowance*: The Mansfield Certificate Claims Against FES shall be Allowed in the aggregate amount of $786,763,400 in accordance with the terms of the Mansfield Settlement.

c. *Treatment*: Except to the extent that a Holder of an Allowed Mansfield Certificate Claim Against FES agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each Mansfield Certificate Claim Against FES, each Holder of an Allowed Mansfield Certificate Claim Against FES shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES Common Stock, subject to dilution for the Management Incentive Plan, in an amount equal to its Pro Rata share of FES Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single Box Unsecured Claims, and (ii) the FENOC-FES Claim Reallocation to Holders of FES Single-Box Unsecured Claims and Holders of FENOC-FES Unsecured Claims against FES and (iii) the Mansfield Reallocation. The aggregate amount of value available for distribution to Holders of Allowed Mansfield Certificate Claims against FES in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class A4.

Notwithstanding the foregoing, Electing Bondholders shall receive, on the Effective Date or as soon as reasonably practicable thereafter, their Pro Rata share of the Unsecured Bondholder Cash Pool in lieu of New FES Common Stock, *provided, however* that to the extent the Unsecured Bondholder Cash Pool is insufficient to provide each Electing Bondholder its allocable recovery of FES Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single-Box Unsecured Claims, (ii) the FENOC-FES Claim Reallocation to Holders of FES Single-Box Unsecured Claims and the Holders FENOC-FES Unsecured Claims against FES and (iii) the Mansfield Reallocation, the Electing Bondholders shall receive the remainder of their distribution in New FES Common Stock, subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed Mansfield Certificate Claims against FES in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class A4.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed Mansfield Certificate Claim Against FES that received New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

d. *Voting*: Class A4 is Impaired under the Plan. Holders of Claims in Class A4 are entitled to vote to accept or reject the Plan.

5. Class A5 – FENOC-FES Unsecured Claims Against FES.

a. *Classification*: Class A5 consists of Holders of FENOC-FES Unsecured Claims (solely as to the portion of the claim against FES).

b. *Treatment:* Except to the extent that a Holder of an Allowed FENOC-FES Unsecured Claim against FES agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each FENOC-FES Unsecured Claim Against FES, each Holder of an Allowed FENOC-FES Unsecured Claim Against FES shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its Pro Rata share of (i) the FES Unsecured Distributable Value, and (ii) the FENOC-FES Claim Reallocation, *provided* that such Holders shall have the option to elect to receive their Pro Rata share of New FES Common Stock in equal amount, subject to the Equity Election Conditions, and subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed FENOC-FES Unsecured Claims against FES set forth in clauses (i) and (ii) of the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class A5.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed FENOC-FES Unsecured Claim Against FES that receives New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

c. *Voting*: Class A5 is Impaired under the Plan. Holders of Claims in Class A5 are entitled to vote to accept or reject the Plan.

6. Class A6 – FES Single-Box Unsecured Claims.

a. *Classification*: Class A6 consists of FES Single-Box Unsecured Claims.

b. *Treatment*: Except to the extent that a Holder of an Allowed FES Single-Box Unsecured Claim agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each FES Single-Box Unsecured Claim, each Holder of an Allowed FES Single-Box Unsecured Claim shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its Pro Rata share of (i) the FES Unsecured Distributable Value, (ii) the portion of the Reallocation Pool allocated to FES, (iii) the FENOC-FES Claim Reallocation, and (iv) the NG Reallocation Pool, *provided* that such Holders shall have the option to elect to receive their Pro Rata share of New FES Common Stock in equal amount, subject to the Equity Election Conditions and subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed FES Single-Box Unsecured Claims set forth in clauses (i) through (iv) of the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class A6.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed FES Single-Box Unsecured Claim that receives New FES

Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

c. *Voting*: Class A6 is Impaired under the Plan. Holders of Claims in Class A6 are entitled to vote to accept or reject the Plan.

7. Class A7 –Mansfield TIA Claims Against FES.

a. *Classification*: Class A7 consists of the Mansfield TIA Claims against FES.

b. *Treatment*: Except to the extent that a Holder of an Allowed Mansfield TIA Claim against FES agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of the Mansfield TIA Claims against FES, each Holder of an Allowed Mansfield TIA Claims against FES shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its Pro Rata share of FES Unsecured Distributable Value available to Holders of Allowed Mansfield TIA Claims against FES. The aggregate amount of value available for distribution to Holders of Allowed Mansfield TIA Claims against FES shall be subject to the Distributable Value Adjustment Amount applicable to Class A7.

c. *Voting*: Class A7 is Impaired under the Plan. Holders of Claims in Class A6 are entitled to vote to accept or reject the Plan.

8. Class A8 – Convenience Claims against FES.

a. *Classification*: Class A8 consists of all Convenience Claims against FES.

b. *Treatment*: Except to the extent that a Holder of an Allowed Convenience Claim against FES agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release, and discharge of each Allowed Convenience Claim against FES, each Holder of an Allowed Convenience Claim against FES that has properly elected to be treated as such on its Ballot shall receive, on the Effective Date or as soon as reasonably practicable thereafter, Cash in an amount equal to 36.4% of the Allowed Convenience Claim.

c. *Voting*: Class A8 is Impaired under the Plan. Holders of Claims in Class A7 are entitled to vote to accept or reject the Plan.

9. Class A9 – Inter-Debtor Claims against FES.

a. *Classification*: Class A9 consists of prepetition Inter-Debtor Claims against FES.

b. *Allowance:* The prepetition Inter-Debtor Claims against FES shall be Allowed as follows: (i) the prepetition Inter-Debtor Claims of FG against FES shall be Allowed as Unsecured Claims in the aggregate amount of $1,488,190,630; (ii) the prepetition Inter-Debtor Claims of NG against FES shall be Allowed as Unsecured Claims in the aggregate amount of $1,670,896,976; (iii) the prepetition Inter-Debtor Claims of FENOC against FES shall be Allowed as Unsecured Claims in the aggregate amount of $28,000,000; and (iv) all other

Inter-Debtor Claims against FES shall be treated as if Allowed in the amount of $2,322,082.

c. *Treatment*: Each Holder of an Allowed prepetition Inter-Debtor Claim against FES shall receive their Pro Rata share of the FES Unsecured Distributable Value. In lieu of Cash payment or other distribution to the Debtors holding such prepetition Inter-Debtor Claims against FES, the distributions on account of such prepetition Inter-Debtor Claims against FES shall be made to the Holders of Allowed Unsecured Claims against the Debtor holding such prepetition Inter-Debtor Claims against FES by including the recovery on such prepetition Inter-Debtor Claims against FES in the calculation of the Unsecured Distributable Value relating to the Debtor holding such Inter-Debtor Claims against FES.

d. *Voting*: Class A9 is Impaired under the Plan. Notwithstanding such Impairment, Holders of prepetition Inter-Debtor Claims against FES are insiders whose votes will not be counted. Accordingly, this class will not vote to accept or reject the Plan.

10. Class A10 – Interests in FES.

a. *Classification*: Class A10 consists of Interests in FES.

b. *Treatment*: As of the Effective Date, Interests in FES shall be cancelled and released without any distribution on account of such Interests.

c. *Voting*: Class A10 is Impaired under the Plan. Holders of Claims in Class A10 are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

11. Class B1 – Other Secured Claims against FG.

a. *Classification*: Class B1 consists of Other Secured Claims against FG.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class B1 agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class B1, each such Holder shall receive, at the option of FG, either:

i. payment in full in Cash;

ii. delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code;

iii. Reinstatement of such Claim; or

iv. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class B1 is Unimpaired under the Plan. Holders of Claims in Class B1 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of

the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

12. Class B2 – Other Priority Claims Against FG.

a. *Classification*: Class B2 consists of Other Priority Claims against FG.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class B2 agrees to less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class B2, each such Holder shall receive, at the option of FG, either:

i. payment in full in Cash; or

ii. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class B2 is Unimpaired under the Plan. Holders of Claims in Class B2 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

13. Class B3 – Secured FG PCN Designated Claims.

a. *Classification*: Class B3 consists of the Secured FG PCN Designated Claims.

b. *Allowance*: The Secured FG PCN Designated Claims shall be Allowed in the aggregate principal amount of $181,260,000, plus accrued and unpaid pre- and postpetition interest (at the prepetition rate) on such principal amount through and including the Effective Date.

c. *Treatment*: Allowed Secured FG PCN Designated Claims shall be paid in full in Cash on the Effective Date or as soon thereafter as practicable.

d. *Voting*: Class B3 is Unimpaired under the Plan. Holders of Claims in Class B3 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.]

14. Class B4 – Secured FG PCN Reinstated Claims.

a. *Classification:* Class B4 consists of the Secured FG PCN Reinstated Claims against FG.

b. *Allowance*: The Secured FG PCN Reinstated Claims shall be Allowed in the aggregate principal amount of $146,300,000, plus accrued and unpaid pre- and postpetition interest (at the prepetition rate) on such principal amount through and including the Effective Date.

c. *Treatment*: Allowed Secured FG PCN Reinstated Claims shall be Reinstated in full on the Effective Date or as soon as practicable thereafter, *provided, however*,

that any Allowed Secured FG PCN Reinstated Claims relating to accrued and unpaid pre- and postpetition interest on the principal amount of Secured FG PCN Reinstated Claims shall be paid in full in Cash.

In the event that the Debtors elect to form New FES, the guarantee of FES with respect to such Allowed Secured FG PCN Reinstated Claims shall be released following the Effective Date, and on the Effective Date New FES shall provide a new unsecured guarantee with respect to such Allowed Secured FG PCN Reinstated Claim.

d. *Voting*: Class B4 is Impaired under the Plan. Holders of Claims in Class B4 shall be entitled to vote to accept or reject the Plan.

15. Class B5 – Unsecured PCN/FES Notes Claims Against FG.

a. *Classification*: Class B5 consists of Unsecured PCN/FES Notes Claims against FG.

b. *Allowance*: The Unsecured PCN/FES Notes Claims Against FG shall be Allowed in the aggregate amount of $2,237,912,062, which is comprised of the Unsecured FG PCN Claims in the amount of $684,638,378 and the guarantee claims of the Holders of FES Notes Claims in the amount of $701,311,411, and the Unsecured NG PCN Claims in the amount of $851,962,273.

c. *Treatment*: Except to the extent that a Holder of an Allowed Unsecured PCN/FES Notes Claim Against FG agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each Unsecured PCN/FES Notes Claim Against FG, each Holder of an Allowed Unsecured PCN/FES Notes Claim Against FG shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES Common Stock, subject to dilution for the Management Incentive Plan, in an amount equal to its Pro Rata share of the FG Unsecured Distributable Value, subject to (i) the reallocation of the Reallocation Pool to Holders of Single Box Unsecured Claims and (ii) the Mansfield Reallocation. The aggregate amount of value available for distribution to Holders of Allowed Unsecured PCN/FES Notes Claims against FG in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class B5.

Notwithstanding the foregoing, Electing Bondholders shall receive, on the Effective Date or as soon as reasonably practicable thereafter, their Pro Rata share of the Unsecured Bondholder Cash Pool in lieu of New FES Common Stock, *provided, however* that to the extent the Unsecured Bondholder Cash Pool is insufficient to provide each Electing Bondholder its allocable recovery of FG Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single-Box Unsecured Claims and (ii) the Mansfield Reallocation, the Electing Bondholders shall receive the remainder of their distribution in New FES Common Stock and subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed Unsecured PCN/FES Notes Claims Against

FG in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class B5.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed Unsecured PCN/FES Notes Claim Against FG that received New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

d. *Voting*: Class B5 is Impaired under the Plan. Holders of Claims in Class B5 are entitled to vote to accept or reject the Plan.

16. Class B6 – Mansfield Certificate Claims Against FG.

a. *Classification*: Class B6 consists of Mansfield Certificate Claims against FG.

b. *Allowance*: The Mansfield Certificate Claims Against FG shall be Allowed in the aggregate amount of $786,763,400 in accordance with the terms of the Mansfield Settlement.

c. *Treatment*: Except to the extent that a Holder of an Allowed Mansfield Certificate Claim Against FG agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each Mansfield Certificate Claim Against FG, each Holder of an Allowed Mansfield Certificate Claim Against FG shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES Common Stock, subject to dilution for the Management Incentive Plan, in an amount equal to its Pro Rata share of the FG Unsecured Distributable Value, subject to (i) the reallocation of the Reallocation Pool to Holders of Single Box Unsecured Claims and (ii) the Mansfield Reallocation. The aggregate amount of value available for distribution to Holders of Allowed Mansfield Certificate Claims against FG in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class B6.

Notwithstanding the foregoing, Electing Bondholders shall receive, on the Effective Date or as soon as reasonably practicable thereafter, their Pro Rata share of the Unsecured Bondholder Cash Pool in lieu of New FES Common Stock, *provided, however* that to the extent the Unsecured Bondholder Cash Pool is insufficient to provide each Electing Bondholder its allocable recovery of FG Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single-Box Unsecured Claims and (ii) the Mansfield Reallocation, the Electing Bondholders shall receive the remainder of their distribution in New FES Common Stock subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed Mansfield Certificate Claims against FG in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class B6.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed Mansfield Certificate Claim Against FG that received New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

d. *Voting*: Class B6 is Impaired under the Plan. Holders of Claims in Class B6 are entitled to vote to accept or reject the Plan.

17. Class B7 – FG Single-Box Unsecured Claims.

a. *Classification*: Class B7 consists of FG Single-Box Unsecured Claims.

b. *Treatment*: Except to the extent that a Holder of an Allowed FG Single-Box Unsecured Claim agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each FG Single-Box Unsecured Claim, each Holder of an Allowed FG Single-Box Unsecured Claim shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its Pro Rata share of (i) the FG Unsecured Distributable Value and (ii) the Reallocation Pool allocable to FG, *provided* that such Holders shall have the option to elect to receive their ratable share of New FES Common Stock in equal amount, subject to the Equity Election Conditions and subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed FG Single-Box Unsecured Claims set forth in clauses (i) and (ii) of the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class B7.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed FG Single-Box Unsecured Claim that receives New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

c. *Voting*: Class B7 is Impaired under the Plan. Holders of Claims in Class B5 are entitled to vote to accept or reject the Plan.

18. Class B8 –Mansfield TIA Claims against FG.

a. *Classification*: This Class consists of the Mansfield TIA Claims against FG.

b. *Treatment*: Except to the extent that the Holder of an Allowed Mansfield TIA Claim against FG agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of the Mansfield TIA Claims against FG, each Holder of an Allowed Mansfield TIA Claims against FG shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its Pro Rata share of FG Unsecured Distributable Value. The aggregate amount of value available for distribution to Holders of Allowed Mansfield TIA Claims against FG shall be subject to the Distributable Value Adjustment Amount applicable to Class B8.

c. *Voting*: Class B8 is Impaired under the Plan. Holders of Claims in Class B8 are entitled to vote to accept or reject the Plan.

19. Class B9 -- Convenience Claims against FG.

a. *Classification*: Class B9 consists of all Convenience Claims against FG.

b. *Treatment*: Except to the extent that a Holder of an Allowed Convenience Claim against FG agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release, and discharge of each Allowed Convenience Claim against FG, each Holder of an Allowed Convenience Claim against FG that has properly elected to be treated as such on its Ballot shall receive, on the Effective Date or as soon as reasonably practicable thereafter, Cash in an amount equal to 22.0% of the Allowed Convenience Claim.

c. *Voting*: Class B9 is Impaired under the Plan. Holders of Claims in Class B9 are entitled to vote to accept or reject the Plan.

20. Class B10 – Inter-Debtor Claims against FG.

a. *Classification*: Class B10 consists of prepetition Inter-Debtor Claims against FG.

b. *Allowance:* The prepetition Inter-Debtor Claims against FG shall be Allowed as unsecured claims in the aggregate amount of $901,881,812.

c. *Treatment*: Each Holder of an Allowed prepetition Inter-Debtor Claim against FG shall receive their Pro Rata share of the FG Unsecured Distributable Value. In lieu of Cash payment or other distribution to the Debtors holding such prepetition Inter-Debtor Claim against FG, the distributions on account of such prepetition Inter-Debtor Claims shall be made to the Holders of Allowed Unsecured Claims against the Debtor holding such prepetition Inter-Debtor Claims against FG by including the recovery on such prepetition Inter-Debtor Claims against FG in the calculation of the Unsecured Distributable Value relating to the Debtor holding such prepetition Inter-Debtor Claims against FG.

d. *Voting*: Class B10 is Impaired under the Plan. Notwithstanding such Impairment, Holders of prepetition Inter-Debtor Claims against FG are insiders whose votes will not be counted. Accordingly, this class will not vote to accept or reject the Plan.

21. Class B11 – Interests in FG.

a. *Classification*: Class B11 consists of Interests in FG.

b. *Treatment*: Reorganized FES shall retain ownership of all Interests in FG.

c. *Voting*: Holders of Interests in Class B11 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

22. Class C1 – Other Secured Claims against NG.

a. *Classification*: Class C1 consists of Other Secured Claims against NG.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class C1 agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each

Allowed Claim in Class C1, each such Holder shall receive, at the option of NG, either:

i. payment in full in Cash;

ii. delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code;

iii. Reinstatement of such Claim; or

iv. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class C1 is Unimpaired under the Plan. Holders of Claims in Class C1 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

23. Class C2 – Other Priority Claims against NG.

a. *Classification*: Class C2 consists of Other Priority Claims against NG.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class C2 agrees to less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class C2, each such Holder shall receive, at the option of NG, either:

i. payment in full in Cash; or

ii. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class C2 is Unimpaired under the Plan. Holders of Claims in Class C2 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

24. Class C3 – Secured NG PCN Claims.

a. *Classification*: Class C3 consists of the Secured NG PCN Claims against NG.

b. *Allowance*: The Secured NG PCN Claims shall be Allowed in the aggregate principal amount of $284,600,000, plus accrued and unpaid pre- and postpetition interest (at the prepetition rate) on such principal amount through and including the Effective Date.

c. *Treatment:* Allowed Secured NG PCN Claims shall be Reinstated in full on the Effective Date, or as soon thereafter as practicable, *provided, however*, that any Allowed Secured NG PCN Claims relating to accrued and unpaid pre- and postpetition interest on the principal amount of the Secured NG PCN Claims through and including the Effective Date shall be paid in full in Cash.

In the event that the Debtors elect to form New FES, the guarantee of FES with respect to such Allowed Secured NG PCN Claims shall be released following the Effective Date, and on the Effective Date New FES shall provide a new unsecured guarantee with respect to such Allowed Secured NG PCN Claim.

d. *Voting*: Class C3 is Impaired under the Plan. Holders of Claims in Class C3 are entitled to vote to accept or reject the Plan.

25. Class C4 –Unsecured PCN/FES Notes Claims against NG.

a. *Classification*: Class C4 consists of Unsecured PCN/FES Notes Claims against NG.

b. *Allowance*: The Unsecured PCN/FES Notes Claims Against NG shall be Allowed in the aggregate amount of $2,237,912,062, which is comprised of the Unsecured NG PCN Claims in the amount of $851,962,273 and the guarantee claims of the Holders of FES Notes Claims in the amount of $701,311,411 and the Unsecured FG PCN Claims in the amount of $684,638,378.

c. *Treatment*: Except to the extent that a Holder of an Allowed Unsecured PCN/FES Notes Claim Against NG agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each Unsecured PCN/FES Notes Claim Against NG, each Holder of an Allowed Unsecured PCN/FES Notes Claim Against NG shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES Common Stock, subject to dilution for the Management Incentive Plan, in an amount equal to its Pro Rata share of NG Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single Box Unsecured Claims and (ii) the Mansfield Reallocation. The aggregate amount of value available for distribution to Holders of Allowed Unsecured PCN/FES Notes Claims against NG in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class C4.

Notwithstanding the foregoing, Electing Bondholders shall receive, on the Effective Date or as soon as reasonably practicable thereafter, their Pro Rata share of the Unsecured Bondholder Cash Pool in lieu of New FES Common Stock, *provided, however* that to the extent the Unsecured Bondholder Cash Pool is insufficient to provide each Electing Bondholder its allocable recovery of NG Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single-Box Unsecured Claims and (ii) the Mansfield Reallocation, the Electing Bondholders shall receive the remainder of their distribution in New FES Common Stock subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed Unsecured PCN/FES Notes Claims against NG in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class C4.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed Unsecured PCN/FES Notes Claim Against NG that received New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

d. *Voting*: Class C4 is Impaired under the Plan. Holders of Claims in Class C4 are entitled to vote to accept or reject the Plan.

26. Class C5 – Mansfield Certificate Claims Against NG.

a. *Classification*: Class C5 consists of Mansfield Certificate Claims against NG.

b. *Allowance*: The Mansfield Certificate Claims Against NG shall be Allowed in the aggregate amount of $786,763,400 in accordance with the terms of the Mansfield Settlement.

c. *Treatment*: Except to the extent that a Holder of an Allowed Mansfield Certificate Claim Against NG agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each Mansfield Certificate Claim Against NG, each Holder of an Allowed Mansfield Certificate Claim Against NG shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES Common Stock, subject to dilution for the Management Incentive Plan, in an amount equal to its Pro Rata share of NG Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single Box Unsecured Claims and (ii) the Mansfield Reallocation. The aggregate amount of value available for distribution to Holders of Allowed Mansfield Certificate Claims against NG in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class C5.

Notwithstanding the foregoing, Electing Bondholders shall receive, on the Effective Date or as soon as reasonably practicable thereafter, their Pro Rata share of the Unsecured Bondholder Cash Pool in lieu of New FES Common Stock, *provided, however* that to the extent the Unsecured Bondholder Cash Pool is insufficient to provide each Electing Bondholder its allocable recovery of NG Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single-Box Unsecured Claims and (ii) the Mansfield Reallocation, the Electing Bondholders shall receive the remainder of their distribution in New FES Common Stock subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed Mansfield Certificate Claims against NG in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class C5.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed Mansfield Certificate Claim Against NG that received New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

d. *Voting*: Class C5 is Impaired under the Plan. Holders of Claims in Class C5 are entitled to vote to accept or reject the Plan.

27. Class C6 –NG Single-Box Unsecured Claims.

a. *Classification*: Class C6 consists of NG Single-Box Unsecured Claims.

b. *Treatment*: Except to the extent that a Holder of an Allowed NG Single-Box Unsecured Claim agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each NG Single-Box Unsecured Claim, each Holder of an Allowed NG Single-Box Unsecured Claim shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to their Pro Rata share of NG Unsecured Distributable Value, *provided* that such Holders shall have the option to elect to receive their ratable share of New FES Common Stock in equal amount, subject to the Equity Election Conditions and subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed NG Single-Box Unsecured Claims shall be subject to the Distributable Value Adjustment Amount applicable to Class C6.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed NG Single-Box Unsecured Claim that receives New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

c. *Voting*: Class C6 is Impaired under the Plan. Holders of Claims in Class C6 are entitled to vote to accept or reject the Plan.

28. Class C7 – NG-FENOC Unsecured Claims against NG.

a. *Classification*: Class C7 consists of Holders of NG-FENOC Unsecured Claims (solely as to the portion of the claim against NG).

b. *Treatment*: Except to the extent that a Holder of an Allowed NG-FENOC Unsecured Claim against NG agrees to less favorable treatment, in exchange for full and final satisfaction, compromise, settlement, release and discharge of each NG-FENOC Unsecured Claim, each Holder of an Allowed NG-FENOC Unsecured Claim against NG shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to their Pro Rata share of NG Unsecured Distributable Value, *provided* that such Holders shall have the option to elect to receive their Pro Rata share of New FES Common Stock in equal amount, subject to the Equity Election Conditions, and subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed NG-FENOC Unsecured Claims against NG shall be subject to the Distributable Value Adjustment Amount applicable to Class C7.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed NG-FENOC Unsecured Claim Against NG that receives New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

c. *Voting*: Class C7 is Impaired under the Plan. Holders of Claims in Class C7 are entitled to vote to accept or reject the Plan.

29. Class C8 – Convenience Claims against NG.

a. *Classification*: Class C8 consists of all Convenience Claims against NG.

b. *Treatment*: Except to the extent that a Holder of an Allowed Convenience Claim against NG agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release, and discharge of each Allowed Convenience Claim against NG, each Holder of an Allowed Convenience Claim against NG that has properly elected to be treated as such on its Ballot shall receive, on the Effective Date or as soon as reasonably practicable thereafter, Cash in an amount equal to 35.7% of the Allowed Convenience Claim.

c. *Voting*: Class C8 is Impaired under the Plan. Holders of Claims in Class C8 are entitled to vote to accept or reject the Plan.

30. Class C9 – Inter-Debtor Claims against NG.

a. *Classification*: Class C8 consists of prepetition Inter-Debtor Claims against NG.

b. *Treatment*: Each Holder of an Allowed prepetition Inter-Debtor Claim against NG, if any, shall receive their Pro Rata share of the NG Unsecured Distributable Value. In lieu of Cash payment or other distribution to the Debtors holding such prepetition Inter-Debtor Claims against NG, the distributions on account of such prepetition Inter-Debtor Claims shall be made to the Holders of Allowed Unsecured Claims against the Debtor holding such prepetition Inter-Debtor Claims against NG by including the recovery on such prepetition Inter-Debtor Claims against NG in the calculation of the Unsecured Distributable Value relating to the Debtor holding such prepetition Inter-Debtor Claims against NG.

c. *Voting*: Class C9 is Impaired under the Plan. Notwithstanding such Impairment, Holders of prepetition Inter-Debtor Claims against NG are insiders whose votes will not be counted. Accordingly, this class will not vote to accept or reject the Plan.

31. Class C10 – Interests in NG.

a. *Classification*: Class C10 consists of Interests in NG.

b. *Treatment*: Reorganized FES shall retain ownership of all of the Interests in NG.

c. *Voting*: Holders of Interests in Class C10 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

32. Class D1 – Other Secured Claims against FENOC.

a. *Classification*: Class D1 consists of Other Secured Claims against FENOC.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class D1 agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class D1, each such Holder shall receive, at the option of FENOC, either:

i. payment in full in Cash;

ii. delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code;

iii. Reinstatement of such Claim; or

iv. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class D1 is Unimpaired under the Plan. Holders of Claims in Class D1 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

33. Class D2 – Other Priority Claims against FENOC.

a. *Classification*: Class D2 consists of Other Priority Claims against FENOC.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class D2 agrees to less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class D2, each such Holder shall receive, at the option of FENOC, either:

i. payment in full in Cash; or

ii. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class D2 is Unimpaired under the Plan. Holders of Claims in Class D2 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

34. Class D3 – FENOC-FES Unsecured Claims against FENOC.

a. *Classification*: Class D3 consists of Holders of FENOC-FES Unsecured Claims (solely as to the portion of the claim against FENOC).

b. *Treatment*: Except to the extent that a Holder of an Allowed FENOC-FES Unsecured Claim against FENOC agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each FENOC-FES Unsecured Claim against FENOC, each Holder of an Allowed FENOC-FES Unsecured Claim against FENOC shall receive, on the Effective Date or as soon as reasonably practicable thereafter cash equal to its Pro Rata share of FENOC Unsecured Distributable Value, *provided* that such Holders shall have the option to elect to receive their Pro Rata share of New FES Common Stock in equal amount, subject to the Equity Election Conditions and subject to dilution for the Management Incentive Plan, *provided* however, that such election shall only be available on account of the portion of the Allowed FENOC-FES Unsecured Claim guaranteed by FES. The aggregate amount of value available for distribution to Holders of Allowed FENOC-FES

Unsecured Claims against FENOC shall be subject to the Distributable Value Adjustment Amount applicable to Class D3.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed FENOC-FES Unsecured Claim against FENOC that receives New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

c. *Voting*: Class D3 is Impaired under the Plan. Holders of Claims in Class D3 are entitled to vote to accept or reject the Plan.

35. Class D4 – FENOC Single-Box Unsecured Claims against FENOC.

a. *Classification*: Class D4 consists of FENOC Single-Box Unsecured Claims.

b. *Treatment:* Except to the extent that a Holder of an Allowed FENOC Single-Box Unsecured Claim agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each FENOC Single-Box Unsecured Claims, each Holder of an Allowed FENOC Single-Box Unsecured Claim shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its Pro Rata share of (i) the FENOC Unsecured Distributable Value and (ii) the portion of the Reallocation Pool allocable to FENOC. The aggregate amount of value available for distribution to Holders of Allowed FENOC Single-Box Unsecured Claims set forth in clauses (i) and (ii) of the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class D4.

c. *Voting*: Class D4 is Impaired under the Plan. Holders of Claims in Class D4 are entitled to vote to accept or reject the Plan.

36. Class D5 – NG-FENOC Unsecured Claims against FENOC.

a. *Classification*: Class D5 consists of Holders of NG-FENOC Unsecured Claims (solely as to the portion of the claim against FENOC).

b. *Treatment*: Except to the extent that a Holder of an Allowed NG-FENOC Unsecured Claim against FENOC agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each NG-FENOC Unsecured Claim against FENOC, each Holder of an Allowed NG-FENOC Unsecured Claim shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its Pro Rata share of FENOC Unsecured Distributable Value. The aggregate amount of value available for distribution to Holders of Allowed NG-FENOC Unsecured Claims against FENOC shall be subject to the Distributable Value Adjustment Amount applicable to Class D5.

c. *Voting*: Class D5 is Impaired under the Plan. Holders of Claims in Class D5 are entitled to vote to accept or reject the Plan.

37. Class D6 – Convenience Claims against FENOC.

a. *Classification*: Class D6 consists of all Convenience Claims against FENOC.

b. *Treatment*: Except to the extent that a Holder of an Allowed Convenience Claim against FENOC agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release, and discharge of each Allowed Convenience Claim against FENOC, each Holder of an Allowed Convenience Claim against FENOC that has properly elected to be treated as such on its Ballot shall receive, on the Effective Date or as soon as reasonably practicable thereafter, Cash in an amount equal to 24.0% of the Allowed Convenience Claim.

c. *Voting*: Class D6 is Impaired under the Plan. Holders of Claims in Class D6 are entitled to vote to accept or reject the Plan.

38. Class D7 – Inter-Debtor Claims against FENOC.

a. *Classification*: Class D7 consists of prepetition Inter-Debtor Claims against FENOC.

b. *Allowance*: The prepetition Inter-Debtor Claims against FENOC shall be Allowed as Unsecured Claims in the aggregate amount of $32,603,216.

c. *Treatment*: Each Holder of an Allowed prepetition Inter-Debtor Claim against FENOC shall receive their Pro Rata share of the FENOC Unsecured Distributable Value. In lieu of Cash payment or other distribution to the Debtors holding such prepetition Inter-Debtor Claims, the distributions on account of such prepetition Inter-Debtor Claims against FENOC shall be made to the Holders of Allowed Unsecured Claims against the Debtor holding such prepetition Inter-Debtor Claims against FENOC by including the recovery on such prepetition Inter-Debtor Claims against FENOC in the calculation of the Unsecured Distributable Value relating to the Debtor holding such prepetition Inter-Debtor Claims against FENOC.

d. *Voting*: Class D7 is Impaired under the Plan. Notwithstanding such Impairment, Holders of prepetition Inter-Debtor Claims against FENOC are insiders whose votes will not be counted. Accordingly, this class will not vote to accept or reject the Plan.

39. Class D8 – Interests in FENOC.

a. *Classification*: Class D8 consists of Interests in FENOC.

b. *Treatment*: On the Effective Date, Interests in FENOC shall be cancelled and released without any distribution on account of such Interests. On the Effective Date, shares of new common stock of Reorganized FENOC shall be issued to Reorganized FES.

c. *Voting*: Holders of Interests in Class D8 are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

40. Class E1 – Other Secured Claims against FGMUC.

a. *Classification*: Class E1 consists of Other Secured Claims against FGMUC.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class E1 agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class E1, each such Holder shall receive, at the option of FGMUC, either:

i. payment in full in Cash;

ii. delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code;

iii. Reinstatement of such Claim; or

iv. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class E1 is Unimpaired under the Plan. Holders of Claims in Class E1 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

41. Class E2 – Other Priority Claims against FGMUC.

a. *Classification*: Class E2 consists of Other Priority Claims against FGMUC.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class E2 agrees to less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class E2, each such Holder shall receive, at the option of FGMUC, either:

i. payment in full in Cash; or

ii. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class E2 is Unimpaired under the Plan. Holders of Claims in Class E2 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

42. Class E3 – Mansfield Certificate Claims against FGMUC.

a. *Classification*: Class E3 consists of the Mansfield Certificate Claims against FGMUC.

b. *Allowance*: The Mansfield Certificate Claims shall be allowed in the amount of $786,763,400 in accordance with the terms of the Mansfield Settlement.

c. *Treatment*: Except to the extent that a Holder of an Allowed Mansfield Certificate Claim Against FGMUC agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each Mansfield Certificate Claim against FGMUC, each Holder of an Allowed Mansfield Certificate Claim against FGMUC shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES Common Stock subject to dilution for the Management Incentive Plan, in an amount equal to its Pro Rata share of FGMUC Unsecured Distributable Value, subject to (i) the reallocation of the Reallocation Pool to Holders of Single Box Unsecured Claims and (ii) the Mansfield Reallocation. The aggregate amount of value available for distribution to Holders of Allowed Mansfield Certificate Claims against FGMUC in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class E3.

Notwithstanding the foregoing, Electing Bondholders shall receive, on the Effective Date or as soon as reasonably practicable thereafter, their Pro Rata share of the Unsecured Bondholder Cash Pool in lieu of New FES Common Stock, *provided, however* that to the extent the Unsecured Bondholder Cash Pool is insufficient to provide each Electing Bondholder its allocable recovery of FGMUC Unsecured Distributable Value, subject to the reallocation of (i) the Reallocation Pool to Holders of Single-Box Unsecured Claims and (ii) the Mansfield Reallocation, the Electing Bondholders shall receive the remainder of their distribution in New FES Common Stock subject to dilution for the Management Incentive Plan. The aggregate amount of value available for distribution to Holders of Allowed Mansfield Certificate Claims against FGMUC in accordance with the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class E3.

In addition, to the extent there is an Effective Date Cash Distribution, any Holder of an Allowed Mansfield Certificate Claim Against FGMUC that received New FES Common Stock in satisfaction of its Claim shall receive its Pro Rata share of the Effective Date Cash Distribution.

d. *Voting*: Class E3 is Impaired under the Plan. Holders of Claims in Class E3 are entitled to vote to accept or reject the Plan.

43. Class E4 – FGMUC Single-Box Unsecured Claims.

a. *Classification*: Class E4 consists of FGMUC Single-Box Unsecured Claims.

b. *Treatment*: Except to the extent that a Holder of an FGMUC Single-Box Unsecured Claim agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of the FGMUC Single-Box Unsecured Claims, the Holders of FGMUC Single-Box Unsecured Claims shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its Pro Rata share of (i) the FGMUC Unsecured Distributable Value, and (ii) the portion of the Reallocation Pool allocable to FGMUC. The aggregate amount of value available for distribution

to Holders of Allowed FGMUC Single-Box Unsecured Claims set forth in clauses (i) and (ii) of the preceding sentence shall be subject to the Distributable Value Adjustment Amount applicable to Class E4.

c. *Voting*: Class E4 is Impaired under the Plan. Holders of Claims in Class E4 are entitled to vote to accept or reject the Plan.

44. Class E5 – Mansfield TIA Claims against FGMUC.

a. *Classification*: Class E5 consists of the Mansfield TIA Claims against FGMUC.

b. *Treatment*: Except to the extent that a Holder of the Mansfield TIA Claims against FGMUC agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of the Mansfield TIA Claims against FGMUC, the Holder of an Allowed Mansfield TIA Claim against FGMUC shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to the Pro Rata share of the FGMUC Unsecured Distributable Value. The aggregate amount of value available for distribution to Holders of Allowed Mansfield TIA Claims against FGMUC shall be subject to the Distributable Value Adjustment Amount applicable to Class E5.

c. *Voting*: Class E5 is Impaired under the Plan. Holders of Claims in Class E5 are entitled to vote to accept or reject the Plan.

45. Class E6 – Convenience Claims against FGMUC.

a. *Classification*: Class E6 consists of all Convenience Claims against FGMUC.

b. *Treatment*: Except to the extent that a Holder of an Allowed Convenience Claim against FGMUC agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release, and discharge of each Allowed Convenience Claim against FGMUC, each Holder of an Allowed Convenience Claim against FGMUC that has properly elected to be treated as such on its Ballot shall receive, on the Effective Date or as soon as reasonably practicable thereafter, Cash in an amount equal to 18.0% of the Allowed Convenience Claim.

c. *Voting*: Class E6 is Impaired under the Plan. Holders of Claims in Class E6 are entitled to vote to accept or reject the Plan.

46. Class E7 – Inter-Debtor Claims against FGMUC.

a. *Classification*: Class E7 consists of prepetition Inter-Debtor Claims against FGMUC.

b. *Allowance:* The prepetition Inter-Debtor Claims against FGMUC shall be Allowed in the amount of $367,534,565.

c. *Treatment*: Each Holder of an Allowed prepetition Inter-Debtor Claim against FGMUC shall receive their Pro Rata share of the FGMUC Unsecured Distributable Value. In lieu of Cash payment or other distribution to the Debtors

holding such prepetition Inter-Debtor Claims, the distributions on account of such prepetition Inter-Debtor Claims shall be made to the Holders of Allowed Unsecured Claims against the Debtor holding such prepetition Inter-Debtor Claims against FGMUC against FGMUC by including the recovery on such prepetition Inter-Debtor Claims against FGMUC in the calculation of the Unsecured Distributable Value relating to the Debtor holding such prepetition Inter-Debtor Claims against FGMUC.

d. *Voting*: Class E7 is Impaired under the Plan. Notwithstanding such Impairment, Holders of prepetition Inter-Debtor Claims against FGMUC are insiders whose votes will not be counted. Accordingly, this class will not vote to accept or reject the Plan.

47. Class E8 – Interests in FGMUC.

a. *Classification*: Class E8 consists of Interests in FGMUC.

b. *Treatment*: In the discretion of the Debtors, in consultation with the Consenting Creditors and the Committee, Reorganized FG shall continue to own all of the Interests in FGMUC or FGMUC shall be dissolved and all Interests in FGMUC shall be cancelled and released without any distribution on account of such Interests.

c. *Voting*: Holders of Interests in Class E8 are conclusively deemed to have accepted or rejected the Plan pursuant to section 1126(f) or section 1126(g) of the Bankruptcy Code, respectively. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

48. Class F1 – Other Secured Claims against FE Aircraft.

a. *Classification*: Class F1 consists of Other Secured Claims against FE Aircraft.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class F1 agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class F1, each such Holder shall receive, at the option of FE Aircraft, either:

i. payment in full in Cash;

ii. delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code;

iii. Reinstatement of such Claim; or

iv. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class F1 is Unimpaired under the Plan. Holders of Claims in Class F1 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

49. Class F2 – Other Priority Claims against FE Aircraft.

a. *Classification*: Class F2 consists of Other Priority Claims against FE Aircraft.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class F2 agrees to less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class F2, each such Holder shall receive, at the option of FE Aircraft, either:

i. payment in full in Cash; or

ii. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class F2 is Unimpaired under the Plan. Holders of Claims in Class F2 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

50. Class F3 – General Unsecured Claims against FE Aircraft.

a. *Classification*: Class F3 consists of General Unsecured Claims against FE Aircraft.

b. *Treatment*: To the extent there are any General Unsecured Claims Against FE Aircraft, except to the extent that a Holder of an Allowed General Unsecured Claim Against FE Aircraft agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each General Unsecured Claim Against FE Aircraft, each Holder of an Allowed General Unsecured Claim Against FE Aircraft shall receive, on the Effective Date or as soon as reasonably practicable thereafter, its Pro Rata share of the FE Aircraft Cash Distribution Pool.

c. *Voting*: Class F3 is Impaired under the Plan. Holders of Claims in Class F3 are entitled to vote to accept or reject the Plan.

51. Class F4 – Inter-Debtor Claims against FE Aircraft.

a. *Classification*: Class F4 consists of prepetition Inter-Debtor Claims against FE Aircraft.

b. *Treatment*: Each Holder of an Allowed prepetition Inter-Debtor Claim against FE Aircraft if any, shall be treated *pari passu* with Unsecured Claims against FE Aircraft and will share in distributions from FE Aircraft. In lieu of Cash payment or other distribution to the Debtors holding such prepetition Inter-Debtor Claims against FE Aircraft, the distributions on account of such prepetition Inter-Debtor Claims shall be made to the Holders of Allowed Unsecured Claims against the Debtor holding such prepetition Inter-Debtor Claims against FE Aircraft against FE Aircraft by including the recovery on such prepetition Inter-Debtor Claims against FE Aircraft in the calculation of the Unsecured Distributable Value

relating to the Debtor holding such prepetition Inter-Debtor Claims against FE Aircraft.

c. *Voting*: Class F4 is Impaired under the Plan. Notwithstanding such Impairment, Holders of prepetition Inter-Debtor Claims against FE Aircraft are insiders whose votes will not be counted. Accordingly, this class will not vote to accept or reject the Plan.

52. Class F5 – Interests in FE Aircraft.

a. *Classification*: Class F5 consists of Interests in FE Aircraft.

b. *Treatment*: FE Aircraft shall be dissolved and Interests in FE Aircraft shall be cancelled and released without any distribution on account of such Interests.

c. *Voting*: Holders of Interests in Class F5 are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

53. Class G1 – Other Secured Claims against Norton.

a. *Classification*: Class G1 consists of Other Secured Claims against Norton.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class G1 agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class G1, each such Holder shall receive, at the option of Norton, either:

i. payment in full in Cash;

ii. delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code;

iii. Reinstatement of such Claim; or

iv. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class G1 is Unimpaired under the Plan. Holders of Claims in Class G1 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

54. Class G2 – Other Priority Claims against Norton.

a. *Classification*: Class G2 consists of Other Priority Claims against Norton.

b. *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class G2 agrees to less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each

Allowed Claim in Class G2, each such Holder shall receive, at the option of Norton, either:

i. payment in full in Cash; or

ii. other treatment rendering such Claim Unimpaired.

c. *Voting*: Class G2 is Unimpaired under the Plan. Holders of Claims in Class G2 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

55. Class G3 – General Unsecured Claims against Norton.

a. *Classification*: Class G3 consists of General Unsecured Claims against Norton.

b. *Treatment*: To the extent there are any General Unsecured Claims Against Norton, except to the extent that a Holder of an Allowed General Unsecured Claim Against Norton agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each General Unsecured Claim Against Norton, each Holder of an Allowed General Unsecured Claim Against Norton shall receive, on the Effective Date or as soon as reasonably practicable thereafter, its Pro Rata share of the Norton Cash Distribution Pool.

c. *Voting*: Class G3 is Impaired under the Plan. Holders of Claims in Class G3 are entitled to vote to accept or reject the Plan.

56. Class G4 – Inter-Debtor Claims against Norton.

a. *Classification*: Class G4 consists of prepetition Inter-Debtor Claims against Norton.

b. *Treatment*: Each Holder of an Allowed prepetition Inter-Debtor Claim against Norton, if any, shall be treated *pari passu* with General Unsecured Claims Norton and will share in distributions from Norton. In lieu of Cash payment or other distribution to the Debtors holding such prepetition Inter-Debtor Claims against Norton, the distributions on account of such prepetition Inter-Debtor Claims against Norton shall be made to the Holders of Allowed Unsecured Claims against the Debtor holding such prepetition Inter-Debtor Claims against Norton against Norton by including the recovery on such prepetition Inter-Debtor Claims against Norton in the calculation of the Unsecured Distributable Value relating to the Debtor holding such prepetition Inter-Debtor Claims against Norton.

c. *Voting*: Class G4 is Impaired under the Plan. Notwithstanding such Impairment, holders of prepetition Inter-Debtor Claims against Norton are insiders whose votes will not be counted. Accordingly, this class will not vote to accept or reject the Plan.

57. Class G5 – Interests in Norton.

a. *Classification*: Class G5 consists of Interests in Norton.

b. *Treatment*: Reorganized FG shall retain ownership of all of the Interests in Norton.

c. *Voting*: Holders of Interests in Class G5 are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

C. *Special Provision Governing Unimpaired Claims.*

Except as otherwise provided in the Plan, nothing in the Plan shall affect the Debtors' rights in respect of any Unimpaired Claims, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claims.

D. *Elimination of Vacant Classes.*

Any Class of Claims or Interests that, as of the commencement of the Confirmation Hearing, does not have at least one Holder of a Claim or Interest that is Allowed in an amount greater than zero for voting purposes pursuant to the Disclosure Statement Order shall be considered vacant, deemed eliminated from the Plan for purposes of voting to accept or reject the Plan, and disregarded for purposes of determining whether the Plan satisfies section 1129(a)(8) of the Bankruptcy Code with respect to that Class.

E. *Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code.*

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by one or more of the Classes entitled to vote pursuant to Article III.B of the Plan. The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests.

F. *Controversy Concerning Impairment.*

If a controversy arises as to whether any Claims or Interests, or any Class of Claims or Interests, are Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

G. *Equity Election Conditions.*

As noted in Article III.B of the Plan and as disclosed on the Bankruptcy Court's public docket in the Notice of the Debtors' Entry into a Restructuring Support Agreement and of the Record Date for Equity Elections under the Debtors' Plan of Reorganization filed with the Bankruptcy Court on January 23, 2019 [Docket No. 1995], Holders of Claims in Classes A5, A6, B7, C6, C7, and D3 have an option on their ballots to accept or reject the Plan to elect to receive a distribution in the form of New FES Common Stock instead of a distribution in the form of Cash in satisfaction of their Claims if such Holder certifies on its ballot to accept or reject the Plan, or by such other method acceptable to the Debtors with the consent of the Requisite Supporting Parties (as defined in the Restructuring Support Agreement) and the Committee, that the Holder (i) was the beneficial holder of such Claims as of the applicable Equity Election Record Date and has not sold, transferred, or provided a participation in such Claims, or directly

or implicitly agreed to do so following the applicable Equity Election Record Date or (ii) is otherwise a party to the Restructuring Support Agreement and the beneficial holder of such Claims and such Claims were subject to the Restructuring Support Agreement as of the applicable Equity Election Record Date (the "Equity Election Conditions").

Accordingly, any Holder who is not a party to the Restructuring Support Agreement is not permitted to make any equity election applicable to its Claim if it sold such Claims after the Equity Election Record Date. Any Holder who purchased a Claim after the Equity Election Record Date is not permitted to make any equity election applicable to its Claim unless such Claim is subject to the Restructuring Support Agreement because the Holder would be unable to make the certification required by the Equity Election Conditions. For the avoidance of doubt, any Holder of a Claim that arises after the Equity Election Record Date (*e.g.*, a Claim arising from the Debtors' rejection of an executory contract that occurs after the Equity Election Record Date) shall be permitted to make an election to receive Cash or New FES Common Stock subject to satisfaction of each of the other Equity Election Conditions.

The Plan Administrator and Disbursing Agent are authorized to request from any Holder information supporting a Holder's certification that it has satisfied the Equity Election Conditions. If a Holder fails to provide such information prior to the Effective Date, then the Disbursement Agent may at its discretion make a distribution to such Holder on account of its Claim in the manner required by the Plan as if such Holder did not elect to receive New FES Common Stock.

ARTICLE IV.

MEANS FOR IMPLEMENTATION OF THE PLAN

A. *Plan Settlement.*

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits under the Plan, upon the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of those matters resolved pursuant to the Plan Settlement. The Plan Settlement constitutes a settlement of the potential litigation of issues including, among other things, the validity, enforceability and priority of various Inter-Debtor Claims, the allocation of value between and among the Debtors' Estates, including the allocation of the FE Settlement Value among the Debtors, and incorporates the Mansfield Settlement. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of each of the compromises and settlements contemplated herein and comprising the Plan Settlement, and the Bankruptcy Court's findings shall constitute its determination that such compromises and settlements are in the best interests of the Debtors, their Estates, Creditors, and other parties-in-interest, and are fair, equitable, and within the range of reasonableness. Each provision of the Plan, as it pertains to the settlements incorporated herein, shall be deemed non-severable from each other and from the remaining terms of the Plan. Subject to Article VI of the Plan, all distributions made to Holders of Allowed Claims and Allowed Interests in any Class are intended to be and shall be final. As set forth herein, the Plan Settlement will be implemented as follows:

1. FE Settlement Agreement.

The FE Non-Debtor Parties shall pay the Estates the FE Settlement Value in accordance with the terms of the FE Settlement Agreement and the FE Settlement Order. In exchange for the FE Non-Debtor Parties' contributions to the Chapter 11 Cases, including the FE Settlement Value, the FE Non-Debtor Parties shall be entitled to the Party Releases, the FE Non-Debtor Parties' Third Party Releases, the

Exculpations and the Injunctions set forth in the Plan, along with the other consideration provided to the FE Non-Debtor Parties under the FE Settlement Agreement.

On the Effective Date, in consideration for the Party Releases, the FE Non-Debtor Parties' Third Party Releases, the Exculpations and the Injunctions set forth in the FE Settlement Agreement and the Plan, along with the other consideration provided to the FE Non-Debtor Parties in the FE Settlement Agreement, the FE Non-Debtor Parties shall release any and all prepetition Claims against the Debtors (except for any Claims under the Tax Allocation Agreement on account of tax year 2018), all Employee Related Claims (as defined in the FE Settlement Agreement), except as expressly provided for in the FE Settlement Agreement, and certain postpetition claims as expressly provided in the FE Settlement Agreement. In addition, on the Effective Date, the FE Non-Debtor Parties will also waive and release the following Claims arising after the Petition Date: (i) any Claims under the FE/FES Revolver including, without limitation, any Claims for postpetition interest; (ii) any Claims related to the Rail Claim Settlement; (iii) any Claims held by AE Supply against FES in respect of the AE Supply/FES Note, including, without limitation, any Claims for postpetition interest; and (iv) any Claims from FE Corp.'s ownership interest in the Mansfield 2007 Trust F including, without limitation, any tax or other indemnity Claims arising from the rejection of the Mansfield Facility Documents. Because the FE Non-Debtor Parties are releasing any and all prepetition Claims against the Debtors, the FE Non-Debtor Parties shall not vote on the Plan. To the extent the FE Settlement Agreement is terminated, nothing contained in the Plan shall be deemed to waive or release any Claims held by the FE Non-Debtor Parties under any subsequent plan of reorganization or liquidation.

2. Allocation of FE Settlement Consideration Among the Estates.

The FE Settlement Value contributed to the Estates as part of the FE Settlement Agreement will be paid to the Estates in accordance with the terms of the Plan, the FE Settlement Agreement, and the FE Settlement Order. The FE Settlement Direct Consideration will be allocated among the Debtors as follows: (i) FES – 57.5%; (ii) FG – 23.4%; (iii) NG – 15.1%; (iv) FENOC – 2.7%; and (v) FGMUC – 1.3%.

3. Allocation of FE/FES Revolver Proceeds

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits under the Plan, the Plan shall constitute a good faith settlement of any and all potential or actual Claims or Causes of Action related to the allocation of the proceeds from the FE/FES Revolver. Such proceeds shall be allocated as follows: (i) FES -- $475,000,000; and (ii) FG -- $25,000,000.

4. Allocation of Proceeds from Sales of the Bay Shore Power Plant, West Lorain Power Plant and the RE Burger Power Plant.

On the Effective Date, the FG Mortgage Indenture Trustee is authorized and directed to transfer to the Reorganized Debtors (i) FG's allocable share of the proceeds from the sale of the Bay Shore Power Plant, (ii) the proceeds from the sale of the West Lorain Power Plant, if any, allocable to assets covered by the FG Mortgage, (iii) proceeds from the RE Burger Power Plant sale, and (iv) any additional proceeds from the sale of other collateral securing the Secured FG PCN Claims.

5. Allocation of Administrative Expense Claims and Distributable Value Adjustment.

For the purposes of the Plan Settlement, the Allocated Administrative Expenses were allocated among the Debtor entities on a ratable basis based on the estimated amount of Unsecured Non-Priority

Claims against each Debtor, taking into account any guarantee claims against such Debtor; *provided* that to the extent an Estimated Administrative Expense was directly attributable to a particular Debtor such claim was allocated to that particular Debtor. Notwithstanding the foregoing, to the extent aggregate Allowed amount of Administrative Claims, Priority Claims, Other Priority Claims and Other Secured Claims differ from the Estimated Administrative Expenses, such difference, whether positive or negative, shall be allocated among the Classes of General Unsecured Claims and Unsecured Bondholder Claims (other than Inter-Debtor Claims and Convenience Claims) Pro Rata based on their respective Distributable Value Splits. Notwithstanding the foregoing, to the extent there are Allowed Administrative Claims arising from the PPA Appeal Proceeding Contracts, any such Claims shall be directly allocated to FES.

For the purposes of the Plan Settlement, certain components of Distributable Value were fixed. To the extent the sum of (i) the aggregate actual amount of accounts receivable for FENOC, FES, FG, NG and FGMUC as of the Effective Date and (ii) the actual amount of Cash in the FES bank accounts, other than the proceeds from the FE/FES Revolver, as of the Effective Date, differs from the sum of (x) the projected aggregate amount of the accounts receivable for FENOC, FES, FG, NG, and FGMUC as of the Effective Date used for the purposes of the Plan Settlement and (y) the projected amount of Cash in the FES bank accounts, other than the proceeds from the FE/FES Revolver, as of the Effective Date used for purposes of the Plan Settlement, such difference, whether positive or negative, shall be allocated among the Classes of General Unsecured Claims and Unsecured Bondholder Claims (other than Inter-Debtor Claims and Convenience Claims) Pro Rata based on their respective Distributable Value Splits.

Pursuant to the Plan Settlement, the Plan establishes a Distributable Value for each Debtor entity and fixes the Distributable Value Splits in accordance with such value after taking into account the various reallocations embodied in the Plan Settlement. The reasonableness of the Distributable Value for each Debtor in accordance with the Plan Settlement is supported by the valuation analysis conducted by Lazard Frères & Co., LLC ("Lazard"), the Debtors' investment banker, and attached to the Disclosure Statement as Exhibit E.

Prior to the Effective Date, the Debtors will calculate, in accordance with the terms and conditions of this Plan, (i) the final Distributable Value Splits applicable to the Classes of General Unsecured Claims and Unsecured Bondholder Claims (other than Inter-Debtor Claims and Convenience Claims), (ii) the updated estimated Allowed amount of Administrative Claims, Priority Tax Claims, Other Priority Claims and Other Secured Claims, and (iii) the allocation of the Distributable Value Adjustment to such Classes. Prior to the Effective Date, the Debtors shall consult with the advisors to the Committee, the Ad Hoc Noteholders Group, the Mansfield Certificateholders Group and the FES Creditor Group with respect to such calculations. Additionally, prior to the Effective Date, the Debtors, with the reasonable consent of the Requisite Supporting Parties and the Committee shall determine an amount of cash, if any, necessary to reserve for Administrative Claims that have not been Allowed and remain disputed as of the Effective Date.

6. Inter-Debtor Claims.

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits under the Plan, the Plan shall constitute a good faith settlement of any and all potential or actual objections to the validity or allowance of the Inter-Debtor Claims. Entry of the Confirmation Order shall constitute approval of the Allowed amount of the Inter-Debtor Claims, as follows: (i) the prepetition Inter-Debtor Claims of FG against FES shall be Allowed as unsecured claims in the aggregate amount of $1,488,190,630; (ii) the prepetition Inter-Debtor Claims of NG against FES shall be Allowed as Unsecured Claims in the aggregate amount of $1,670,896,976; (iii) the prepetition Inter-Debtor Claims of FENOC against FES shall be Allowed as

Unsecured Claims in the aggregate amount of $28,000,000; (iv) the postpetition Inter-Debtor Claims of FG against FES shall be Allowed as superpriority Administrative Claims in an amount equal to $120,291,389; (iv) the postpetition Inter-Debtor Claims of NG against FES shall be Allowed as superpriority Administrative Claims in an amount equal to $238,431,879; (v) the prepetition Inter-Debtor Claims of FGMUC against FG shall be Allowed as Unsecured Claims in the aggregate amount of $901,881,812; (vi) the postpetition Inter-Debtor Claims of FGMUC against FG shall be disallowed in full; (vii) the postpetition Inter-Debtor Claims of FENOC against FES shall be Allowed as super-priority Administrative Claims in the amount of $2,000,000; (viii) the postpetition Inter-Debtor Claims of FENOC against NG shall be allowed as super-priority Administrative Claims in the amount of $69,929,041; and (ix) all other Inter-Debtor Claims shall be treated as if Allowed as set forth in the Plan.

In connection with the resolution of the FENOC postpetition Inter-Debtor Claim against FES, $12,500,000 of the aggregate value otherwise available for distribution to Holders of Allowed Unsecured Bondholder Claims shall be reallocated to the Holders of Allowed FES Single-Box Unsecured Claims and Allowed FENOC-FES Unsecured Claims.

Notwithstanding anything to the contrary contained in the Plan, including but not limited to the approval of the Allowed amounts of the Inter-Debtor Claims, in lieu of Cash payment or other distribution to the Debtors holding such Inter-Debtor Claims, the value of distributions on account of such Inter-Debtor Claims may be made to the Holders of Allowed Unsecured Claims against the Debtor holding such Inter-Debtor Claims in accordance with the terms and conditions of this Plan.

7. Settlement of Valuation of the Debtors' Estates and Allocation of Value Among the Debtors' Creditors.

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits under the Plan, the Plan shall constitute a good faith settlement of any and all potential claims, disputes, causes of action or objections with respect to the allocation of value of the Debtors' Estates (including the value of the Debtors' generation assets and other businesses) between and among the Debtors and their Creditors. In addition to the Plan Settlement of potential or actual objections to the validity or allowance of the Inter-Debtor Claims, and as settlement for, among other things, arguments and assertions that the Debtors' Estates should be substantively consolidated, the Reallocation Pool consisting of $45,750,000 of the aggregate value otherwise available for distribution to Holders of Allowed Unsecured Bondholder Claims shall be reallocated to the Holders of Allowed Single-Box Unsecured Claims against the various Debtors ratably based on the allocation of FE Settlement Value between and among the Debtors; *provided, however*, that the NG Reallocation shall in turn be re-allocated Pro Rata to Holders of Allowed FES Single-Box Unsecured Claims. For the avoidance of doubt, prepetition Inter-Debtor Claims shall not receive a recovery from the Reallocation Pool or any portion of the NG Reallocation Pool.

B. *Restructuring Transactions.*

1. Restructuring Transactions, Generally.

On the Effective Date, the Debtors or the Reorganized Debtors, as applicable, will effectuate the Restructuring Transactions, and will take any actions as may be necessary or advisable to effect a corporate restructuring of their respective businesses or a corporate restructuring of the overall corporate structure of the Debtors, to the extent provided herein. The actions to implement the Restructuring Transactions may include: (i) the execution and delivery of appropriate agreements, or other documents of merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are consistent with the terms

of the Plan and that satisfy the requirements of applicable law and any other terms to which the applicable Entities may agree; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable parties agree; (iii) the filing of appropriate certificates or articles of incorporation, formation, reincorporation, merger, consolidation, conversion, amalgamation, arrangement, continuance, dissolution, or other organizational documents pursuant to applicable state law; and (iv) all other actions that the applicable Entities determine to be necessary or advisable, including making filings or recordings that may be required by law in connection with the Plan, in each case in form and substance reasonably acceptable to the Requisite Supporting Parties, and except as otherwise specifically provided herein, the Committee.

The Confirmation Order shall and shall be deemed to, pursuant to both section 1123 and section 363 of the Bankruptcy Code, authorize, among other things, all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, including the Restructuring Transactions.

2. Implementation of FE Settlement Agreement.

On the Effective Date, the FE Settlement Agreement shall be implemented in accordance with the terms and conditions of the FE Settlement Agreement and the FE Settlement Order, without waiving any rights of any of the Debtors, the Reorganized Debtors, or the FE Non-Debtor Parties, as applicable, under the FE Settlement Agreement or FE Settlement Order. The Debtors shall be authorized to, with the reasonable consent of the Requisite Supporting Parties and the Committee, enter into one or more transactions to monetize the New FE Notes on or as soon as practicable after the Effective Date. The allocation of the FE Settlement Value and all distributions of FE Settlement Value under the Plan are integral parts of the Plan Settlement and the settlements contained therein, including, but not limited to the settlement of Inter-Debtor Claims, the settlement of the valuation of the Debtors' Estates and the settlement of the allocation of value as between the Debtors' Creditors. Therefore, the FE Settlement Agreement and the terms thereof that are reflected in the Plan are non-severable elements of the Plan and necessary conditions to the Confirmation and Consummation of the Plan.

a. Manner of Debtors' Separation from FE Non-Debtor Parties.

The Debtors shall be separated from the FE Non-Debtor Parties as follows:

1. On the Effective Date, the existing FE Corp. interests in FENOC shall be cancelled and, subject to Article IV.F of the Plan, Reorganized FENOC shall contribute all the new common stock of Reorganized FENOC to Reorganized FES; and

2. On the Effective Date, the existing FE Corp. Interests in Reorganized FES shall be cancelled and, subject to Article IV.F of the Plan, Reorganized FES shall issue the New FES Common Stock.

b. Tax Matters Agreement.

On the Effective Date, in consideration for the Party Releases, the FE Non-Debtor Parties' Third Party Releases, the Exculpations and the Injunctions set forth in the FE Settlement Agreement and the Plan, along with the other consideration provided to the FE Non-Debtor Parties under the FE Settlement Agreement, the Reorganized Debtors and the FE Non-Debtor Parties shall enter into the Tax Matters Agreement. After the Effective Date, the Tax Matters Agreement shall not be amended or modified in

any manner without the written consent of the Reorganized Debtors. The Tax Matters Agreement shall provide for the following: (i) the FE Non-Debtor Parties will, with the Debtors' or Reorganized Debtors', as applicable, review and consultation (beginning for tax year 2018), timely prepare in the ordinary course of business: (a) the U.S. federal income tax returns reflecting the Debtors' membership in the FE Consolidated Tax Group, and (b) any and all state and local income or other tax returns (including, but not limited to, income, franchise, use, property tax returns and other similar returns), in each case, for any tax period ending on or before the Effective Date; *provided, however*, that FE Corp. shall not be required to take any action, or omit to take any action, that would result in an adverse effect on any of the FE Non-Debtor Parties; (ii) FE Corp. shall not take or cause to be taken the Worthless Stock Deduction with effect prior to the Effective Date; (iii) the Debtors and the FE Non-Debtor Parties shall cooperate in developing a strategy for the Debtors to exit from chapter 11 that minimizes adverse tax consequences to the Reorganized Debtors and their stakeholders, *provided, however*, that FE Corp. shall not be required to take any action, or omit to take any action, that would result in an adverse effect on any of the FE Non-Debtor Parties; (iv) FE Corp. shall cooperate with reasonable tax diligence inquiries from the Debtors, the Committee, and the Consenting Creditors regarding historical intercompany tax issues and tax consequences of different chapter 11 exit structures, including in connection with any sale of the Debtors' assets; and (v) the FE Non Debtor Parties and the Debtors or Reorganized Debtors, as applicable, shall agree to reasonably cooperate regarding any audit or tax.

3. Implementation of Mansfield Settlement.

Entry of the Confirmation Order, pursuant to Bankruptcy Rule 9019 and section 1123 of the Bankruptcy Code, shall constitute approval of the Mansfield Settlement, on the terms set forth herein. The Mansfield Settlement constitutes a good faith compromise and settlement of the Mansfield Certificate Claims held by the Mansfield Indenture Trustee, and of the potential objections to the amount, priority and availability or applicability of any guarantees related to such Claims. The Plan shall implement the terms of the Mansfield Settlement, as follows: (i) allowance of the Mansfield Certificate Claims in the amount of $786,763,400.00, (ii) the allowance of the Mansfield Certificate Claims as Unsecured Claims against each of FGMUC, FG, NG and FES in the aforementioned amount, (iii) the treatment as unencumbered property of the Debtors' estates of (a) the undivided interest in 93.825% of Mansfield Unit 1 that is the subject to the leveraged sale and leaseback transaction and (b) any and all insurance proceeds recovered on account of Mansfield Unit 1 and any additional value attributable to Mansfield Unit 1 to which the Mansfield Indenture Trustee might otherwise be entitled; (iv) the transfer of a Pro Rata share of any recovery distributed to the Mansfield Indenture Trustee, on behalf of the Holders of Mansfield Certificate Claims, on account of the Mansfield Certificate Claims against FGMUC to the Indenture Trustees for the PCNs and the FES Notes Indenture Trustee, based on the proportion that the Allowed amount of each of the Mansfield Certificate Claims, on the one hand, and Unsecured PCN Claims and FES Notes Claims, on the other hand, in each case against FES, bear to the aggregate Allowed amount of Mansfield Certificate Claims, Unsecured PCN Claims and FES Notes Claims at FES, (v) the transfer to NG of any insurance proceeds recovered on account of Mansfield Unit 1 and any additional value attributable to Mansfield Unit 1, (vi) the Confirmation Order shall serve as an order authorizing the rejection, *nunc pro tunc* to the Petition Date, of the Mansfield Facility Documents; (vii) $10,000,000 of the aggregate Unsecured Distributable Value from all Debtors otherwise available for distribution to the Holders of the Mansfield Certificate Claims shall be reallocated to the Holders of the Unsecured PCN/FES Notes Claims and (viii) the release and discharge of all other prepetition Mansfield Certificate Claims held by the Mansfield Indenture Trustee and any Holder of Mansfield Certificate Claims. The Mansfield Settlement further contemplates that ownership of Mansfield Unit 1 will be transferred to FG and authorizes the parties to the Mansfield Settlement to take any actions necessary in furtherance of that transfer, including any necessary regulatory filings or filings with FERC. The Mansfield Indenture Trustee is authorized to take any actions reasonably necessary in order to facilitate the Mansfield

Settlement, and the Confirmation Order shall so provide. On the Effective Date, the Mansfield Facility Documents shall be deemed rejected as of the Petition Date.

4. Issuance and Distribution of New FES Common Stock.

On the Effective Date, or as soon as reasonably practicable thereafter, the New FES Common Stock shall be distributed in accordance with the Plan. The New FES Common Stock shall be subject to dilution by any New FES Common Stock issued pursuant to the Management Incentive Plan. The issuance of the New FES Common Stock by FES, including options, stock appreciation rights, or other equity awards, if any, contemplated by the Management Incentive Plan, is authorized without the need for any further corporate action and without any further action by the Holders of Claims or Interests.

The New FES Common Stock will be issued in global certificate form only and registered to DTC, which interests in the certificate being held through DTC participants, for so long as the shares of New FES Common Stock are eligible to be held through DTC. Holders must follow specified procedures to designate a direct or indirect DTC participant to receive their shares of New FES Common Stock.

All of the New FES Common Stock issued pursuant to the Plan, including the New FES Common Stock issued pursuant to section 1145 of the Bankruptcy Code and the New FES Common Stock issued pursuant to other exemptions from registration under the Securities Act, shall be duly authorized, validly issued, fully paid, and non-assessable. Each distribution and issuance of New FES Common Stock under the Plan shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance.

On the Effective Date, Reorganized FES and each of the other Reorganized Debtors shall be private companies. As such, upon the Effective Date, (i) the New FES Common Stock shall not be registered under the Securities Act or the Securities Exchange Act, and shall not be listed for public trading on any securities exchange, and (ii) none of the Reorganized Debtors will be a reporting company under the Securities Exchange Act. In order to prevent the Reorganized Debtors from becoming subject to the reporting requirements of the Securities Exchange Act, except in connection with a public offering, the New FES Common Stock shall be subject to certain transfer and other restrictions pursuant to the New Organizational Documents and/or the Reorganized Debtor Stockholders' Agreement. Any Holder of New FES Common Stock who does not execute the Reorganized Debtors' Stockholders' Agreement will be automatically deemed to have accepted the terms of such agreement and to be a party to such agreement without further action.

5. Effective Date Cash Distribution.

The Requisite Supporting Parties and the Debtors, in consultation with the Committee, may agree to distribute Cash, in addition to New FES Common Stock, to those creditors who will receive distributions of New FES Common Stock under the Plan, in which case such Cash shall be distributed ratably based on such creditors' holdings of the New FES Common Stock. For the avoidance of doubt, such Cash distribution shall be funded solely by Cash that would otherwise be transferred to the Reorganized Debtors on the Effective Date and will not increase the value of recoveries to those creditors receiving such Cash distributions.

6. Unsecured Bondholder Cash Pool.

Holders of Allowed Unsecured Bondholder Claims shall have the option to elect to receive, in lieu of New FES Common Stock, their Pro Rata share (based on the Allowed principal amount of such

Claims) of Cash equal to the aggregate value of New FES Common Stock distributed to Holders of Allowed General Unsecured Claims who have an election to receive New FES Common Stock and make such an election; *provided* that to the extent the Unsecured Bondholder Cash Pool is insufficient to provide each Electing Bondholder its allocable recovery of Unsecured Distributable Value in accordance with the Plan, Electing Bondholders shall receive the remainder of their distribution in New FES Common Stock in accordance with the Plan; *provided further*, that to the extent there is surplus Cash in the Unsecured Bondholder Cash Pool after taking into account distributions to the Electing Bondholders on account of their Unsecured Bondholder Claims, such Cash shall revert to the Reorganized Debtors. For the avoidance of doubt, the maximum amount of Cash contributed to the Unsecured Bondholder Cash Pool shall be the amount of Cash that is equal to the aggregate value of New FES Common Stock distributed to Holders of Allowed General Unsecured Claims who have made an election to receive New FES Common Stock.

In order to elect to receive their Pro Rata share of the Unsecured Bondholder Cash Pool, an Electing Bondholder will be required to submit a subscription form to their broker, bank, commercial bank, transfer agent, trust company, dealer, or other agent or nominee, or, in the event an Electing Bondholder holds their Unsecured Bondholder Claims directly on the books of the transfer agent in their own name, to Prime Clerk no later than thirty (30) days prior to the Effective Date. Following an election to participate in the Unsecured Bondholder Cash Pool, the related PCNs, FES Notes, or Mansfield Certificates held through DTC will be frozen from trading.

7. Dissolution and Liquidation of Certain Debtor Entities.

FE Aircraft and such other Debtors as designated by the Debtors, shall be dissolved and liquidated in accordance with the Plan and applicable law without any further court or corporate action, including the filing of any documents with the Secretary of State for any state in which any such entity is incorporated or any other jurisdiction, *provided, however*, that the Debtors or Reorganized Debtors, as applicable, shall be permitted to make such filings as they deem reasonable or necessary in their sole discretion. For the avoidance of doubt, none of (i) the Debtors, (ii) the Reorganized Debtors, (iii) the FE Non-Debtor Parties, (iv) the Consenting Creditors, (v) the Committee or its members solely in their capacities as such, or (vi) with respect to each of the foregoing Entities in clauses (i) through (v), such Entity and its current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers (including all Independent Directors and Managers), officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agent, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such, shall have or incur any liability whatsoever in connection with or as a result of the dissolution or liquidation of any entity, in accordance with the terms of this Article IV.B.7.

C. *Sources of Consideration for Plan Distributions.*

Distributions under the Plan shall be funded with, as applicable: (i) the New FES Common Stock, (ii) Cash on hand at the Debtors, and (iii) the FE Settlement Value contributed to the Debtors under the FE Settlement Agreement and the FE Settlement Order. Each distribution and issuance referred to in Article VI of the Plan shall be governed by the terms and conditions set forth herein applicable to such distribution or issuance and by the terms and conditions shall bind each Entity receiving such distribution or issuance. The issuance of the New FES Common Stock in connection with the Plan will be exempt from SEC registration to the fullest extent permitted by law.

1. Cash on Hand at the Debtors.

The Debtors shall use Cash on hand at the Debtors to fund Cash distributions to certain Holders of Claims against the Debtors in accordance with the Plan.

2. New FES Common Stock.

Reorganized FES shall be authorized to issue up to [__] shares of New FES Common Stock, subject to dilution by the Management Incentive Plan. Reorganized FES shall issue all securities, instruments, certificates, and other documents required to be issued for the New FES Common Stock in respect of Reorganized FES or its subsidiaries. All of the shares of New FES Common Stock issued pursuant to the Plan shall be duly authorized, validly issued, fully paid, and non-assessable.

3. FE Settlement Value.

The FE Settlement Value received by the Debtors pursuant to the FE Settlement Agreement and the FE Settlement Order, including the FE Settlement Cash and the proceeds of the New FE Notes may be used to fund Cash distributions to certain Holders of Allowed Claims and Allowed Interests against the Debtors in accordance with the Plan.

D. *Corporate Existence.*

Except as otherwise provided in the Plan, including as set forth in Article IV.B.7, each Debtor shall continue to exist after the Effective Date as a separate corporate Entity, limited liability company, partnership, or other form, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificates of incorporation and by-laws (or other formation documents) in effect before the Effective Date, except to the extent such certificates of incorporation and by-laws (or other formation documents) are amended under the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable state or federal law).

E. *Vesting of Assets in Reorganized Debtors.*

Except as otherwise provided in the Plan, and subject to any transfer of Assets of FES and/or FENOC as described in Article IV.F, on the Effective Date, all property in each Estate, all Causes of Action, and any property acquired by any of the Debtors pursuant to the Plan shall vest in each applicable Reorganized Debtor, free and clear of all Liens, Claims, charges, Interests, or other encumbrances. Except as otherwise provided in the Plan, on and after the Effective Date, each of the Reorganized Debtors may operate their business and may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

F. *Transfer of FES and/or FENOC Assets to New Entities.*

At the election of the Debtors and the Requisite Supporting Parties, in consultation with the Committee, on the Effective Date, FES and/or FENOC may transfer all of their Assets to newly created entities, including the transfer by FES of its Assets to New FES or such other new entity to be formed, or a combination thereof.

FES and/or FENOC and such newly created entities, shall continue to exist as separate legal Entities on and after the Effective Date, having all rights and powers under applicable law. Immediately after consummation of the transfer of Assets to such newly created entities, (i) the Plan Administrator will serve as the sole director and officer of FES and/or FENOC, as applicable, and (ii) FES and/or FENOC, as applicable will change its name in a manner acceptable to the Debtors and the Requisite Supporting Parties, in consultation with the Committee.

EXCEPT AS OTHERWISE PROVIDED IN THE PLAN, NEITHER NEW FES OR ANY OTHER NEW ENTITY TO BE FORMED NOR ANY OTHER REORGANIZED DEBTOR SHALL HAVE OR BE CONSTRUED TO HAVE OR MAINTAIN, ANY LIABILITY, CLAIMS, OR OBLIGATION THAT IS BASED IN WHOLE OR IN PART ON ANY ACT, OMISSION, TRANSACTION, EVENT, OR OTHER OCCURRENCE OR THING OCCURRING OR IN EXISTENCE ON OR PRIOR TO THE EFFECTIVE DATE OF THE PLAN (INCLUDING, WITHOUT LIMITATION, ANY LIABILITY, CLAIM OR OBLIGATION ARISING UNDER APPLICABLE NON-BANKRUPTCY LAW AS A SUCCESSOR TO FES AND/OR FENOC) AND NO SUCH LIABILITY, CLAIM, OR OBLIGATION FOR ANY ACTS SHALL ATTACH TO NEW FES OR ANY OTHER NEW ENTITY TO BE FORMED OR THE OTHER REORGANIZED DEBTORS.

G. *Cancellation of Existing Securities and Agreements.*

Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in the Plan or Plan Supplement, on the Effective Date: (i) the obligations of the Debtors under the Indentures, and any other certificate, share, note, bond, indenture, purchase right, option, warrant, contract, agreement, or other instrument or document, directly or indirectly, evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors giving rise to any Claim or Interest (except such indentures, certificates, notes, or other instruments or documents evidencing indebtedness or obligations of the Debtors that are specifically Reinstated pursuant to the Plan) shall be cancelled solely as to the Debtors and the Reorganized Debtors, and the Reorganized Debtors shall not have any continuing obligations thereunder; *provided, however* that the Indentures evidencing indebtedness or obligations not specifically Reinstated pursuant to the Plan shall continue in effect solely for the purposes of (a) allowing the Holders of Unsecured Bondholder Claims to receive distributions on account of their Claims as provided in the Plan, (b) allowing the Indenture Trustees, as applicable, to make distributions to be made on account of the Unsecured Bondholder Claims, (c) preserving the Indenture Trustee's rights to compensation and indemnity under each of the applicable Indentures as against any money or property distributed or allocable to Holders of Unsecured Bondholder Claims, including the Indenture Trustee's rights to maintain, enforce, and exercise their respective charging liens against such money or property, (d) permitting the Indenture Trustees, as applicable, to enforce any right or obligation owed to them under the Plan, and (e) permitting the Indenture Trustees to appear in the Chapter 11 Cases or in any proceeding in the Bankruptcy Court or any other court after the Effective Date on matters relating to the Plan or the Indentures; (ii) the FE/FES Revolver shall be cancelled as to the Debtors and the Reorganized Debtors, and the Reorganized Debtors shall not have any continuing obligations thereunder; and (iii) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors (except such agreements, indentures, certificates, notes, or other instruments evidencing indebtedness or obligations of the Debtors that are specifically Reinstated pursuant to the Plan) shall be released and discharged. For the avoidance of doubt, each of the Indenture Trustees shall be entitled to assert its respective charging liens arising under and in accordance with the applicable Indenture and any ancillary document, instrument, or agreement to obtain payment of its fees and expenses. On and after the

Effective Date, all duties and responsibilities of each Indenture Trustee under the applicable Indenture shall be fully discharged except to the extent required in order to effectuate the Plan, including the continued obligations of the Secured PCN Indenture Trustees with respect to the Secured FG PCN Reinstated Claims and the Secured NG PCN Claims that will be Reinstated pursuant to the Plan. Subsequent to the performance by each Indenture Trustee of its obligations pursuant to the Plan and the Confirmation Order, such Indenture Trustee and its agents shall be relieved of all further duties and responsibilities related to the applicable Indenture.

H. *Corporate Action.*

On the Effective Date, or as soon thereafter as is reasonably practicable, all actions contemplated by the Plan shall be deemed authorized and approved in all respects, including: (i) implementation of the Restructuring Transactions; (ii) selection of the directors and officers for the Reorganized Debtors; (iii) issuance and distribution of the New FES Common Stock; and (iv) all other actions contemplated under the Plan (whether to occur before, on, or after the Effective Date). All matters provided for herein involving the corporate structure of the Debtors or the Reorganized Debtors, as applicable, and any corporate action required by the Debtors or the Reorganized Debtors in connection with the Plan shall be deemed to have occurred and shall be in effect as of the Effective Date, without any requirement of further action by the Bankruptcy Court, the Debtors, the Reorganized Debtors, or their respective security holders, directors, managers, or officers. On or before the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors shall be authorized and, as applicable, directed to issue, execute, and deliver the agreements, documents, securities, and instruments, and take such actions, contemplated under the Plan (or necessary or desirable to effect the transactions contemplated under the Plan) in the name of and on behalf of the Debtors or the Reorganized Debtors, as applicable, including the issuance of the New FES Common Stock, and any and all other agreements, documents, securities, and instruments relating to the foregoing, and all such documents shall be deemed ratified. The authorizations and approvals contemplated by this Article IV.H shall be effective notwithstanding any requirements under non-bankruptcy law.

I. *FERC Approvals.*

On the Effective Date, the FERC-Jurisdictional Debtors, and those Consenting Creditors who are party to the relevant Restructuring Transactions which require such authorization, shall have received FPA 203 Authorization for the Restructuring Transactions. The FERC-Jurisdictional Debtors, and those Consenting Creditors who are party to the relevant Restructuring Transactions, shall cooperate to submit one or more application(s) requesting such FPA 203 Authorization from FERC at least 120 days prior to the Effective Date. FPA 203 Authorization shall be requested for, at a minimum, separation of the FERC-Jurisdictional Debtors from the FE Non-Debtor Parties, the transfer of ownership of the Mansfield Facility to FG, and the reorganization of FES into Reorganized FES.

J. *New Organizational Documents.*

The New Organizational Documents shall be consistent with the Restructuring Support Agreement and in form and substance reasonably acceptable to the Debtors, the Committee, and the Requisite Supporting Parties.

On the Effective Date, each of the Reorganized Debtors will file its New Organizational Documents with the applicable Secretaries of State and/or other applicable authorities in its respective state of incorporation or formation in accordance with the applicable laws of the respective state of incorporation or formation. Pursuant to section 1123(a)(6) of the Bankruptcy Code, the New Organizational Documents will prohibit the issuance of non-voting equity securities. After the Effective

Date, the Reorganized Debtors may amend and restate their respective New Organizational Documents and other constituent documents as permitted by the laws of their respective state of incorporation and its respective New Organizational Documents.

K. *Directors and Officers of the Reorganized Debtors.*

As of the Effective Date, the term of the current members of the board of directors or managers of the applicable Debtors shall expire, and the New Boards of directors or managers and the officers of each of the Reorganized Debtors shall be appointed in accordance with the Plan and the respective New Organizational Documents. The New Board shall consist of no fewer than seven (7) members, who shall initially consist of: (i) one (1) member who shall be the chief executive officer or Reorganized FES; (ii) Mr. John Kiani; (iii) two (2) members designated by Nuveen Asset management, LLC on behalf of the Nuveen noteholders; *provided*, that one (1) such member (a) shall be independent of any stockholder with nomination rights, including Nuveen Asset Management, LLC, and (b) shall be reasonably acceptable to the Mansfield RSA Majority (as defined in the Restructuring Support Agreement); (iv) one (1) member designated by Avenue Capital Management II L.P.; (v) one (1) member who shall serve as executive chairman of the New Board designated jointly by the Ad Hoc Noteholder Group and the Mansfield RSA Majority (as defined in the Restructuring Support Agreement) subject to the reasonable consent of the Committee; and (vi) one (1) member designated jointly by the Ad Hoc Noteholder Group, the Mansfield RSA Majority (as defined in the Restructuring Support Agreement), and the Committee, who shall be independent of any stockholder with nomination rights, and shall be an individual with relevant industry or regulatory experience, *provided, however*, that the requirement of relevant industry or regulatory experience may be waived at the discretion of, and jointly by, the Ad Hoc Noteholder Group, the Mansfield RSA Majority, and the Committee.

Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Debtors will disclose in the Plan Supplement the identity and affiliations of any person proposed to serve on the initial board of directors or be an officer of each of the Reorganized Debtors. To the extent any such director or officer of the Reorganized Debtors is an "insider" under the Bankruptcy Code, the Debtors also will disclose the nature of any compensation to be paid to such director or officer.

L. *Section 1146 Exemption.*

Pursuant to, and to the fullest extent permitted by, section 1146 of the Bankruptcy Code, any transfers of property pursuant to, in contemplation of, or in connection with, the Plan, including without limitation (i) the Restructuring Transactions; (ii) the issuance of the New FES Common Stock; (iii) the assignment or surrender of any lease or sublease; and (iv) the delivery of any deed or other instrument or transfer order, in furtherance of, or in connection with the Plan, including any deeds, bills of sale, or assignments executed in connection with any disposition or transfer of assets contemplated under the Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer, mortgage recording tax, or other similar tax, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment.

M. *Director, Officer, Manager, and Employee Liability Insurance.*

On or before the Effective Date, the Debtors, on behalf of the Reorganized Debtors, will obtain sufficient liability insurance policy coverage for the benefit of the Debtors' respective current and former directors, managers (including all Independent Directors and Managers), officers, and employees on

terms no less favorable to the directors, managers, officers, and employees than the Debtors' existing director, officer, manager, and employee coverage and with an available aggregate limit of liability upon the Effective Date of no less than the aggregate limit of liability under the existing director, officer, manager, and employee coverage upon placement. After the Effective Date, none of the Debtors or Reorganized Debtors shall terminate or otherwise reduce the coverage under any director, officer, manager, and employee insurance policies (including the "tail policy") in effect on the Effective Date, with respect to conduct occurring prior thereto, and all officers, directors, managers (including all Independent Directors and Managers), and employees of the Debtors who served in such capacity at any time before the Effective Date shall be entitled to the full benefits of any such policy for the full term of such policy regardless of whether such officers, directors, managers, or employees remain in such positions after the Effective Date.

N. *Management Incentive Plan.*

Upon the Effective Date, the New FES Board shall adopt the Management Incentive Plan providing for the issuance of New FES Common Stock, which Management Incentive Plan shall not authorize the issuance of in excess of 7.5% of the New FES Common Stock as of the Effective Date (on a fully diluted basis). The Management Incentive Plan shall provide for distribution of the Incentive Securities. Other terms of the Management Incentive Plan will include vesting, apportionment, forfeiture and granting of the Incentive Shares. The terms of any Management Incentive Plan shall be disclosed in the Plan Supplement (or left to the determination by the New FES Board following the Effective Date) and shall be reasonably acceptable to the Debtors, the Committee, and the Requisite Supporting Parties to the extent disclosed in the Plan Supplement.

O. *Employee Obligations and Management Employment Contracts.*

The Debtors' Incentive and Retention Plans shall be deemed to be assumed by the Reorganized Debtors. On the Effective Date, the Reorganized Debtors shall enter into the New Management Employment Contracts.

P. *Transition Working Group Management Agreement.*

The Debtors shall enter into the Transition Working Group Management Agreement which shall provide for the terms of services provided by the members of the Transition Working Group who are not employees of the Debtors and for compensation and reimbursement of expenses for such members. The Transition Working Group Management Agreement shall be filed as part of the Plan Supplement and shall become effective on the Confirmation Date.

Q. *Preservation of Causes of Action.*

In accordance with section 1123(b) of the Bankruptcy Code, but subject to Article VIII, except as otherwise provided in the Plan, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue any and all Causes of Action belonging to the Debtors' Estates, whether arising before or after the Petition Date, including any actions specifically enumerated in the Plan Supplement, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the applicable Effective Date, other than: (i) the Causes of Action released by the Debtors pursuant to the releases and exculpations contained in the Plan, including in Article VIII, which shall be deemed released and waived by the Debtors and Reorganized Debtors as of the Effective Date; (ii) the Causes of Action released by the Debtors pursuant to the FE Settlement Agreement; and (iii) the Causes of Action specifically retained by the Debtors' Estates that are subject to the authority of the Plan Administrator.

The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors. **No entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as an indication that the Debtors or the Reorganized Debtors, as applicable, will not pursue any and all available Causes of Action against it.** Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled herein or in a Bankruptcy Court order, the Reorganized Debtors expressly reserve all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise) or laches, shall apply to such Causes of Action upon, after, or as a consequence of Confirmation or Consummation.

The Reorganized Debtors reserve and shall retain the Causes of Action that are vested with the Reorganized Debtors, but subject to Article VIII of the Plan notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan. Except as otherwise provided in the Plan, any Causes of Action that a Debtor may hold against any Entity shall vest in the Reorganized Debtors in accordance with section 1123(b)(3) of the Bankruptcy Code. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action that is vested with the Reorganized Debtors and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

R. *Payment of Certain Fees.*

Without any further notice to or action, order, or approval of the Bankruptcy Court, the Reorganized Debtors shall pay on the Effective Date any reasonable and documented unpaid fees and expenses incurred on or before the Effective Date by professionals and the Mansfield Indenture Trustee payable under the *Order (i) Authorizing Debtors to Assume (a) the Process Support Agreement and (b) the Standstill Agreement and (ii) Granting Related Relief* [Docket No. 509] and pursuant to the Restructuring Support Agreement, including, for the avoidance of doubt, payment of any transaction completion fees to GLC Advisors & Co. as financial advisor to the Ad Hoc Noteholders Group, Guggenheim Securities LLC as financial advisor to the Mansfield Certificateholders Group, and Houlihan Lokey Capital, Inc., as financial advisor to the FES Creditor Group. The Reorganized Debtors shall pay the reasonable and documented fees of the Indenture Trustees and their counsel incurred in connection with the Chapter 11 Cases. The Reorganized Debtors shall indemnify the Indenture Trustees for any reasonable and documented fees and expenses (including the reasonable and documented fees and expenses of its counsel and agents) incurred after the Effective Date solely in connection with the implementation of the Plan, including but not limited to, making distributions pursuant to and in accordance with the Plan, and any disputes arising in connection therewith.

All amounts distributed and paid pursuant to this Article IV.R shall not be subject to disgorgement, setoff, recoupment, reduction, or reallocation of any kind.

S. *Plan Administrator.*

1. Appointment.

The Plan Administrator shall serve as Plan Administrator for each of the Debtors pursuant to the terms of the Plan Administrator Agreement.

2. Authority.

Subject to Article IV.S of the Plan and the terms of the Plan Administrator Agreement, the Plan Administrator shall have the authority and right on behalf of each of the Debtors, without the need for Bankruptcy Court approval (unless otherwise indicated), to carry out and implement all provisions of the Plan, including, without limitation, to:

a. except to the extent Claims have been previously Allowed, control and effectuate the Claims reconciliation process, including to object to, seek to subordinate, compromise or settle any and all Claims against the Debtors subject to Bankruptcy Court approval; *provided, however*, that where the Debtors have authorization to compromise or settle any Claims against the Debtors under a Final Order including the Confirmation Order, the Plan Administrator shall be authorized to compromise or settle such Claims after the Effective Date, in accordance with and subject to such Final Order and *provided further, however* that the settlement of any Allowed General Unsecured Claim in excess of $10,000,000 or any Administrative Claim or Priority Tax Claim or Other Priority Claim in excess of $1,000,000, shall require notice and an order of the Bankruptcy Court;

b. make Distributions to Holders of Allowed Claims in accordance with the Plan;

c. prosecute Claims and Causes of Action on behalf of the Debtors, and to elect not to pursue any Claims or Causes of Action and whether and when to compromise, settle, abandon, dismiss, or otherwise dispose of any such Claims or Causes of Action, as set forth in the Plan Administrator Agreement. A list of the Causes of Action to be retained by the Debtors and turned over the Plan Administrator shall be set forth in the Plan Supplement. Recoveries on such Causes of Action shall be (i) in the case of Holders of Allowed Claims against the applicable Debtor or Debtors that own such Causes of Action that received their distribution in Cash, distributed to such Holders on a Pro Rata basis in accordance with such Cash recoveries; and (ii) in the case of Holders of Allowed Claims against the applicable Debtor or Debtors that own such Causes of Action that received their distribution under the Plan (or any portion thereof) in the form of New FES Common Stock distributed in Cash to the Reorganized Debtors;

d. make payments to existing Professionals who will continue to perform in their current capacities;

e. retain professionals to assist in performing its duties under the Plan;

f. incur and pay reasonable and necessary expenses in connection with the performance of duties under the Plan, including the reasonable fees and expenses of professionals retained by the Plan Administrator; and

g. perform other duties and functions that are consistent with the implementation of the Plan and this provision.

3. Indemnification of Plan Administrator.

Subject to the terms of the Plan Administrator Agreement, each of the Debtors shall indemnify and hold harmless the Plan Administrator for any losses incurred in execution of its duties as the Plan Administrator, except to the extent such losses were the result of the Plan Administrator's gross negligence, willful misconduct or criminal conduct.

ARTICLE V.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. *Assumption and Rejection of Executory Contracts and Unexpired Leases.*

On the Effective Date, except as otherwise provided herein, all Executory Contracts or Unexpired Leases of the Debtors, not previously assumed or rejected pursuant to an order of the Bankruptcy Court, will be deemed to be Assumed Executory Contracts or Unexpired Leases, in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, other than those Executory Contracts or Unexpired Leases that: (i) previously were assumed or rejected by the Debtors; (ii) are identified on the list of Rejected Executory Contracts and Unexpired Leases filed with the Plan Supplement; (iii) are the subject of a motion to reject an Executory Contract or Unexpired Lease that is pending on the Effective Date; or (iv) are subject to a motion to reject an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection is on or after the Effective Date; *provided, however* that to the extent an Executory Contract or Unexpired Lease is among one or more Debtors and one or more FE Non-Debtor Parties, such Executory Contract or Unexpired Lease is deemed rejected as of the Effective Date, unless such Executory Contract or Unexpired Lease (a) has been previously assumed by the Debtors or (b) is identified on the list of Assumed Executory Contracts or Unexpired Leases. Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such assumptions and, to the extent applicable, assignments of the Executory Contracts and Unexpired Leases, and the rejection of the Executory Contracts or Unexpired Leases listed on the list of Rejected Executory Contracts and Unexpired Leases filed with the Plan Supplement pursuant to sections 365(a) and 1123 of the Bankruptcy Code, in each case effective as of the Effective Date. Any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date by a Final Order. Each Executory Contract and Unexpired Lease assumed pursuant to this Article V.A or by any order of the Bankruptcy Court, which has not been assigned to a third party before the Effective Date, shall revest in and be fully enforceable by the Reorganized Debtors in accordance with its terms, except as such terms are modified by the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption under applicable law. The Debtors or Reorganized Debtors, as applicable, reserve the right to alter, amend, modify, or supplement the list of Assumed Executory Contracts and Unexpired Leases and the schedules of Executory Contracts and Unexpired Leases with respect to the Debtors or Reorganized Debtors, as applicable, at any time through and including 45 days after the Effective Date, without the incurrence of any penalty or changing the priority or security of any Claims as a result of such treatment change. For the avoidance of doubt, nothing in this paragraph shall be deemed to apply to any collective bargaining agreement.

B. *Claims Based on Rejection of Executory Contracts or Unexpired Leases.*

Unless otherwise provided by a Final Order of the Bankruptcy Court, all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, pursuant to the Plan or the Confirmation Order, if any, must be Filed and served upon the Debtors or Reorganized Debtors, as applicable, within 30 days after the later of: (i) notice of entry of an order of the Bankruptcy

Court (including the Confirmation Order) approving such rejection; and (ii) the effective date of such rejection. **Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed and served within such time will be automatically disallowed, forever barred from assertion, and shall not be enforceable against the Debtors or the Reorganized Debtors, the Estates, or their property without the need for objection by the Reorganized Debtors or further notice to, or action, order, or approval of the Bankruptcy Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary.** All Allowed Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims against the applicable Debtor and shall be treated in accordance with the Plan, unless a different security or priority is otherwise asserted in such Proof of Claim and Allowed in accordance with Article VII of the Plan. In no event shall any counterparty to a Rejected Executory Contract or Unexpired Lease be permitted to exercise any non-monetary contractual remedies under such Executory Contract or Unexpired Lease against the Debtors, the Reorganized Debtors, their Estates or their respective properties. All such remedies shall, as of the Effective Date, be permanently enjoined. For the avoidance of doubt, nothing in this paragraph shall be deemed to apply to any collective bargaining agreement.

C. *Cure of Defaults for Assumed Executory Contracts and Unexpired Leases.*

Any monetary defaults under each Assumed Executory Contract or Unexpired Lease shall be satisfied pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash on the Effective Date, subject to the limitation described below, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. In the event of a dispute regarding (i) the amount of any payments to cure such a default, (ii) the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or (iii) any other matter pertaining to assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order resolving the dispute and approving the assumption.

At least 17 days before the Confirmation Hearing, the Debtors will provide for notices of proposed assumption and propose cure amounts to be sent to applicable third parties and for procedures for objecting thereto and resolution of disputes by the Bankruptcy Court. Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption or related cure amount must be Filed, served, and actually received by the Debtors at least seven (7) days before the Confirmation Hearing. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or cure amount will be deemed to have consented to such assumption or proposed cure amount. If the Bankruptcy Court determines that the cure amount for any Executory Contract or Unexpired Lease is greater than the amount set forth in the notice sent by the Debtors, the Debtors may add such Executory Contract or Unexpired Lease to the list of Rejected Executory Contracts and Unexpired Leases, in which case such Executory Contract or Unexpired Lease will be deemed rejected as of the Effective Date.

Assumption of any Executory Contract or Unexpired Lease shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any Assumed Executory Contract or Unexpired Lease at any time before the effective date of assumption. **Upon the occurrence of the Effective Date and the payment by the Debtors of any cure amount, any Proofs of Claim Filed with respect to an Assumed Executory Contract or Unexpired Lease shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.**

D. *Preexisting Obligations to the Debtors under Executory Contracts and Unexpired Leases.*

Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of preexisting obligations owed by the Executory Contract or Unexpired Lease counterparty or counterparties to the Debtors or the Reorganized Debtors, as applicable, under such Executory Contracts or Unexpired Leases.

E. *Indemnification Obligations.*

Notwithstanding anything in the Plan to the contrary, each Indemnification Obligation of any Debtor shall be assumed by the applicable Reorganized Debtor, effective as of the Effective Date, pursuant to sections 365 and 1123 of the Bankruptcy Code or otherwise. Each such Indemnification Obligation shall remain in full force and effect, shall not be modified, reduced, discharged, impaired, or otherwise affected in any way, and shall survive Unimpaired and unaffected, irrespective of when such obligation arose.

The Debtors and Reorganized Debtors shall assume the Indemnification Obligations for the current and former directors, officers, managers (including all Independent Directors and Managers), employees, and other professionals of the Debtors, as applicable, in their capacities as such.

Notwithstanding the foregoing, nothing shall impair the ability of the Reorganized Debtors to modify indemnification obligations (whether in the bylaws, certificates of incorporation or formation, limited liability company agreements, other organizational or formation documents, board resolutions, indemnification agreements, employment contracts, or otherwise) for acts or omissions arising after the Effective Date.

F. *Collective Bargaining Agreement.*

The Debtors are unable to assume their collective bargaining agreements as currently constituted because, among other things, the collective bargaining agreements require the Debtors to provide benefits to their employees under health care, severance, welfare, incentive compensation, and retirement plans sponsored by FE Corp. As of the Effective Date, the Debtors will no longer be able to offer such benefits to their employees under these FE Corp. plans. Prior to the Effective Date and once decisions have been made as to the health care, severance, welfare, incentive compensation and retirement plans that the Reorganized Debtors will offer their employees as of the Effective Date, the Debtors will negotiate with the unions that are parties to collective bargaining agreements with the Debtors regarding modifications necessary for the Debtors' post-Effective Date operations, including (i) to incorporate the changes to the health care, severance, welfare, incentive compensation, and retirement plans that the Reorganized Debtors will offer their employees as of the Effective Date and (ii) separation so that the Reorganized Debtors, and not the Debtors and the FE Non-Debtor Parties, are party to and responsible for the applicable collective bargaining agreements upon the Effective Date, with the goal of reaching agreement on all such modifications prior to the Effective Date. In the event that the Debtors are unable to reach agreement with any particular union that is a party to a collective bargaining agreement on all such modifications to the collective bargaining agreement, the Debtors reserve their right to seek relief from the Bankruptcy Court under sections 1113 and 1114, to the extent applicable, of the Bankruptcy Code. Notwithstanding any provision of this Section V.F, nothing contained herein shall create an obligation of the FE Non-Debtor Parties to participate in, or contribute (either economically or otherwise) to, any negotiations between the Debtors and the unions that are parties to collective bargaining agreements.

G. *Insurance Policies.*

Each of the Insurance Policies are treated as Executory Contracts under the Plan. Unless otherwise provided in the Plan, on the Effective Date, the Debtors shall be deemed to have assumed all Insurance Policies and any agreements, documents, and instruments relating to coverage of all insured Claims, and such Insurance Policies shall not be impaired in any way by the Plan or the Confirmation Order, but rather will remain valid and enforceable in accordance with their terms, including the sureties' retention of any collateral.

H. *Surety Bonds.*

The Debtors' indemnification agreements with their sureties will be assumed. The surety bonds issued and in effect as of the Effective Date shall remain in full force and effect and such surety bonds and indemnification agreements shall not be impaired in any way by the Plan or the Confirmation Order, but rather will remain valid and enforceable in accordance with their terms.

I. *Modifications, Amendments, Supplements, Restatements, or Other Agreements.*

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, or restatements thereto or thereof, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements have been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease or the validity, priority or amount of any Claims arising thereunder.

J. *Reservation of Rights.*

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on any list of Rejected Executory Contracts or Unexpired Leases or list of Assumed Executory Contracts or Unexpired Leases, nor anything contained in the Plan, shall constitute an admission by the Debtors that such contract or lease is in fact an Executory Contract or Unexpired Lease or that any of the Reorganized Debtors has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors or the Reorganized Debtors, as applicable, shall have 30 days following entry of a Final Order resolving such dispute to alter its treatment of such contract or lease.

K. *Nonoccurrence of the Effective Date.*

In the event that the Effective Date does not occur with respect to a Debtor, the Bankruptcy Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting Unexpired Leases with respect to such Debtor pursuant to section 365(d)(4) of the Bankruptcy Code, unless such deadline has expired.

L. *Contracts and Leases Entered Into After the Petition Date.*

Contracts and leases entered into after the Petition Date by any Debtor, including any Assumed Executory Contracts or Unexpired Leases, will be performed by the applicable Debtor, or the applicable

Reorganized Debtor liable thereunder in the ordinary course of their business. Accordingly, any such contracts and leases (including Assumed Executory Contracts or Unexpired Leases) that have not been rejected as of the Confirmation Date shall survive and remain unaffected by entry of the Confirmation Order.

ARTICLE VI.

PROVISIONS GOVERNING DISTRIBUTIONS

A. *Timing and Calculation of Amounts to be Distributed.*

Unless otherwise provided in the Plan, on the Effective Date (or if a Claim is not an Allowed Claim on the Effective Date, on the date that such Claim becomes an Allowed Claim, or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim shall receive the full amount of the distributions that the Plan provides for Allowed Claims in the applicable Class. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VII of the Plan. Except as otherwise provided in the Plan, Holders of Claims shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

B. *Disbursing Agent.*

All distributions under the Plan shall be made to Holders of Allowed Claims by the applicable Disbursing Agent on the Effective Date, or as soon as reasonably practicable thereafter, in accordance with the Plan. The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court.

C. *Rights and Powers of Disbursing Agent.*

1. Powers of the Disbursing Agent.

The Disbursing Agent shall be empowered to: (i) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (ii) make all distributions contemplated hereby; and (iii) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions of the Plan.

2. Expenses Incurred On or After the Effective Date.

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and expenses incurred by the Disbursing Agent in performing its duties under the Plan on or after the Effective Date (including taxes) shall be paid in Cash by the Reorganized Debtors (and in the case of the Plan Administrator, such fees and expenses shall be paid as set forth in the Plan Administrator Agreement).

D. *Delivery of Distributions and Undeliverable or Unclaimed Distributions.*

1. Record Date for Distributions.

On the Distribution Record Date, the Claims Register shall be closed and any party responsible for making distributions shall be authorized and entitled to recognize only those record Holders listed on the Claims Register as of the close of business on the Distribution Record Date. The Debtors, the Indenture Trustees and/or the Disbursing Agent shall have no obligation to recognize any transfer of any Claims or Interests occurring on or after the Distribution Record Date. For the avoidance of doubt, the Distribution Record Date shall not apply to any publicly-held securities.

2. Delivery of Distributions.

Except as otherwise provided herein, the applicable Disbursing Agent shall make distributions to Holders of Allowed Claims, as applicable, as of the Distribution Record Date at the address for each such Holder indicated on the Debtors' records as of the date of any such distribution. The manner of such distributions shall be determined at the discretion of the applicable Disbursing Agent and the address for each Holder of an Allowed Claim shall be deemed to be the address set forth in any Proof of Claim Filed by that Holder. For the avoidance of doubt, Distributions to the Holders of Allowed Unsecured Bondholder Claims shall be made to the applicable Indenture Trustees for further distribution to the Holders of Allowed Unsecured Bondholder Claims, subject to the charging lien of the Indenture Trustees.

3. No Fractional Distributions.

No fractional shares of New FES Common Stock shall be distributed and no Cash shall be distributed in lieu of such fractional amounts. When any distribution pursuant to the Plan on account of an Applicable Allowed Claim would otherwise result in the issuance of a number of shares of New FES Common Stock that is not a whole number, the actual distribution of shares of New FES Common Stock shall be rounded as follows: (i) fractions of one-half (1/2) or greater shall be rounded to the next higher whole number and (ii) fractions of less than one-half (1/2) shall be rounded to the next lower whole number with no further payment therefor. The total number of authorized shares of New FES Common Stock to be distributed to Holders of Allowed Claims shall be adjusted as necessary to account for the foregoing rounding.

4. Minimum Distribution.

No Cash payment of less than $50.00 shall be made to a Holder of an Allowed Claim on account of any Allowed Claim.

5. Undeliverable Distributions and Unclaimed Property.

In the event that any distribution to any Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then-current address of such Holder at which time such distribution shall be made to such Holder without interest; *provided, however*, that any distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of six months from the applicable Distribution Date. In the event that the Disbursing Agent is unable to effectuate distributions to any Holder due to the Holder's non-compliance with the provisions of this Plan required for distributions (including compliance with tax requirements and/or identifying a DTC participant for the distributions of the New FES Common Stock), such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of six months from the applicable Distribution Date. All unclaimed property or interests in

property shall revert to the applicable Reorganized Debtor(s) automatically and without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary), and the claim of any Holder to such property shall be fully discharged, released, and forever barred.

6. Allocation of Distributions.

Except as otherwise set forth herein, Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claim (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest to the extent Allowed herein.

E. *Manner of Payment.*

Unless as otherwise set forth herein, all distributions of Cash or New FES Common Stock to the Holders of Allowed Claims under the Plan shall be made by the Disbursing Agent on behalf of the Debtors or the Reorganized Debtors, as applicable. At the option of the Disbursing Agent, any Cash payment to be made under the Plan may be made by check or wire transfer or as otherwise required or provided in applicable agreements.

F. *SEC Registration/Exemption.*

The New FES Common Stock is or may be a "Security" as defined in Section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code, and applicable state securities laws.

Pursuant to section 1145 of the Bankruptcy Code, the issuance of the New FES Common Stock (other than New FES Common Stock, if any, to be issued pursuant to the Management Incentive Plan) is exempt from, among other things, the registration requirements of Section 5 of the Securities Act and any other applicable U.S. state or local law requiring registration before the offering, issuance, distribution, or sale of such securities. The New FES Common Stock issued pursuant to section 1145 of the Bankruptcy Code (i) is not a "restricted security" as defined in Rule 144(a)(3) under the Securities Act, and (ii) is freely tradeable and transferable by any initial recipient thereof that (a) at the time of the transfer is not an "affiliate" of the Reorganized Debtors, as defined in Rule 144(a)(1) under the Securities Act and has not been such an "affiliate" within 90 days of such transfer, and (b) is not an entity that is an "underwriter" as defined in subsection (b) of section 1145 of the Bankruptcy Code. New FES Common Stock underlying the Management Incentive Plan will be issued pursuant to other available exemptions from registration under the Securities Act and applicable law.

Notwithstanding any policies, practices, or procedures of DTC or any other applicable clearing system, DTC and all other applicable clearing systems shall cooperate with and take all actions reasonably requested by a Disbursing Agent or an Indenture Trustee to facilitate distributions to Holders of Allowed Claims without requiring that such distributions be characterized as repayments of principal or interest. No Disbursing Agent or Indenture Trustee shall be required to provide indemnification or other security to DTC in connection with any distributions to Holders of Allowed Claims through the facilities of DTC.

In connection with any ownership of the New FES Common Stock that will be reflected through the facilities of DTC on or after the Effective Date, the Reorganized Debtors need not provide any further evidence other than the Plan or the Confirmation Order with respect to the treatment of the New FES Common Stock under applicable securities laws. DTC shall be required to accept and conclusively rely upon the Plan and Confirmation Order in lieu of a legal opinion regarding whether any of the New FES

Common Stock is exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services. Notwithstanding anything to the contrary in the Plan, no entity (including, for the avoidance of doubt, DTC) may require a legal opinion regarding the validity of any transaction contemplated by the Plan, including, for the avoidance of doubt, whether the New FES Common Stock is exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services.

G. *Compliance with Tax Requirements.*

In connection with the Plan, to the extent applicable, the Reorganized Debtors and the Disbursing Agent shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit with respect to distributions pursuant to the Plan. Notwithstanding the above, each Holder of an Allowed Claim that is to receive a distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any taxes imposed on such Holder by any Governmental Unit including income, withholding, and other tax obligations, on account of such distribution. The Disbursing Agent has the right, but not the obligation, not to make a distribution until such Holder has made an arrangement satisfactory to the Disbursing Agent for payment of any such withholding tax obligations and, if the Disbursing Agent fails to withhold with respect to any such Holder's distribution, and is later held liable for the amount of such withholding, the Holder shall reimburse the Disbursing Agent for such amounts. Notwithstanding any provision herein to the contrary, the Reorganized Debtors and the Disbursing Agent, as applicable, shall be authorized to take all actions necessary to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, and establishing any other mechanisms they believe are reasonable and appropriate to comply with such requirements. The Disbursing Agent may require, as a condition of receipt of a distribution, that the Holder complete the appropriate Form W-8 or Form W-9, as applicable to each Holder. If the Holder fails to comply with such a request for six months, such distribution shall be deemed an unclaimed distribution and treated in accordance with Article VI.D of the Plan. The Reorganized Debtors reserve the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, liens and encumbrances.

H. *No Postpetition or Default Interest on Claims.*

Unless otherwise specifically provided for in the Plan or in the Confirmation Order, and notwithstanding any documents that govern the Debtors' prepetition funded indebtedness to the contrary, (i) postpetition and/or default interest shall not accrue or be paid on any Claims and (ii) no Holder of a Claim shall be entitled to (a) interest accruing on or after the Petition Date on any such Claim; or (b) interest at the contract default rate, as applicable.

I. *Setoffs and Recoupment.*

The Debtors and Reorganized Debtors, as applicable, may, but shall not be required to, setoff against or recoup any payments or distributions to be made pursuant to the Plan in respect of any Claims of any nature whatsoever that the Debtors or the Reorganized Debtors may have against the claimant, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Reorganized Debtors of any such claim it may have against the Holder of such Claim.

J. *Distributions on Account of Obligations of Multiple Debtors.*

Holders of Allowed Claims (other than Secured PCN Claims) may assert such Claims against each Debtor obligated with respect to such Claims, and such Claims shall be entitled to share in the recovery provided for the applicable Class of Claims against each obligated Debtor based upon the full Allowed amount of such Claims. Notwithstanding the foregoing, in no case shall the aggregate value of all property received or retained under the Plan on account of any Allowed Claim exceed 100 percent of the underlying Allowed Claim plus applicable interest, if any.

K. *Claims Paid or Payable by Third Parties.*

1. Claims Paid by Third Parties.

The Debtors or the Reorganized Debtors, as applicable, shall reduce a Claim, and such Claim shall be disallowed without a Claim objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the Holder of such Claim receives payment on account of such Claim from a party that is not a Debtor or a Reorganized Debtor (other than the Disbursing Agent). Subject to the last sentence of this paragraph, to the extent a Holder of a Claim receives a distribution on account of such Claim, such Holder shall, within 14 days of receipt thereof, repay or return the distribution to the applicable Reorganized Debtor to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the applicable Reorganized Debtor annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the 14-day period specified above until the amount is repaid.

2. Claims Payable by Third Parties.

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Insurance Policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such Insurance Policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full or in part a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, the applicable portion of such Claim may be expunged without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

3. Applicability of Insurance Policies.

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Except as otherwise expressly provided in the Plan, nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained herein (i) constitute or be deemed a waiver by such insurers of any rights or defenses, including coverage defenses, held by such insurers, or (ii) establish, determine, or otherwise imply any liability or obligation, including any coverage obligation, of any insurer.

ARTICLE VII.

PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED, AND DISPUTED CLAIMS

A. *Allowance of Claims.*

Except as otherwise set forth in the Plan, after the Effective Date, each of the Reorganized Debtors shall have and retain any and all rights and defenses such Debtor had with respect to any Claim immediately before the Effective Date. This Article VII of the Plan shall not apply to the Secured PCN Claims, the Unsecured PCN Claims, the FES Note Claims, the Mansfield Certificate Claims, or the Inter-Debtor Claims as Allowed in accordance with the Plan Settlement, which Claims shall be Allowed in full and shall not be subject to any avoidance, reductions, setoff, offset, recharacterization, subordination (whether equitable, contractual, or otherwise), counterclaims, cross-claims, defenses, disallowance, impairment (except as provided in this Plan), objection, or any other challenges under any applicable law or regulation by any person or entity.

B. *Claims Administration Responsibilities.*

Except as otherwise specifically provided in the Plan, after the Effective Date, the applicable Reorganized Debtor(s), or the Plan Administrator acting on behalf of the Reorganized Debtor(s) to the extent set forth in the Plan Administrator Agreement, shall have the sole authority: (i) to File, withdraw, or litigate to judgment, objections to Claims; (ii) to settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court; and (iii) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court. A list of the Claims and Causes of Action to be retained by the Debtors and turned over the Plan Administrator or the Reorganized Debtors shall be set forth in the Plan Supplement.

C. *Estimation of Claims.*

Before or after the Effective Date, the Debtors or the Reorganized Debtors, as applicable, or the Plan Administrator on their behalf, may (but are not required to) at any time request that the Bankruptcy Court estimate any Disputed Claim or Disputed Interest that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or Interest or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim or Interest, including during the litigation of any objection to any Claim or Interest or during the appeal relating to such objection. Notwithstanding any provision to the contrary in the Plan, a Claim or Interest that has been disallowed by Bankruptcy Court order or expunged from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount shall constitute a maximum limitation on such Claim for all purposes under the Plan (including for purposes of distributions), and the relevant Reorganized Debtor may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim.

D. *Adjustment to Claims or Interests without Objection.*

Any Claim or Interest that has been paid or satisfied, or any Claim or Interest that has been amended or superseded, may be adjusted or expunged on the Claims Register by the Reorganized Debtors

or the Plan Administrator without an objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

E. *Time to File Objections to Claims or Interests.*

Any objections to Claims or Interests shall be Filed on or before the Claims Objection Deadline.

F. *Disputed Claims Reserve.*

On the Effective Date, the Debtors shall establish the Disputed Claims Reserve for any Disputed Claim (to the extent such Claim is ultimately Allowed) existing as of the Effective Date, which Disputed Claims Reserve shall be administered by the Plan Administrator. After the Effective Date, the Reorganized Debtors shall hold an amount of New FES Common Stock and Cash in such Disputed Claims Reserve in trust for the benefit of the Holders of Claims ultimately determined to be Allowed after the Effective Date. The Plan Administrator shall distribute such amounts (net of any expenses, including any taxes relating thereto), as provided herein, as such Claims are resolved by a Final Order or agreed to by settlement, and such amounts will be distributable on account of such Claims as such amounts would have been distributable had such Claims been Allowed Claims as of the Effective Date under Article III of the Plan solely to the extent of the amounts available in the Disputed Claims Reserve.

Disputed Claims that become Allowed, in whole or in part, shall be satisfied exclusively out of the Disputed Claims Reserve. In the event that the New FES Common Stock and Cash remaining in the Disputed Claims Reserve shall be insufficient to satisfy all of the Disputed Claims that have become Allowed and are due to be satisfied with distributions from the Disputed Claims Reserve on any Periodic Distribution Date, such Disputed Claims shall be satisfied Pro Rata from the Disputed Claims Reserve. After all New FES Common Stock and Cash have been distributed from the Disputed Claims Reserve, no further distributions shall be made in respect of Disputed Claims and the Holders of any such Disputed Claims shall have no recourse in respect of such Claims to the Debtors or the Reorganized Debtors, Holders of Allowed Claims, or their respective assets or properties.

If a Disputed Claim is disallowed, in whole or in part, on the Periodic Distribution Date next following the date of determination of such disallowance, then (i) shares of New FES Common Stock equal to the shares of New FES Common Stock that would have been released from the Disputed Claims Reserve to the Holder thereof had such Claim been Allowed in the as-filed or estimated amount, as applicable, of such Claim, or disallowed portion thereof if such Claim is disallowed in part, shall be released from the Disputed Claims Reserve and shall be immediately cancelled, and (ii) Cash equal to the amount of Cash that would have been released from the Disputed Claims Reserve to the Holder thereof had such Claim been Allowed in the as-filed or estimated amount, as applicable, of such Claim, or disallowed portion thereof if such Claim is disallowed in part, shall be (x) in the case of Holders of Allowed Claims that received their distribution under the Plan (or any portion thereof) in the form of Cash, distributed in Cash to such Holders on a Pro Rata basis in accordance with such Cash recoveries, and (y) in the case of Holders of Allowed Claims that received their distribution under the Plan (or any portion thereof) in the form of New FES Common Stock, distributed in Cash to the Reorganized Debtors.

If at any time it is determined by both the Reorganized Debtors and the Plan Administrator that it is not necessary to hold in the Disputed Claims Reserve all of the shares of New FES Common Stock and Cash, if any, the Plan Administrator shall release such shares of New FES Common Stock and Cash as is determined to no longer be necessary for the satisfaction of Disputed Claim, upon which such shares shall be immediately cancelled, and such Cash shall be (i) in the case of Holders of Allowed Claims against the applicable Debtor or Debtors relating to such Disputed Claims Reserve that received their distribution in Cash, distributed to such Holders on a Pro Rata basis in accordance with such Cash recoveries; and (ii) in

the case of Holders of Allowed Claims against the applicable Debtor or Debtors relating to such Disputed Claims Reserve that received their distribution under the Plan (or any portion thereof) in the form of New FES Common Stock, distributed in Cash to the Reorganized Debtors.

G. *Disallowance of Claims.*

Any Claims held by Entities from which the Bankruptcy Court has determined that property is recoverable under section 542, 543, 550, or 553 of the Bankruptcy Code or that is a transferee of a transfer that the Bankruptcy Court has determined is avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Bankruptcy Court order with respect thereto has been entered and the full amount of such obligation to the Debtors has been paid or turned over in full.

All Proofs of Claim Filed on account of an Indemnification Obligation shall be deemed satisfied and expunged from the Claims Register as of the Effective Date to the extent such Indemnification Obligation is assumed (or honored or reaffirmed, as the case may be) pursuant to the Plan, without any further notice to or action, order, or approval of the Bankruptcy Court. All Proofs of Claim Filed on account of an employee or retiree obligation shall be deemed satisfied and expunged from the Claims Register as of the Effective Date to the extent the Reorganized Debtors, or the FE Non-Debtor Parties pursuant to the FE Settlement Agreement, honor such employee or retiree obligation, without any further notice to or action, order, or approval of the Bankruptcy Court.

Except as provided herein or otherwise agreed, any and all Proofs of Claim Filed after the Bar Date (excluding amended Proofs of Claim which amend timely Filed Proofs of Claim) shall be deemed disallowed and expunged as of the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court, and Holders of such Claims may not receive any distributions on account of such Claims, unless on or before the Confirmation Hearing such late Claim has been deemed timely Filed by a Final Order.

H. *Amendments to Proofs of Claim or Interest.*

On or after the Effective Date, a Proof of Claim or Interest may not be Filed or amended without the prior authorization of the Bankruptcy Court or the Reorganized Debtors, or the Plan Administrator acting on their behalf, and any such new or amended Proof of Claim or Interest Filed shall be deemed disallowed in full and expunged without any further action.

I. *Reimbursement or Contribution.*

In the Bankruptcy Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent such Claim is contingent as of the time of allowance or disallowance, such Claim shall be forever disallowed and expunged notwithstanding section 502(j) of the Bankruptcy Code, unless before the Effective Date: (i) such Claim has been adjudicated as non-contingent; or (ii) the relevant Holder of a Claim has Filed a non-contingent Proof of Claim on account of such Claim and a Final Order has been entered before the Confirmation Date determining such Claim as no longer contingent.

J. *No Distributions Pending Allowance.*

Except as otherwise set forth herein, if an objection to a Claim or portion thereof is Filed as set forth in Article VII.A or VII.B of the Plan, no payment or distribution provided under the Plan shall be made on account of such Disputed Claim or portion thereof unless and until such Disputed Claim becomes an Allowed Claim.

K. *Distributions After Allowance.*

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) shall be made to the Holder of such Allowed Claim in accordance with the provisions of the Plan. Except as otherwise set forth in the Plan, as soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Disbursing Agent shall provide to the Holder of such Claim the distribution (if any) to which such Holder is entitled under the Plan as of the Effective Date, less any previous distribution (if any) that was made on account of the undisputed portion of such Claim, without any interest, dividends, or accruals to be paid on account of such Claim unless required under such order or judgment of the Bankruptcy Court.

ARTICLE VIII.

SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS

A. *Discharge of Claims and Termination of Interests.*

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims, Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date and any Administrative Claims whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (i) a Proof of Claim based upon such debt or right is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (ii) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (iii) the Holder of such a Claim or Interest that existed immediately before or on account of the Filing of the Chapter 11 Cases shall be deemed cured (and no longer continuing) as of the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the Effective Date occurring.

B. *Release of Liens.*

Except as otherwise specifically provided in the Plan and except for (i) any FG Secured PCN Claims against FG that are Reinstated in accordance with Article III of the Plan, (ii) any NG Secured PCN Claims against NG that are Reinstated in accordance with Article III of the Plan, and (iii) any Other Secured Claims against any Debtor that are Reinstated in accordance with Article III of the Plan, on the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtors and their successors and assigns, in each

case, without any further approval or other of the Bankruptcy Court and without any action or Filing being required to be made by the Debtors.

To the extent that any Holder of a Secured Claim that has been satisfied or discharged in full pursuant to the Plan (or any agent for such Holder) has filed or recorded publicly any Liens and/or security interests to secure such Holder's Secured Claim, as soon as reasonably practicable on or after the Effective Date, such Holder (or the agent for such Holder) shall take any and all steps reasonably requested by the Debtors or the Reorganized Debtors that are reasonably necessary or desirable to record or effectuate the cancellation and/or extinguishment of such Liens and/or security interests, including the making of any applicable filings or recordings, and the Reorganized Debtors shall be entitled to make any such filings or recordings on such Holder's behalf.

C. *Releases by the Debtors.*

Pursuant to section 1123(b) of the Bankruptcy Code, on and as of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties to facilitate and implement the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, each Released Party is deemed conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged by each and all of the Debtors, the Reorganized Debtors, and their Estates in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other entities who may purport to assert any Claims or Causes of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims or Causes of Action, including any derivative claims asserted or assertable on behalf of any of the Debtors, that the Debtors, the Reorganized Debtors, or their Estates or Affiliates (including any FE Non-Debtor Parties), as applicable, would have been legally entitled to assert in any of their own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' businesses, the Debtors' property, the Debtors' capital structure, the assertion or enforcement of rights and remedies against the Debtors, the Debtors' in- or out-of-court restructuring discussions, intercompany transactions between or among the Debtors and/or their Affiliates (including any FE Non-Debtor Parties), the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the PCNs, the FES Notes, the Mansfield Facility Documents, the Chapter 11 Cases and related adversary proceedings, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Restructuring Support Agreement, the Process Support Agreement, the Standstill Agreement, the FE Settlement Agreement, the Disclosure Statement, the Plan, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the foregoing, including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion, the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any obligations of any Entity arising after the Effective Date under the Plan, the Confirmation Order, any Restructuring Transaction, the FE Settlement

Agreement and any related obligations under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained in this Plan.

D. *Party Releases of the FE Non-Debtor Parties by the Consenting Creditors and the Committee.*

On and as of the Effective Date, pursuant to the terms of the FE Settlement Agreement, in exchange for good and valuable consideration, including the contributions of the FE Non-Debtor Parties to facilitate and implement the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, each FE Non-Debtor Released Party is deemed to have been conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged by each and all of the: (i) the Consenting Creditors and (ii) the Committee, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other entities who may purport to assert any Claims or Causes of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims or Causes of Action, including any derivative claims asserted or assertable by, or on behalf of any of the (i) Consenting Creditors or (ii) the Committee, or their Affiliates, as applicable, that such Entities would have been legally entitled to assert in any of their own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' businesses, the Debtors' property, the Debtors' capital structure, the assertion or enforcement of rights and remedies against the Debtors, the Debtors' in- or out-of-court restructuring discussions, intercompany transactions between or among the Debtors and/or their Affiliates (including any FE Non-Debtor Parties), the purchase, sale, or recession of the purchase or sale of any Security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the PCNs, the FES Notes, the Mansfield Facility Documents, the Chapter 11 Cases and related adversary proceedings, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Restructuring Support Agreement, the Process Support Agreement, the Standstill Agreement, the FE Settlement Agreement, the Disclosure Statement, the Plan, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the foregoing, including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion, the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date. Notwithstanding anything to the contrary in the foregoing, the release set forth above do not release any obligations of any Entity arising after the Effective Date under the Plan, the Confirmation Order, any Restructuring Transaction, the FE Settlement Agreement and any related obligations under the Plan or any document, instrument or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

E. *Releases of the FE Non-Debtor Parties by Third Parties and Holders of Claims or Interests.*

On and as of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan, the consideration provided by the FE Non-Debtor

Parties under the Settlement Agreement and the contributions of the FE Non-Debtor Released Parties to facilitate and implement the Plan, each Holder of a Claim or Interest is deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged each FE Non-Debtor Released Party from any and all Claims and Causes of Action, including derivative claims asserted or assertable by or on behalf of any of the Debtors, the Reorganized Debtors, or their Estates or Affiliates (including any FE Non-Debtor Parties) as applicable, that such Entity would have been legally entitled to assert in any of their own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from in whole or in part, the Debtors, the Debtors' businesses, the Debtors' property, the Debtors' capital structure, the assertion or enforcement of rights and remedies against the Debtors, the Debtors' in- or out-of-court restructuring discussions, intercompany transactions between or among the Debtors and/or their Affiliates (including the FE Non-Debtor Parties), the purchase, sale, or recession of the purchase or sale of any Security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any FE Non-Debtor Released Party, the PCNs, the FES Notes, the Mansfield Facility Documents, the Chapter 11 Cases, and related adversary proceedings, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Restructuring Support Agreement, the Process Support Agreement, the Standstill Agreement, the FE Settlement Agreement, the Disclosure Statement, the Plan, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the foregoing, including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any FE Non-Debtor Released Party on the Plan or the Confirmation Order in lieu of such legal opinion, the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any obligations of any Entity arising after the Effective Date under the Plan, the Confirmation Order, any Restructuring Transaction, the FE Settlement Agreement and any related obligations under the Plan, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

For the avoidance of doubt, on and as of the Effective Date of the Plan, the Holders of Claims and Interests shall be deemed to provide a full and complete release to the FE Non-Debtor Released Parties and their respective property of and from any and all Causes of Action whatsoever, whether known or unknown, asserted or unasserted, derivative or direct, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, whether for or sounding in tort, fraud, contract, violations of federal or state securities laws, veil piercing, substantive consolidation or alter-ego theories of liability, contribution, indemnification, joint or several liability, or otherwise, arising from or related in any way to (i) the Debtors, Reorganized Debtors, their businesses, or their property; (ii) any Causes of Action against the FE Non-Debtor Released Parties or their property arising in connection with any intercompany transactions and other matters arising in the conduct of the Debtors' businesses; (iii) the Chapter 11 Cases; (iv) the formulation, preparation, negotiation, dissemination, implementation, administration, Confirmation, or Consummation of the Plan, the Plan Supplement, any contract, employee pension or benefit plan, instrument, release, or other agreement or document related to any Debtor, the Chapter 11 Cases or the Plan, modified, amended, terminated, or entered into in connection with either the Plan, or any agreement between the Debtors and any FE Non-Debtor Released Party, including the FE Settlement Agreement; or (v) any other act taken or omitted to be taken in

connection with the Chapter 11 Cases, including, without limitation, acts or omissions occurring after the Effective Date in connection with distributions made consistent with the terms of the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, of the FE Non-Debtor Parties' Third Party Release, which includes by reference each of the related provisions and definitions contained in this Plan.

F. *Releases of the Debtor Released Parties and Other Released Parties by Third Parties and Holders or Claims or Interests.*

On and as of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Debtor Released Parties and Other Released Parties to facilitate and implement the **Plan, each Holder of a Claim or Interest that (i) voted to accept the Plan, (ii) is deemed to have accepted the Plan, (iii) was entitled to vote and did not opt out of granting the release, or (iv) was entitled to vote and failed to submit a ballot, shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged each Other Released Party and Debtor Released Party from any and all Claims and Causes of Action, including any derivative claims asserted or assertable by or on behalf of any of the Debtors, the Reorganized Debtors, or their Estates or Affiliates (including any FE Non-Debtor Parties), as applicable, that such Entity would have been legally entitled to assert its own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from in whole or in part, the Debtors, the Debtors' businesses, the Debtors' property, the Debtors' capital structure, the assertion or enforcement of rights and remedies against the Debtors, the Debtors' in- or out-of-court restructuring discussions, intercompany transactions between or among the Debtors and/or their Affiliates (including any FE Non-Debtor Parties), the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and Released Party, the PCNs, the FES Notes, the Mansfield Facility Documents, the Chapter 11 Cases and related adversary proceedings, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Restructuring Support Agreement, the Process Support Agreement, the Standstill Agreement, the FE Settlement Agreement, the Disclosure Statement, the Plan, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the foregoing, including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion, the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any obligations of any Entity arising after the Effective Date under the Plan, the Confirmation Order, any Restructuring Transaction, the FE Settlement Agreement and any related obligations under the Plan, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.**

For the avoidance of doubt, on and as of the Effective Date, the Holders of Claims and Interests shall be deemed to provide a full and complete discharge and release to the Debtor Released Parties and the Other Released Parties and their respective property from any and all Causes of Action whatsoever, whether known or unknown, asserted or unasserted, derivative or

direct, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, whether for tort, fraud, contract, violations of federal or state securities laws, veil piercing or alter-ego theories of liability, contribution, indemnification, joint liability, or otherwise arising from or related in any way to (i) the Debtors, the Reorganized Debtors, their businesses, or their property; (ii) any Cause of Action against the FE Non-Debtor Released Parties or their property arising in connection with any intercompany transactions or other matters arising in the conduct of the Debtors' businesses; (iii) the Chapter 11 Cases; (iv) the formulation, preparation, negotiation, dissemination, implementation, administration, Confirmation or Consummation of the Plan, the Plan Supplement, any contract, employee pension or benefit plan instrument, release, or other agreement or document related to any Debtor, the Chapter 11 Cases or the Plan, modified, amended, terminated, or entered into in connection with either the Plan, or any agreement between the Debtors and any FE Non-Debtor Released Party, including the FE Settlement Agreement; or (v) any other act taken or omitted to be taken in connection with the Chapter 11 Cases, including, without limitation, acts or omissions occurring after the Effective Date in connection with distributions made consistent with the terms of the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, of the Debtors Released Parties' and Other Released Parties' Third Party Release, which includes by reference each of the related provisions and definitions contained in this Plan.

G. *Exculpation.*

Notwithstanding anything herein to the contrary, and upon entry of the Confirmation Order, no Exculpated Party shall have or incur, and each Exculpated Party is released and exculpated from, any liability to any Holder of a Cause of Action, Claim, or Interest or to any other Entity for any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Restructuring Support Agreement, the Process Support Agreement, the Standstill Agreement, the FE Settlement Agreement, the Mansfield Settlement, the Disclosure Statement, the Plan, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Restructuring Support Agreement, the Process Support Agreement, the Standstill Agreement, the FE Settlement Agreement, the Mansfield Settlement, the Disclosure Statement, the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order in lieu of such legal opinion, the issuance or distribution of securities pursuant to the Plan or the distribution of property under the Plan or any other agreement (whether or not such issuance or distribution occurs following the Effective Date), negotiations regarding or concerning any of the foregoing, or the administration of the Plan or property to be distributed hereunder, except for Causes of Action related to any act or omission that is determined by Final Order to have constituted actual fraud, willful misconduct, or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon Consummation shall be deemed to have, participated in good faith and in compliance with applicable laws with regard to the solicitation of votes and distribution of consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

H. *Injunction.*

In addition to any injunction provided in the FE Settlement Order, except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan or the Confirmation Order, all Entities that have held, hold, or may hold Claims or Interests that have been released pursuant to Article VIII.C-E of the Plan, shall be discharged pursuant to Article VIII.A of the Plan, or are subject to exculpation pursuant to Article VIII.G of the Plan, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Released Parties or the FE Non-Debtor Released Parties: (i) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or respect to any such claim or interests; (ii) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such claims or interest; (iii) creating, perfecting, or enforcing any lien or encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such claims or interests; (iv) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such claims or interests unless such Entity has timely asserted such setoff right in a document Filed with the Bankruptcy Court explicitly preserving such setoff, and notwithstanding an indication of a claim or interest or otherwise that such Entity asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (v) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such claims or interests released or settled pursuant to the Plan.

I. *Protections Against Discriminatory Treatment.*

Consistent with section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Reorganized Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors or another Entity with whom the Reorganized Debtors have been associated, solely because each Debtor has been a Debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

J. *Recoupment.*

In no event shall any Holder of Claims or Interests be entitled to recoup any Claim against any claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, as applicable, unless such Holder actually has performed such recoupment and provided notice thereof in writing to the Debtors on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or Proof of Interest or otherwise that such Holder asserts, has, or intends to preserve any right of recoupment.

K. *Document Retention.*

On and after the Effective Date, the Reorganized Debtors may maintain documents in accordance with their standard document retention policy, as may be altered, amended, modified, or supplemented by the Reorganized Debtors.

ARTICLE IX.

CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THE PLAN

A. *Conditions Precedent to Confirmation of a Plan.*

It shall be a condition to Confirmation of the Plan that the following shall have been satisfied or waived pursuant to the provisions of Article IX.C of the Plan:

1. the Bankruptcy Court shall have entered the Disclosure Statement Order in a manner consistent in all material respects with the Restructuring Support Agreement, the Plan and the FE Settlement Order and in form and substance reasonably satisfactory to the Debtors, the Requisite Supporting Parties, the FE Non-Debtor Parties (solely to the extent provided in the FE Settlement Agreement) and the Committee;

2. the Bankruptcy Court shall have entered the Confirmation Order in a manner consistent in all material respects with the Plan and the FE Settlement Order and in form and substance reasonably satisfactory to the Debtors, the Committee, the FE Non-Debtor Parties (solely to the extent provided in the FE Settlement Agreement) and the Requisite Supporting Parties; and

3. the FE Settlement Order and the FE Settlement Agreement shall remain in full force and effect.

B. *Conditions Precedent to the Effective Date.*

It shall be a condition to the Effective Date that the following conditions shall have been satisfied or waived pursuant to the provisions of Article IX.C of the Plan:

1. the Confirmation Order shall have been duly entered in form and substance reasonably acceptable to the Debtors, the Committee, the FE Non-Debtor Parties (solely to the extent provided in the FE Settlement Agreement) and the Requisite Supporting Parties and the Confirmation Order shall be a Final Order;

2. the FE Settlement Order shall remain in full force and effect;

3. the FE Settlement Agreement shall have been consummated including (i) the issuance of the New FE Notes and (ii) the payment of the Settlement Cash;

4. all Allowed Professional Fee Claims approved by the Bankruptcy Court shall have been paid in full and the Professional Fee Escrow Account shall have been established and funded in accordance with Article II.A.3(b);

5. the Disputed Claims Reserve shall have been established and funded;

6. the New FES Common Stock shall have been issued;

7. the Restructuring Support Agreement shall not have been terminated and shall remain in full force and effect;

8. if, at the election of the Debtors and the Requisite Supporting Parties, in consultation with the Committee, the Restructuring Transactions will involve the transfer of the Assets of FES to New FES or another newly created entity or a combination thereof as set forth in Article IV.F, then (i) all Assets of FES shall have been transferred to New FES or another newly created entity or a combinations thereof as described in Article IV.F; and (ii) New FES or another newly created entity shall have issued an additional guarantee for the PCNs related to the Secured FG PCN Reinstated Claims and the Secured NG PCN Claims that are being Reinstated in accordance with the Plan.

9. all actions, documents, certificates, and agreements necessary to implement this Plan shall have been effected or executed and tendered for delivery to the required parties and, to the extent required, filed with the applicable Governmental Units in accordance with applicable laws, and all conditions precedent to the effectiveness of such documents and agreements shall have been satisfied or waived pursuant to the terms thereof (or will be satisfied or waived substantially concurrently with the occurrence of the Effective Date); and

10. the Debtors shall have obtained all authorizations, consents, regulatory approvals, including from the FERC and NRC, as applicable, rulings or documents that are necessary to consummate the Restructuring Transactions, and all such authorizations, consents and approvals shall remain in full force and effect, including without limitation, the following:

a. a final order or order(s) from FERC granting any and all authorization(s) (including Section 203 Authorization(s)) required in connection with the Restructuring Transactions;

b. Allegheny Energy Supply Company, LLC and Reorganized FG shall have received a final order from FERC granting authorization under Federal Power Act Section 203 to transfer the Pleasants Power Plant to a subsidiary of Reorganized FG;

c. to the extent necessary based on the form of the Restructuring Transactions, at least 90 days prior to the Effective Date, the Debtors shall provide PJM with an informational filing notifying PJM of the transfer of any facilities currently receiving payment in accordance with a FERC-approved reactive power tariff (the same as the informational filing submitted to FERC);

d. the Reorganized Debtors will register with ReliabilityFirst for the appropriate reliability functions; and

e. the NRC shall have approved the license transfer or new license application (as determined by the Debtors with the reasonable consent of the Committee and the Requisite Supporting Parties) filed by Reorganized FENOC and Reorganized NG with respect to the change in ownership pursuant to the Plan.

C. *Waiver of Conditions.*

The conditions to Confirmation and the Effective Date set forth in this Article IX may be waived by agreement of all of the following parties (i) the Debtors, (ii) the Requisite Supporting Parties, (iii) the FE Non-Debtor Parties (solely as to the conditions precedent in Article IX.A.1-3 and Article IX.B.1-2 and solely as provided for in the FE Settlement Agreement) and (iv) the Committee, *provided, however*, that with respect to the condition to the Effective Date set forth in Article IX.B.7, such waiver shall not require the consent of any of the foregoing parties to the extent such parties have terminated their

participation in the Restructuring Support Agreement and the Restructuring Support Agreement otherwise remains in effect as to the other parties.

D. *Effect of Failure of Conditions.*

If the Effective Date does not occur with respect to a particular Debtor, then, as to such particular Debtor: (i) the Plan shall be null and void in all respects; (ii) any settlement or compromise embodied in the Plan, assumption or rejection of Executory Contracts or Unexpired Leases effective under the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (iii) nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims, Interests, or Causes of Action; (b) prejudice in any manner the rights of such Debtor or any other Entity; or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by such Debtor or any other Entity. Notwithstanding the foregoing, for the avoidance of doubt, the failure of Confirmation or Consummation to occur with respect to FE Aircraft or Norton shall not impact the effectiveness of the Settlement embodied in the FE Settlement Agreement and such settlement shall remain in full force and effect in accordance with the terms of the FE Settlement Agreement, or the effectiveness of the Plan Settlement embodied herein as to the other Debtors and the Plan Settlement shall remain in full force and effect.

ARTICLE X.

MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

A. *Modification and Amendments.*

Subject to the Restructuring Support Agreement, each of the Debtors reserves the right to modify the Plan, one or more times, before Confirmation, whether such modification is material or immaterial, and to seek Confirmation consistent with the Bankruptcy Code and, as applicable, not resolicit votes on such modified plan. Subject to certain restrictions and requirements set forth in the Plan and in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, each of the Debtors expressly reserves its respective rights to alter, amend, or modify the Plan, one or more times, after Confirmation and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, including with respect to such modifications. Any alteration, amendment, or modification to the Plan shall be in accordance with the Restructuring Support Agreement and the FE Settlement Agreement.

B. *Effect of Confirmation on Modifications.*

Entry of the Confirmation Order shall mean that each alteration, amendment, or modification to the Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019; *provided, however*, that each alteration, amendment or modification shall be made in accordance with Article X.A of the Plan and the Restructuring Support Agreement.

C. *Revocation or Withdrawal of Plan.*

1. Revocation or Withdrawal of the Plan.

Subject to the Restructuring Support Agreement, and the FE Settlement Agreement, each of the Debtors reserves the right to revoke or withdraw the Plan as it applies to that Debtor before the Confirmation Date and to File subsequent plans for any reason, including to the extent the Debtors

receive a higher or otherwise better offer than what is provided for in the Plan, or if pursuing Confirmation of the Plan would be inconsistent with any Debtor's fiduciary duties.

2. Consequence of Withdrawal of the Plan.

If any of the Debtors revoke or withdraw the Plan, or if Confirmation or Consummation does not occur, then: (i) the Plan shall be null and void in all respects as to such Debtor(s); (ii) any settlement or compromise embodied in the Plan, including the Plan Settlement, and the FE Settlement Agreement (except in accordance with the terms set forth therein and in the FE Settlement Order), assumption or rejection of Executory Contracts or Unexpired Leases effected under the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void as to such Debtors; and (iii) nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims, Interests, or Causes of Action as to such Debtors; (b) prejudice in any manner the rights of such Debtor or any other Entity; or (c) constitute an admission, acknowledgment, offer, or undertaking of any sort by such Debtor or any other Entity.

ARTICLE XI.

RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code to the extent provided under applicable law, including jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate, or establish the priority, Secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the Secured or unsecured status, priority, amount, or allowance of Claims or Interests;

2. decide and resolve all matters related to the granting and denying, in whole or in part, of any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;

3. resolve any matters related to: (i) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including Cure Claims pursuant to section 365 of the Bankruptcy Code; (ii) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; (iii) the Reorganized Debtors' amending, modifying, or supplementing, after the Effective Date, pursuant to Article V of the Plan, any list of Rejected Executory Contracts or Unexpired Leases, or otherwise; and (iv) any dispute regarding whether a contract or lease is or was executory or expired;

4. adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

5. adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;

6. enter and implement such order as may be necessary to execute, implement, or consummate the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or the Disclosure Statement, including injunctions or other actions as may be necessary to restrain interference by an Entity with Consummation or enforcement of the Plan;

7. enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

8. adjudicate, decide, or resolve any and all matters related to the Restructuring Transactions;

9. grant any consensual request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code, to the extent such deadline has not passed;

10. resolve any cases, controversies, suits, disputes, Causes of Action, or any other matters that may arise in connection with the Consummation, interpretation, or enforcement of the Plan, the Disclosure Statement, the Confirmation Order, or the Restructuring Transactions, or any Entity's obligations incurred in connection with the foregoing, including disputes arising under agreements, documents, or instruments executed in connection with the Plan, the Disclosure Statement, the Confirmation Order, or the Restructuring Transactions;

11. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the releases, injunctions, and other provisions contained in Article VIII of the Plan and enter such orders as may be necessary to implement such releases, injunctions, and other provisions;

12. resolve any and all disputes arising from or relating to distributions under the Plan, including any cases, controversies, suits, disputes, or Causes of Action relating to the distribution or the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim or amounts not timely repaid pursuant to Article VI of the Plan;

13. enter and implement such orders as are necessary if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

14. enter an order or decree concluding or closing the Chapter 11 Cases;

15. consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

16. hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code, including any request made under section 505 of the Bankruptcy Code for the expedited determination of any unpaid liability for a Debtor for any tax incurred during the administration of the Chapter 11 Cases, including any tax liability arising from or relating to the Restructuring Transactions, for tax periods ending after the Petition Date and through the closing of the Chapter 11 Cases;

17. hear and determine matters concerning exemptions from state and federal registration requirements in accordance with section 1145 of the Bankruptcy Code;

18. except as otherwise limited herein, recover all assets of the Debtors and property of the Estates, wherever located;

19. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;

20. enforce all orders previously entered by the Bankruptcy Court; and

21. hear any other matter not inconsistent with the Bankruptcy Code.

ARTICLE XII.

MISCELLANEOUS PROVISIONS

A. *Immediate Binding Effect.*

Subject to Article IX.B of the Plan and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan shall be immediately effective and enforceable and deemed binding upon the applicable Debtors, the Reorganized Debtors and any and all applicable Holders of Claims or Interests (irrespective of whether such Claims or Interests are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, exculpations, and injunctions described in the Plan, each Entity acquiring property under the Plan, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors.

B. *Additional Documents.*

On or before the Effective Date, the Debtors may File with the Bankruptcy Court such agreements and other documents as may be necessary or advisable to effectuate and further evidence the terms and conditions of the Plan. The Debtors or the Reorganized Debtors, as applicable, and all Holders of Claims and Interests receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

C. *Payment of Statutory Fees.*

All fees payable pursuant to section 1930(a) of the Judicial Code, including fees and expenses payable to the U.S. Trustee, as determined by the Bankruptcy Court at a hearing pursuant to section 1128 of the Bankruptcy Code, shall be paid by each of the applicable Reorganized Debtors (or the Disbursing Agent on behalf of each of the applicable Reorganized Debtors) for each quarter (including any fraction thereof) until the applicable Chapter 11 Case of such Reorganized Debtors is converted, dismissed, or closed, whichever occurs first. All such fees due and payable prior to the Effective date shall be paid by the Debtors on the Effective Date. After the Effective Date, the Disbursing Agent or the applicable Reorganized Debtor shall pay any and all such fees when due and payable, and shall file with the Bankruptcy Court quarterly reports in a form reasonably acceptable to the U.S. Trustee, until the earliest of the date on which the applicable Chapter 11 Case of the Reorganized Debtors is converted, dismissed, or closed.

D. *Statutory Committee and Cessation of Fee and Expense Payment.*

On the Effective Date, any statutory committee appointed in the Chapter 11 Cases (including the Committee) shall dissolve; *provided, however*, that following the Effective Date the Committee shall continue in existence and have standing and a right to be heard for the following limited purposes

(i) Claims and/or applications, and any relief related thereto, for compensation by professionals and requests for allowance of Administrative Claims for substantial contribution pursuant to section 503(b)(3)(D) of the Bankruptcy Code; and (ii) appeals of the Confirmation Order as to which the Committee is a party. Upon dissolution of the Committee, the members thereof and their respective officers, employees, counsel, advisors, and agents shall be released and discharged from all rights and duties from or related to the Chapter 11 Cases. The Reorganized Debtors shall no longer be responsible for paying any fees or expenses incurred by the members of or advisors to any statutory committees after the Effective Date, except for the limited purposes identified above.

E. *Substantial Consummation.*

On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

F. *Reservation of Rights.*

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order. None of the Filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any Debtor or any Entity with respect to the Plan, the Disclosure Statement, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor or any other Entity with respect to the Holders of Claims or Interests prior to the Effective Date.

G. *Successors and Assigns.*

The rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor, assign, affiliate, officer, director, manager, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

H. *Notices.*

All notices, requests, and demands to be effective shall be in writing, and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered, addressed as follows:

1. if to the Debtors, to:

FirstEnergy Solutions Corp.
341 White Pond Drive
Akron, Ohio 44320
Attn; Rick C. Giannantonio, Esq.
Email: giannanr@firstenergycorp.com

—and—

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
New York, New York 10036
Attn: Ira S. Dizengoff
Lisa G. Beckerman

Brad M. Kahn
Email: idizengoff@akingump.com;lbeckerman@akingump.com; bkahn@akingump.com

—and—

Akin Gump Strauss Hauer & Feld LLP
Robert S. Strauss Building
1333 New Hampshire Avenue, NW
Washington, DC 20036
Attn: Scott L. Alberino
Kate Doorley
Email: salberino@akingump.com; kdoorley@akingump.com

2. if to the Consenting Creditors, to:

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, New York 10036
Attn: Joshua K. Brody
Joseph A. Shifer
Email: jbrody@kramerlevin.com; jshifer@kramerlevin.com

—and—

Latham & Watkins LLP
885 Third Avenue
New York, New York 10022
Attn: George A. Davis
Andrew M. Parlen
Email: george.davis@lw.com, andrew.parlen@lw.com

—and—

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attn: Darren S. Klein
Natasha Tsiouris
Email: darren.klein@davispolk.com; natasha.tsiouris@davispolk.com

3. if to the Committee, to:

Milbank Tweed Hadley & McCloy LLP
28 Liberty Street
New York, New York 10005
Attn: Dennis Dunne
Evan Fleck
Parker Milender
Email: ddunne@milbank.com, efleck@milbank.com; pmilender@milbank.com

4. if to the FE Non-Debtor Parties, to:

FirstEnergy Corp.
76 S. Main Street
Akron, OH 44308
Attn: Robert Reffner
Email: rreffner@firstenergycorp.com

—and—

JONES DAY
901 Lakeside Avenue
Cleveland, OH 44114-1190
Attn: Heather Lennox
Thomas M. Wearsch
T. Daniel Reynolds
Email: hlennox@jonesday.com; twearsch@jonesday.com; tdreynolds@jonesday.com

After the Effective Date, the Reorganized Debtors in their discretion, have authority to send a notice to Entities, which notice shall provide that in order to continue to receive documents pursuant to Bankruptcy Rule 2002, such Entity must File a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Reorganized Debtors and the Plan Administrator are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed such renewed requests.

I. *Term of Injunctions or Stays.*

Unless otherwise provided in the Plan or the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. From and after the Effective Date, the stay shall remain in full force and effect with respect to any pending action or proceeding where the basis for the pending action or proceeding occurred prior to the Petition Date, the non-Debtor party or parties to the pending action or proceeding received notice of the Bar Date, and the non-Debtor party or parties failed to timely File a Proof of Claim, until such time as the applicable Debtor party or parties is dismissed from the pending action or proceeding. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

J. *Entire Agreement.*

Except as otherwise indicated, and except with respect to the FE Settlement Agreement, the Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

K. *Exhibits.*

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are Filed, copies of such exhibits and documents shall be available upon written request to the Debtors' counsel at the address

above or by downloading such exhibits and documents from the Debtors' restructuring website at http://cases.primeclerk.com/FES or the Bankruptcy Court's website at www.ohnb.uscourts.gov.

L. *Nonseverability of Plan Provisions.*

If, before Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, except with respect to any term contained in or related to the FE Settlement Agreement (which may not be altered or waived), and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (i) valid and enforceable pursuant to its terms; (ii) integral to the Plan and may not be deleted or modified without the Debtors' or the Reorganized Debtors' consent, as applicable; and (iii) nonseverable and mutually dependent.

M. *Votes Solicited in Good Faith.*

Upon entry of the Confirmation Order, the Debtors shall be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to section 1125(e) of the Bankruptcy Code, the Debtors and each of their respective Affiliates (including the FE Non-Debtor Parties), agents, representatives, members, principals, shareholders, officers, directors, managers, employees, advisors, and attorneys shall be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Securities offered and sold under the Plan and any previous plan, and, therefore, neither any of such parties or individuals or the Reorganized Debtors shall have any liability for the violation of any applicable law (including the Securities Act), rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under the Plan and any previous plan.

N. *Waiver or Estoppel.*

Each Holder of a Claim or Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, Secured, or not subordinated by virtue of an agreement made with the Debtors or their counsel, or any other Entity, if such agreement was not disclosed in the Plan, the Disclosure Statement, or papers Filed before the Confirmation Date.

O. *Conflicts.*

Except as set forth in the Plan, to the extent that any provision of the Disclosure Statement, the Plan Supplement, or any agreement or order (other than the Confirmation Order and the FE Settlement Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements, or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of the Plan or the FE Settlement Agreement, the Plan or the FE Settlement Order, as applicable, shall govern and control; *provided, however*, with respect to any conflict or inconsistency between the Plan and the Confirmation Order or the FE Settlement Order, the Confirmation Order or FE Settlement Order, as applicable shall govern.

Dated: February 11, 2019

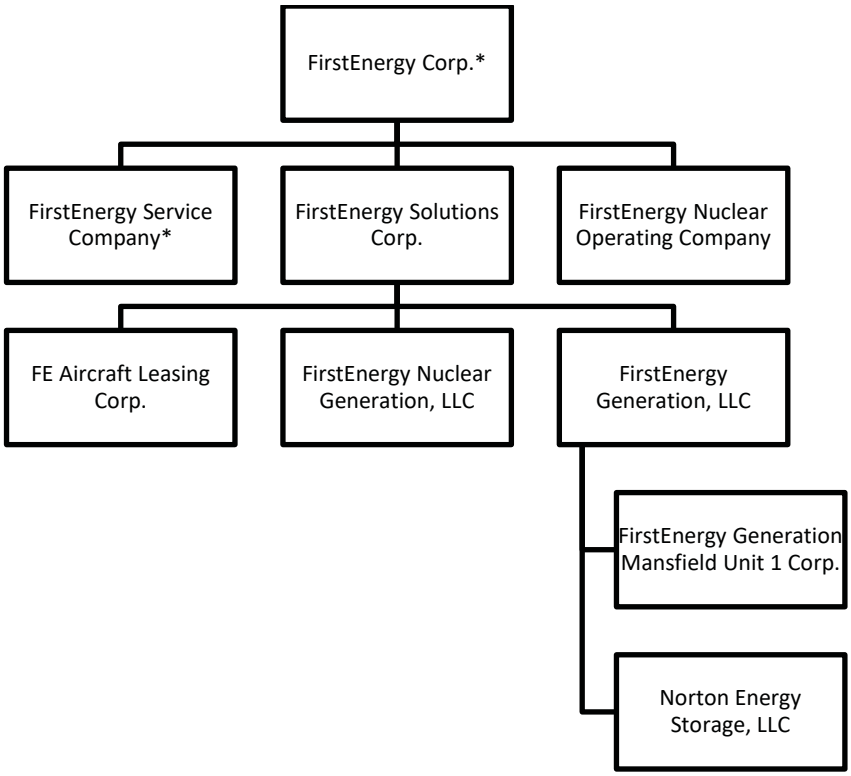
Respectfully submitted,

FIRSTENERGY SOLUTIONS CORP.
FIRSTENERGY GENERATION, LLC
FIRSTENERGY NUCLEAR GENERATION, LLC
FIRSTENERGY GENERATION MANSFIELD
UNIT 1 CORP.
FIRSTENERGY NUCLEAR OPERATING COMPANY
FE AIRCRAFT LEASING CORP.
NORTON ENERGY STORAGE L.L.C.

By: _____
Name:
Title:

Exhibit C

Current Corporate Structure of the Debtors and Certain Non-Debtor Affiliates[1]



[1] * designates a non-Debtor entity.

EXHIBIT D

FINANCIAL PROJECTIONS

FINANCIAL PROJECTIONS

Introduction to Financial Projections

As a condition to Confirmation, the Bankruptcy Code requires, among other things, the Bankruptcy Court to find that entry of a Confirmation Order is not likely to be followed by either a liquidation or the need to further reorganize the Debtors or any successor to the Debtors. In accordance with this condition and in order to assist each holder of a Claim in determining whether to vote to accept or reject the Plan, the Debtors' management team ("**Management**"), with the assistance of its advisors, developed financial projections (the "**Financial Projections**") to support the feasibility of the Plan. [1]

The Financial Projections were prepared in good faith by Management, with the assistance of its advisors, and are based on a number of assumptions made by Management, within the bounds of their knowledge of the Debtors' business and operations, with respect to the future performance of the Debtors' operations. In addition, the Financial Projections contain statements which constitute "forward-looking statements" within the meaning of the Securities Act and the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995. Forward-looking statements in these projections include the intent, belief, or current expectations of the Debtors and members of its Management with respect to the timing of, completion of, and scope of the current restructuring, the Plan, the Debtors' strategic business plan, bank financing, debt and equity market conditions, and the Debtors' future liquidity, as well as the assumptions upon which such statements are based. Although Management has prepared the Financial Projections in good faith and believes the assumptions to be reasonable, it is important to note that the Debtors can provide no assurance that such assumptions will be realized. Because future events and circumstances may well differ from those assumed and unanticipated events or circumstances may occur, the Debtors expect that the actual and projected results will differ and the actual results may be materially greater or less than those contained in the Financial Projections and from those contemplated by such forward-looking statements. No representations can be made as to the accuracy of the Financial Projections or the Debtors' ability to achieve the projected results. Therefore, the Financial Projections may not be relied upon as a guarantee or as any other form of assurance as to the actual results that will occur. The inclusion of the Financial Projections herein should not be regarded as an indication that the Debtors considered or consider the Financial Projections to reliably predict future performance. Accordingly, in deciding whether to vote to accept or reject the Plan, creditors should review the Financial Projections in conjunction with a review of the risk factors set forth in the Disclosure Statement and the assumptions and risks described herein, including all relevant qualifications and footnotes.

THE DEBTORS BELIEVE THAT THE CONFIRMATION DATE AND EFFECTIVE DATE OF THE PLAN ARE NOT LIKELY TO BE FOLLOWED BY THE LIQUIDATION OR FURTHER REORGANIZATION OF THE REORGANIZED DEBTORS. ACCORDINGLY, THE DEBTORS BELIEVE THAT THE PLAN SATISFIES THE FEASIBILITY REQUIREMENT OF SECTION 1129(A)(11) OF THE BANKRUPTCY CODE.

[1] All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan of Reorganization of FirstEnergy Solutions Corp. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code.

The Debtors' boards of directors or managers were not asked to and did not approve, evaluate or endorse the Financial Projections or the assumptions underlying the Financial Projections. Moreover, the Financial Projections were not prepared with a view toward compliance with published rules of the Securities and Exchange Commission or the American Institute of Certified Public Accountants regarding projections. The Debtors' independent auditor has not examined, compiled, or performed any procedures with respect to the prospective financial information contained in this exhibit and, accordingly, it does not express an opinion or any other form of assurance on such information or its achievability. The Debtors' independent auditor assumes no responsibility for and denies any association with the prospective financial information.

The Debtors do not intend to and disclaim any obligation to: (1) furnish updated Financial Projections to holders of Claims or Equity Interests prior to the Effective Date or to any other party after the Effective Date, except as required by the Plan; (2) include any such updated information in any documents that may be required to be filed with the Securities and Exchange Commission; or (3) otherwise make such updated information publicly available.

Select Assumptions of the Financial Projections

The Financial Projections are based on, but not limited to factors such as industry performance, general business, economic, competitive, regulatory, market, and financial conditions, as well as the assumptions detailed below. Many of these factors and assumptions are beyond the control of the Debtors and do not take into account the uncertainty and disruptions of business that may accompany an in-court restructuring. Accordingly, the assumptions should be reviewed in conjunction with a review of the risk factors set forth in the Disclosure Statement.

- **Methodology:** In light of the form of distributions contemplated by the Plan (*i.e.*, cash or New FES Common Stock), the Financial Projections were developed on a consolidated basis rather than on a legal entity basis. The Financial Projections were developed by Management with the assistance of its advisors and are presented solely for purposes of the formulation and negotiation of the Plan in order to present the anticipated impact of the Plan. No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness, or reliability of the information, opinions, or conclusions expressed herein.

- **Plan and Effective Date:** The Financial Projections assume that the Plan will be consummated in accordance with its terms and that all transactions contemplated by the Plan will be consummated by September 30, 2019 (the "**Assumed Effective Date**").

- **Projection Period:** The Debtors prepared the Financial Projections based on, among other things, the anticipated future financial condition and results of operations of the Reorganized Debtors and the terms of the Plan. The Debtors prepared consolidated Financial Projections of the Debtors for the years ending December 31, 2019 through December 31, 2023. The balance sheet is presented and projected as of the Assumed Effective Date and through the Projection Period.

- **Energy Pricing and Basis:** Forward energy pricing is based on AEP-Dayton Hub ("**AD-Hub**") forward pricing as of December 12, 2018, adjusted for expected reductions in energy pricing in the first quarter of 2019. The same market forward date is used within a proprietary model to forecast congestion and loss expense rates within the PJM region. MISO congestion and loss are forecasted using historical rates.

- **Capacity Pricing:** Capacity revenue reflects the actual results of the Base Residual Auctions with PJM Interconnection, L.L.C. ("**PJM**"). None of the Debtors' generating units are assumed to clear megawatts ("**MWs**") in the 2022 / 2023 Planning Year. The Financial Projections include expenses associated with capacity replacement purchases contracted as part of incremental auctions in PJM. The Financial Projections do not contemplate costs that may be incurred for Capacity Performance or Capacity Deficiency penalties assessed by PJM for failure to meet certain capacity requirements in accordance with PJM's tariffs.

- **Retail Business:** The Financial Projections represent a recovery of the business that contemplates retail volumes modestly increasing year-over-year from 27 terawatt hours ("**TWh's**") of projected load in 2019 to 48 TWh's of projected load in 2023. The Financial Projections further contemplate infrastructure and employee investment in the retail business segment to support the increased projected volumes for each of its retail sales channels. Margins for each sales channel include a combination of existing committed sales and future uncommitted sales based on estimates developed by Management.

- **Nuclear Unit Deactivations:** Nuclear units are assumed to deactivate, pursuant to deactivation notices provided to PJM, on: (a) May 31, 2020 for Davis-Besse; (b) May 31, 2021 for Perry; (c) May 31, 2021 for Beaver Valley unit 1; and (d) October 31, 2021 for Beaver Valley unit 2.

- **Nuclear Business:** The Financial Projections were developed with a goal of maximizing cash flow of the business prior to each station's deactivation date (noted above), while maintaining safe and reliable operations. As such, the Financial Projections contemplate reductions in operating and maintenance, capital expenditures, and planned outage spend below levels that may otherwise be needed to support extended operations beyond each unit's currently scheduled deactivation date. The Financial Projections were developed with a goal of maintaining optionality to extend the life of the plants if legislative support is realized and / or if meaningful market reforms materialize in the future. Additionally, the Financial Projections assume all regulatory requirements are satisfied to permit the Reorganized Debtors to operate the nuclear generation assets.

- **Nuclear Deactivation Costs:** Spent fuel management costs included in the Financial Projections are based on estimates provided by TLG Services Inc. ("**TLG**")[2] and assume an approximately sixty-month process to remove spent fuel from the nuclear units and place them in dry cask safe storage on a spent fuel storage installation. The Financial Projections do not assume any cash reimbursement of spent fuel management costs will be received from the United States Department of Energy ("**DOE**") during the Projection Period, however, the Financial Projections do contemplate a projected receivable from the DOE, assuming an illustrative 92.5% recovery on spent fuel management costs incurred during the Projection Period. The Financial Projections include required funding for estimated shortfalls from nuclear decommissioning trusts ("**NDTs**") associated with the Debtors' nuclear units. The values of the NDTs are based on forecasted earnings in the NDTs from November 30, 2018 to the month of closure, assuming an approximate 4.75% annual return on NDT investments or 2.00% real rate of return. The Financial Projections illustratively assume that surplus funding from the NDTs will not be utilized to fund any spent fuel management costs, and further assumes that projected NDT surpluses at certain units will not be used to fund projected deficits in the NDTs for other units.

- **Nuclear Regulation:** Reorganized FES provides a parental support agreement to NG of up to $400 million, subject to regulatory approvals as appropriate. The NRC can rely on such parental support agreements to provide assurance that U.S. merchant nuclear plants, including NG's nuclear units, have necessary financial resources to maintain safe operations, particularly in the event of extraordinary circumstances, such as extended outages of the units. The Debtors' capital is available to satisfy this requirement.

- **Fossil Unit Deactivations:** Fossil units are assumed to deactivate, pursuant to deactivation notices provided to PJM, on: (a) February 5, 2019 for Bruce Mansfield units 1 and 2; (b) June 1, 2021 for Bruce Mansfield unit 3; (c) May 31, 2020 for W.H. Sammis units 1-4; (d) June 1, 2022 for W.H. Sammis units 5-7; and (e) June 1, 2022 for Pleasants units 1-2.

- **Fossil Business:** The Financial Projections were developed with a goal of maximizing cash flow of the business prior to each station's deactivation date, while maintaining safe and reliable operations. As such, the Financial Projections contemplate reductions in operating and

[2] TLG is an engineering firm specializing in nuclear decommissioning. TLG was engaged by the Debtors to provide a preliminary cost analysis with respect to the decommissioning of the Debtors' nuclear units.

maintenance, capital expenditures and planned outage spend below levels that may otherwise be needed to support extended operations beyond each units' currently scheduled deactivation date. The Financial Projections and associated headcount levels further assume that the Debtors are able to negotiate modifications to collective bargaining agreements at Bruce Mansfield and W.H. Sammis to utilize the support of contractors for certain job functions. If modifications are not achieved, O&M costs may be higher than what is included in the Financial Projections and deactivation dates may be accelerated. The Financial Projections assume Bruce Mansfield power station coal combustion residual costs are reduced from current levels of over $6 per megawatt hour ("**MWh**") to approximately $3 per MWh by fourth quarter of 2019. Moreover, the Financial Projections assume the West Lorain power station is sold in the first quarter of 2019.

- **Pleasants Power Station:** The Debtors filed a motion to approve the Asset Purchase Agreement with AE Supply on February 1, 2019 [Docket No. 2052]. The Financial Projections assume that a Bankruptcy Court order approving the Pleasants purchase motion is granted, and the ownership and related economic benefits and costs of the Pleasants power station will be transferred to the Reorganized Debtors on the Assumed Effective Date.

- **Fossil Remediation / Little Blue Run:** The Financial Projections assume continued disbursements associated with the remediation of the Little Blue Run impoundment and other related fossil sites. There are surety bonds posted for approximately $200 million with respect to Little Blue Run and Hatfield's Ferry and also approximately $13 million cash collateral posted with respect to Hollow Rock. The Financial Projections assume that these existing surety bonds and cash collateral remain in place. With respect to the surety bonds posted with respect to Little Blue Run and Hatfield, the sureties have credit support provided by FE Corp. per the Credit Agreement dated December 6, 2016 through the Assumed Effective Date. To the extent that the sureties seek to access this credit support prior to the Assumed Effective Date, the surety bonds would be cash collateralized and the claim for such funding by FE Corp. would be waived by FE Corp. per the Settlement Agreement. The Financial Projections also include ongoing maintenance costs for Debtors' retired sites including Ashtabula, East Lake and Lake Shore. However, the Financial Projections do not contemplate any costs for remediation or value recovery from the retired sites.

- **Shared Services Separation:** The Debtors are assumed to either create or outsource its own corporate overhead / shared services function by October 31, 2019, with one-time costs incurred throughout the 2019 calendar year. Post-separation run-rate costs are assumed to gradually decline as fossil and nuclear units begin to deactivate, with reductions effective starting in calendar year 2021.

- **Legislative Support:** The Financial Projections do not contemplate any potential state or federal legislative support for the nuclear or fossil generation assets.

- **Fresh Start Accounting:** The Financial Projections reflect an anticipated emergence from chapter 11 on September 30, 2019. The Financial Projections do not, however, consider the potential impact of the application of "fresh start" accounting under Accounting Standards Codification 852, "Reorganizations" ("**ASC 852**") that may apply upon the Effective Date. If the Debtors do fully implement fresh start accounting, differences from the depiction presented are anticipated and those differences may be material. Upon emergence, the Debtors will be required to determine the amount by which its reorganization value as of the Effective Date exceeds, or is less than, the fair value at the time, which may be based on, any event, such valuation, as well as the determination of the fair value of the Debtors' assets and liabilities, will be made as of the Effective Date. The

differences between the amounts of any or all of the foregoing items as assumed in the Financial Projections and the actual amounts thereof as of the Effective Date may be material.

- **Taxes:** The Financial Projections assume there are no federal income tax obligations for the Projection Period. The analysis for any potential state income tax obligations is under review. Actual tax obligations may differ materially from the Financial Projections.

- **New Credit Facility:** The Financial Projections illustratively assume a new credit facility is established at some future date after the Assumed Effective Date for the purpose of funding incremental PJM retail collateral obligations, particularly in the latter years of the Projection Period when supporting generation from the fossil and nuclear units decline as a result of plant deactivations, in an amount up to $250 million secured by accounts receivable from the retail business. The Financial Projections assume the new facility has an annual interest rate of 5.00% paid monthly in arrears.

- **New FE Notes:** The Financial Projections assume the unsecured notes to be issued by FE Corp., per the terms of the Settlement Agreement, are monetized at the Assumed Effective Date at their par value, and the proceeds are available for distributions to unsecured creditors or for general business purposes.

- **Other Assumptions:** The Financial Projections also assume that: (1) there will be no material change in legislation or regulations, or the administration thereof, that will have an unexpected effect on the operations of the Debtors; (2) there will be no change in generally accepted accounting principles in the United States that will have a material effect on the reported financial results of the Debtors; (3) the potential application of fresh start accounting will not materially change the Debtors' accounting procedures; and (4) there will be no material contingent, unliquidated or indemnity claims applicable to the Debtors.

THE INDEPENDENT AUDITOR FOR THE DEBTORS HAS NOT EXAMINED, COMPILED OR OTHERWISE PERFORMED ANY PROCEDURES ON THE FOLLOWING PROSPECTIVE FINANCIAL INFORMATION, AND CONSEQUENTLY, DOES NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE WITH RESPECT TO THE PROSPECTIVE FINANCIAL INFORMATION.

FirstEnergy Solutions Corp.
Unaudited Financial Summary

For the Year Ending December 31:		*2019*		*2020*		*2021*		*2022*		*2023*	
($ in millions)		**TWh's**	**$**	**TWh's**	**$**	**TWh's**	**$**	**TWh's**	**$**	**TWh's**	**$**
Sales	**Notes**										
Retail Sales	[1]	26.9	$ 1,330	31.6	$ 1,467	38.9	$ 1,805	44.0	$ 2,212	48.1	$ 2,412
PJM Spot Sales, Net	[2]	20.4	644	15.9	504	(8.5)	(230)	(38.3)	(1,072)	(48.1)	(1,363)
Capacity Revenue	[3]		340		225		156		56		-
Total Sales		**47.3**	**$ 2,314**	**47.5**	**$ 2,196**	**30.4**	**$ 1,731**	**5.7**	**$ 1,196**	**-**	**$ 1,048**
Variable Costs											
Fossil Fuel Expense	[4]	14.6	(362)	19.3	(481)	17.5	(435)	5.5	(134)	-	-
Nuclear Fuel Expense	[5]	31.8	(66)	27.4	(1)	12.3	(10)	-	(1)	-	-
Purchased Power	[6]	0.9	(31)	0.8	(27)	0.6	(22)	0.2	(8)	-	-
Other Variable Expenses	[7]		(367)		(337)		(495)		(803)		(875)
Total Variable Costs		**47.3**	**$ (826)**	**47.5**	**$ (846)**	**30.4**	**$ (962)**	**5.7**	**$ (947)**	**-**	**$ (875)**
Variable Margin			**$ 1,488**		**$ 1,350**		**$ 769**		**$ 249**		**$ 173**
Fossil O&M	[8]		(166)		(163)		(137)		(90)		(10)
Nuclear O&M	[9]		(638)		(546)		(339)		0		0
Service Company Billings	[10]		(197)		(76)		(52)		(15)		(19)
Retail O&M	[11]		(33)		(45)		(50)		(63)		(69)
Unallocated FES O&M	[12]		(22)		(12)		(8)		(1)		-
Restructuring Professional Fees	[13]		(131)		-		-		-		-
Pension / Proxy Pension	[14]		(67)		(15)		(9)		(1)		(0)
Property Taxes	[15]		(30)		(37)		(26)		(8)		-
Retail Sales Taxes	[16]		(22)		(21)		(10)		(6)		(6)
Other O&M, net	[17]		(11)		0		0		0		-
EBITDA			**$ 170**		**$ 437**		**$ 139**		**$ 65**		**$ 69**
Nuclear Capital Expenditures	[18]		(99)		(57)		(24)		0		0
Fossil Capital Expenditures	[19]		(36)		(41)		(17)		(5)		(1)
Retail Capital Expenditures	[20]		(1)		(11)		(11)		(1)		(1)
Fossil Remediation Costs	[21]		(19)		(17)		(32)		(33)		(18)
Asset Sales	[22]		152		-		-		21		-
Nuclear Deactivation Costs	[23]		-		(69)		(11)		(59)		(169)
Collateral	[24]		34		-		-		-		-
Change in Working Capital	[25]		28		(10)		(91)		(60)		(9)
Unlevered Free Cash Flow			**$ 228**		**$ 231**		**$ (47)**		**$ (72)**		**$ (129)**
Tax NOL Receipts	[26]		5		-		-		-		-
Principal Payments	[27]		-		-		(157)		(307)		-
Cash Interest	[28]		(3)		(20)		(23)		(17)		(8)
Interest Income	[29]		12		17		17		14		11
FE Settlement Consideration	[30]		872		-		-		-		-
Insurance Proceeds	[31]		75		-		-		-		-
Distributions to Unsecured Creditors	[32]		(452)		-		-		-		-
Class B3 (FG PCNs) Distribution, Net	[33]		(182)		-		-		-		-
Levered Free Cash Flow			**$ 556**		**$ 227**		**$ (210)**		**$ (382)**		**$ (125)**
Ending Cash Balance	[34]		**$ 1,605**		**$ 1,833**		**$ 1,622**		**$ 1,240**		**$ 1,115**

FirstEnergy Solutions Corp.
Unaudited Supplemental Financial Information

EBITDA by Business Segment
($ in millions)

	For the Year Ending December 31,				
	2019	**2020**	**2021**	**2022**	**2023**
Fossil					
Net Generation (TWh's)	*14.6*	*19.3*	*17.5*	*5.5*	*-*
$ / MWh	*$ 31.63*	*$ 31.59*	*$ 30.27*	*$ 31.80*	*$ -*
Energy Revenue*, Net	$ 463	$ 608	$ 530	$ 174	$ -
Ancillary Revenue	9	8	6	2	-
Capacity Revenue	184	131	123	55	-
Total Fossil Revenue	**$ 656**	**$ 748**	**$ 659**	**$ 231**	**$ -**
Fossil Fuel Expense	(362)	(481)	(435)	(134)	-
Fossil Variable Margin	**$ 294**	**$ 267**	**$ 224**	**$ 97**	**$ -**
Nuclear					
Net Generation (TWh's)	*31.8*	*27.4*	*12.3*	*-*	*-*
$ / MWh	*$ 32.29*	*$ 31.64*	*$ 31.97*	*$ -*	*$ -*
Energy Revenue*, Net	$ 1,026	$ 868	$ 392	$ -	$ -
Ancillary Revenue	7	6	3	-	-
Capacity Revenue	159	113	44	-	-
Total Nuclear Revenue	**$ 1,192**	**$ 987**	**$ 440**	**$ -**	**$ -**
Nuclear Fuel Expense	(66)	(1)	(10)	(1)	-
Nuclear Variable Margin	**$ 1,126**	**$ 986**	**$ 430**	**$ (1)**	**$ -**
Retail					
TWh's	*26.9*	*31.6*	*38.9*	*44.0*	*48.1*
Retail Sales	$ 1,330	$ 1,467	$ 1,806	$ 2,213	$ 2,412
Retail Cost of Sales*	(1,263)	(1,350)	(1,677)	(2,061)	(2,239)
Retail Variable Margin	**$ 67**	**$ 118**	**$ 129**	**$ 152**	**$ 173**
Capacity Replacement Purchases, Other Variable Margin	2	(20)	(13)	1	(0)
Total Variable Margin	**$ 1,488**	**$ 1,350**	**$ 769**	**$ 249**	**$ 173**
Fossil O&M	$ (166)	$ (163)	$ (137)	$ (90)	$ (10)
Nuclear O&M	(638)	(546)	(339)	0	0
Retail O&M, Sales Taxes	(56)	(66)	(59)	(69)	(75)
Property Taxes	(30)	(37)	(26)	(8)	-
All Other O&M	(429)	(102)	(68)	(17)	(19)
EBITDA	**$ 170**	**$ 437**	**$ 139**	**$ 65**	**$ 69**

	Capacity (MWs Cleared)			*Total Generation (TWh's)*				
Fossil Stations	**PY '19/'20**	**PY '20/'21**	**PY '21/'22**					
Bruce Mansfield	1,961	1,715	-	4.1	3.6	1.6	-	-
W.H. Sammis	1,504	1,028	1,233	8.2	7.4	7.7	3.5	-
Pleasants	981	1,159	1,100	2.4	8.3	8.3	2.0	-
Total Fossil	**4,446**	**3,902**	**2,332**	**14.6**	**19.3**	**17.5**	**5.5**	**-**
Nuclear Stations								
Beaver Valley	1,526	1,797	-	14.8	14.8	8.5	-	-
Davis-Besse	752	845	-	7.6	2.1	-	-	-
Perry	1,009	1,198	-	9.3	10.6	3.7	-	-
Total Nuclear	**3,287**	**3,840**	**-**	**31.8**	**27.4**	**12.3**	**-**	**-**
Total	**7,733**	**7,741**	**2,332**	**46.4**	**46.7**	**29.8**	**5.5**	**-**

** Amounts presented on an un-hedged market basis using December 12, 2018 AD-Hub forward pricing.*

Note: Pleasants' generation in 2019 represents generation for the 3-months ended December 31, 2019. Total generation for Pleasants for 2019 is projected to be 8.7 TWh's.

FirstEnergy Solutions Corp.
Unaudited Projected Consolidated Balance Sheet

($ in millions)	Notes	*As of:* 9/30/19	12/31/19	12/31/20	12/31/21	12/31/22	12/31/23
Assets:							
Cash and Cash Equivalents	[34]	$ 1,555	$ 1,605	$ 1,833	$ 1,622	$ 1,240	$ 1,115
Accounts Receivable, Net	[35]	194	209	207	209	227	242
Materials and Supplies	[36]	109	101	101	104	25	25
Other Current Assets	[37]	140	139	147	215	272	278
Total Current Assets		**$ 1,998**	**$ 2,054**	**$ 2,289**	**$ 2,151**	**$ 1,764**	**$ 1,659**
PP&E, Net	[38]	685	644	453	102	-	-
Nuclear Decommissioning Trust	[39]	1,889	1,909	2,014	1,914	1,752	1,798
Other Long Term Assets	[40]	200	200	202	212	267	423
Total Assets		**$ 4,772**	**$ 4,807**	**$ 4,958**	**$ 4,379**	**$ 3,783**	**$ 3,879**
Liabilities & Equity:							
Current Portion of Long Term Debt	[41]	$ -	$ -	$ 157	$ 307	$ -	$ -
New Credit Facility	[42]	-	-	18	91	147	153
Accounts Payable	[43]	117	121	110	78	42	43
Other Current Liabilities	[44]	59	92	82	20	17	22
Total Current Liabilities		**$ 176**	**$ 213**	**$ 366**	**$ 496**	**$ 207**	**$ 218**
Long Term Debt	[45]	464	464	307	-	-	-
Asset Retirement Obligation	[46]	2,059	2,055	1,989	1,765	1,475	1,398
Total Liabilities		**$ 2,699**	**$ 2,731**	**$ 2,662**	**$ 2,262**	**$ 1,681**	**$ 1,616**
Equity	[47]	2,073	2,076	2,295	2,118	2,101	2,264
Total Liabilities & Equity		**$ 4,772**	**$ 4,807**	**$ 4,958**	**$ 4,379**	**$ 3,783**	**$ 3,879**

NOTES TO FINANCIAL PROJECTIONS

Note 1 - Retail Sales

Sales through retail sales channel including large commercial and industrial, government aggregation, mass market, provider of last resort ("**POLR**"), structured and municipal / co-op. Forecasted sales volumes represent a combination of committed sales and anticipated future new, uncommitted sales.

Note 2 - PJM Spot Sales, net

Sales to open market (PJM), net of amounts purchased to service retail load. Pricing based on December 12, 2018 AD-Hub forwards. Periods with negative PJM spot sales (starting in 2021) indicate that the Debtors are a net purchaser from PJM rather than a net seller to PJM. This is driven by the deactivation of the various generation assets without a corresponding decline in projected retail load.

Note 3 - Capacity Revenue

Revenue from PJM for cleared capacity for each of the Debtors' fossil and nuclear generating assets, net of unassigned replacement capacity purchases transacted in the PJM incremental auctions.

Note 4 - Fossil Fuel Expense

Coal expense, coal delivery expense, reagent costs and fuel handling costs. Unit cost for 2019 reflects terms of the agreement with Consolidation Coal (Murray Energy). Unit cost in 2020 and beyond based on forward spot market pricing as of August 2018.

Note 5 - Nuclear Fuel Expense

Costs associated with the procurement and use of nuclear fuel including uranium, enrichment and fabrication and is projected on a cash basis.

Note 6 - Purchased Power

Energy purchases from MISO regional transmission operator needed to service retail load outside of PJM. The Financial Projections assume that the Bankruptcy Court orders authorizing the rejection of the PPA Appeal Proceeding Contracts are not overturned on appeal and that the Debtors no longer purchases power from the counterparties to such contracts.

Note 7 - Other Variable Expenses

Includes a combination of retail and generation energy (transmission) delivery expenses, retail capacity expense and retail renewable energy credit expenses.

Note 8 - Fossil O&M

Station-specific fossil expenses including labor and benefits, contractor costs, fleet support and planned outage spend. Costs exclude any allocation of corporate overhead or Service Company Billings (captured separately).

Note 9 - Nuclear O&M

Station-specific nuclear expenses including labor and benefits, contract costs, fleet support and planned outage spend. Costs exclude any allocation of corporate overhead or Service Company Billings (captured separately).

Note 10 - Service Company Billings

Combination of shared services costs currently billed to the Debtors from FirstEnergy Service Company for shared corporate overhead, one-time implementation costs incurred as part of the shared services separation effort, and post-separation run-rate costs for each of the Debtors' business segments.

Note 11 - Retail O&M

Retail-specific labor and benefit costs, agent fees, community grants, mailers, call center expenses, sales commissions, data fees, retail bad debt expenses and other miscellaneous retail costs.

Note 12 - Unallocated FES O&M

Corporate overhead costs not included as part of billings from FirstEnergy Service Company, including certain finance and accounting, legal, executive, insurance, board of director related costs and other miscellaneous corporate costs. This amount also includes costs related to legislative relief efforts in 2019.

Note 13 - Restructuring Professional Fees

Estimates for all restructuring advisory fees and transaction fees for the Debtors, advisors to the creditor groups party to the Restructuring Support Agreement and Process Support Agreement, advisors to the UCC and other select restructuring related professionals.

Note 14 - Pension / Proxy Pension

Pre-emergence costs represent estimated allocated portion of pension service costs for FES, FG and FENOC employees. Post-emergence costs include an illustrative "proxy" retirement program equal to approximately 5% of the salaries and wages for all the Debtors' employees.

Note 15 - Property Taxes

Estimated property taxes for each of the Debtors' nuclear and fossil generating assets.

Note 16 - Retail Sales Taxes

Sales and gross receipt taxes associated with sales through the retail business segment.

Note 17 - Other O&M, net

Primarily costs incurred prior to emergence from bankruptcy including, without limitation, retail sale transaction break-up fees and the Debtors' allocated portion of costs associated with the Pleasants outage completed in the fall 2018, pursuant to terms of the Pleasants Agreements.

Note 18 - Nuclear Capital Expenditures

Station-specific capital project costs for the nuclear power stations. Projections account for reduced spend associated with the deactivation of the units.

Note 19 - Fossil Capital Expenditures

Station-specific capital project costs for the fossil power stations. Projections account for reduced spend associated with the deactivation of the units.

Note 20 - Retail Capital Expenditures

Ongoing maintenance capital costs for the retail business and costs associated with implementation, investment and development of enhanced information technology prospecting, billing, marketing, pricing and customer portal tools.

Note 21 - Fossil Remediation Costs

Costs related to the remediation of Little Blue Run, Bruce Mansfield, W.H. Sammis power stations and other non-operating sites owned by the Debtors. The Financial Projections include certain costs for the Pleasants power station per the terms of the Pleasants Agreements.

Note 22 - Asset Sales

Amount represents net cash proceeds from the sale of the West Lorain power station, which is scheduled to close in the first quarter of 2019, and proceeds from the sale of inventory following the deactivation of the fossil and nuclear generation assets in 2022. See note 36 for more information regarding assumed sale of fossil inventory and materials and supplies.

Note 23 - Nuclear Deactivation Costs

These costs include spent fuel management costs associated with the deactivation of each of the Debtors' nuclear power stations. These costs also include projected deficit funding of the NDT for Beaver Valley unit 1, which is illustratively projected to be approximately $67 million at the projected deactivation date for the unit. License termination costs are assumed to be directly funded from the NDTs over the Projection Period with a net zero impact to cash flow.

Note 24 - Collateral

Primarily related to the return of retail collateral held by various counterparties including PJM, MISO, POLR customers, other retail customers, and counterparties to certain hedging and forward agreements. Post-emergence collateral is assumed to be funded by cash and / or the New Credit Facility (reflected on balance sheet, cash costs for interest captured in Cash Interest).

Note 25 - Change in Working Capital

Changes in operating working capital of the business including accounts receivable, accounts payable, inventory, accrued compensation and benefits and other prepayments.

Note 26 - Tax Net Operating Loss ("NOL") Receipts

Forecasted pre-emergence NOL receipts from FE Corp. per the Intercompany Income Tax Allocation Agreement. Amounts are illustrative and subject to material change.

Note 27 - Principal Payments

Represents principal payments on post-emergence secured debt. Principal repayments, interest rates and balances as of September 30, 2019 by issuance are listed below:

($ in millions) CUSIP	Interest Rate	9/30/19 Balance	Principal Repayment 2019	2020	2021	2022	2023	Total
074876HP1	4.250%	$ 50	$ -	$ -	$ (50)	$ -	$ -	$ (50)
677525VZ7	4.250%	107	-	-	(107)	-	-	(107)
074876HR7	4.375%	65	-	-	-	(65)	-	(65)
67766WXN7	4.375%	59	-	-	-	(59)	-	(59)
67766WXM9	4.375%	116	-	-	-	(116)	-	(116)
677525WA1	4.375%	68	-	-	-	(68)	-	(68)
Totals		**$ 464**	**$ -**	**$ -**	**$ (157)**	**$ (307)**	**$ -**	**$ (464)**

Note 28 - Cash Interest

Interest on post-emergence secured debt and illustrative New Credit Facility.

Note 29 - Interest Income

Interest income on consolidated cash balance assuming 1% rate of return.

Note 30 - FE Settlement Consideration

Net cash proceeds received by the Debtors at emergence as a result of the FE Settlement Agreement, as detailed below (in millions):

FE Settlement Cash	$ 225
New FE Notes	628
2018 NOL Tax Floor	14
Pleasants Agreements, Net	5
Total FE Settlement Consideration	**$ 872**

The credit for Shared Services of up to $113 million is included in the Debtors' projected cash balance.

Note 31 - Insurance Proceeds

Estimated proceeds from the insurance claims related to Bruce Mansfield power station.

Note 32 - Distributions to Unsecured Creditors

Cash distributions to unsecured creditors per the Plan. This estimated amount assumes all parties that have the option to elect cash distributions under the Plan will do so.

Note 33 – Secured FG PCN Designated Claims Distribution, Net

Aggregate distribution for Secured FG PCN Designated Claims or Class B3 with net proceeds from prior asset sales to satisfy corresponding liens. The sources of funding for these distributions will be the Debtors and available funds held on account with the indenture trustee which will be released per the terms of the Plan. The following CUSIPs will be satisfied in full: 677525TF4, 074876HQ9, 708686EE6.

Note 34 - Cash Balance

Consolidated cash balance of the Debtors for all entities and subsidiaries.

Note 35 - Accounts Receivable

Accounts receivable primarily consist of outstanding sales to retail customers, wholesale customers and net amounts due from PJM.

Note 36 - Materials and Supplies

The Debtors' materials and supplies inventory consists of fuels, plant materials and operating supplies, reagents and renewable energy credits. The Financial Projections include estimated net cash proceeds in 2022 from the assumed liquidation of fossil fuels and reagents as a result of decommissioning activities. The net proceeds from the sale of fossil inventory and materials and supplies are assumed to be 25% of the projected net book value of the assets.

Note 37 - Other Current Assets

Other current assets primarily consist of collateral related to the retail deposits held by various counterparties, including PJM, MISO, POLR customers, other retail customers and counterparties to certain hedging and forward contracts. Balance also includes non-collateral related prepaid expenses.

Note 38 - PP&E, Net

Property, plant and equipment ("**PP&E**") is composed primarily of the Debtors' generation assets. The net book value projected as of September 30, 2019 is an implied valuation based on a reorganized equity value of approximately $2 billion after cash distributions to unsecured creditors per the terms of the Plan. The Debtors' book value of PP&E is subject to material change based on accounting analysis of the Debtors' financials upon emergence. The Financial Projections assume as each generation unit is deactivated, the net book value of each unit is fully impaired.

Note 39 - Nuclear Decommissioning Trust

Represents investments held in trust for the satisfaction of nuclear license termination liabilities associated with the decommissioning of the Debtors' nuclear generation units. The actual balances of the NDTs are subject to material differences to these projections based on actual market returns or losses and volatility. The projected NDT surpluses / (deficits) and balances by unit at their respective decommissioning dates are listed below:

	Beaver Valley 1	Beaver Valley 2	Perry	Davis-Besse
Surplus / (Deficit) at Deactivation	$(67) million	$64 million	$21 million	$140 million
Projected Balance at Deactivation	$337 million	$457 million	$603 million	$631 million

Note 40 - Other Long-Term Assets

Represents projected cash collateral balances for the two surety bonds for Little Blue Run and Hatfield's Ferry, assuming that the credit support provided by FE Corp., per the Credit Agreement dated December 6, 2016, is accessed by the sureties before the Assumed Effective Date. The account also includes projected receivable from the DOE for reimbursement of nuclear spent fuel costs, assuming an illustrative 92.5% recovery on spent fuel management costs incurred during the Projection Period. DOE reimbursement of these expenditures is assumed to be received outside of the Projection Period.

Note 41 - Current Portion of Long-Term Debt

Amount of principal that will be due within one year of the date of the balance sheet.

Note 42 - New Credit Facility

Illustrative credit facility assumed to be established at some future date after the Assumed Effective Date for the purpose of funding incremental PJM retail collateral obligations, particularly in the latter years of the Projection Period when supporting generation from the fossil and nuclear units decline through plant deactivations, in an amount up to $250 million secured by accounts receivable from the retail business.

Note 43 - Accounts Payable

Represents outstanding obligations to third-party trade vendors.

Note 44 - Other Current Liabilities

Represents accrued expenses and are primarily related to interest, sales and property taxes, payroll, employee incentive and retention programs and other accrued expenses.

Note 45 - Long Term Debt

Represents long-term portion of principal outstanding on reinstated secured PCN's. The reinstated PCN's are assumed to have interest rates ranging between 4.250% and 4.375%, paid semi-annually. Full principal repayment is assumed to coincide with the put-date of each issuance.

Note 46 - Asset Retirement Obligation

Represents the liability associated with the license termination costs for decommissioning the nuclear generation assets and liabilities associated with remediation for Little Blue Run, other impoundments or landfills and closure costs for the fossil generation assets. The below table shows the projected fossil and nuclear related obligations for the Projection Period (in millions):

As of:	**9/30/19**	**12/31/19**	**12/31/20**	**12/31/21**	**12/31/22**	**12/31/23**
FG	$171	$167	$150	$119	$88	$72
NG	1,888	1,888	1,839	1,646	1,387	1,326
Total	**$2,059**	**$2,055**	**$1,989**	**$1,765**	**$1,475**	**$1,398**

Note 47 - Equity

Represents the net book value of stockholders' equity in the Reorganized Debtors. Estimated book value projected as of September 30, 2019 is based on the Debtors' valuation of the business and distributable value to unsecured creditors. The value at September 30, 2019 is adjusted for cash distributions to unsecured creditors per the terms of the Plan. Reference Exhibit E for additional details on distributable value.

Exhibit E

Valuation Analysis

VALUATION ANALYSIS[1]

THE INFORMATION CONTAINED HEREIN IS NOT A PREDICTION OR GUARANTEE OF THE ACTUAL MARKET VALUE THAT MAY BE REALIZED THROUGH THE SALE OF ANY SECURITIES TO BE ISSUED PURSUANT TO THE PLAN. THE INFORMATION IS PRESENTED SOLELY FOR THE PURPOSE OF PROVIDING ADEQUATE INFORMATION UNDER SECTION 1125 OF THE BANKRUPTCY CODE TO ENABLE THE HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN TO MAKE AN INFORMED JUDGMENT ABOUT THE PLAN AND SHOULD NOT BE USED FOR ANY OTHER PURPOSE, INCLUDING THE PURCHASE OR SALE OF CLAIMS AGAINST THE DEBTORS OR ANY OF THEIR AFFILIATES.

Solely for the purposes of the Plan and Disclosure Statement, Lazard Frères & Co. LLC ("**Lazard**"), as investment banker to the Debtors, has estimated the total enterprise value ("**Enterprise Value**") and implied equity value ("**Equity Value**") of the Reorganized Debtors and their subsidiaries on a consolidated basis and pro forma for the transactions contemplated by the Plan (the "**Valuation Analysis**"). The Valuation Analysis was based on financial information provided by the Debtors' management, including the Financial Projections attached to the Disclosure Statement as Exhibit [D] and information provided by other sources. The Valuation Analysis assumes that the Effective Date of the Plan occurs on September 30, 2019.

Based on the Financial Projections and other information described herein and solely for purposes of the Plan, Lazard estimates that the potential range of the Enterprise Value of the Reorganized Debtors is approximately $1,113 million to $1,355 million, (with the midpoint of such range being approximately $1,231 million).

In addition, based on the Financial Projections and other information described herein and solely for purposes of the Plan, Lazard estimated a potential range of the consolidated total Equity Value of the Reorganized Debtors, which consists of the Enterprise Value, less funded indebtedness, plus balance sheet cash on the Effective Date. Based on the financial projections and the Plan, Lazard has assumed that the Reorganized Debtors will have funded indebtedness of approximately $464 million and a pro forma cash balance of approximately $1,790[2] million as of the Effective Date. Based upon the estimated range of the total Enterprise Value of the Reorganized Debtors of approximately $1,113 million to $1,355 million described above, and assuming negative net debt of approximately $1,326 million, Lazard estimates that the potential range of total Equity Value for the Reorganized Debtors is approximately $2,439 million to $2,681 million (with the midpoint of such range being approximately $2,557 million).

THE ASSUMED ENTERPRISE VALUE RANGE, AS OF THE ASSUMED EFFECTIVE DATE, REFLECTS WORK PERFORMED BY LAZARD ON THE BASIS OF INFORMATION AVAILABLE TO LAZARD AS OF JANUARY 31, 2019 (THE "**VALUATION DATE**"). ALTHOUGH SUBSEQUENT DEVELOPMENTS MAY AFFECT LAZARD'S CONCLUSIONS, NEITHER LAZARD NOR THE DEBTORS HAVE ANY OBLIGATION TO UPDATE, REVISE OR REAFFIRM THE

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[1] Terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Disclosure Statement.

[2] The pro forma cash balance used in the Valuation Analysis represents projected cash at emergence before any cash distributions on account of General Unsecured Claims and assuming cash distributions for the full amount of Estimated Administrative Expenses.

ESTIMATE. FOR PURPOSES OF THIS VALUATION, LAZARD ASSUMES THAT NO MATERIAL CHANGES AFFECTING THE UNDERLYING ENTERPRISE VALUE OCCUR BETWEEN THE VALUATION DATE AND THE ASSUMED EFFECTIVE DATE.

When performing its analyses, Lazard assumed that the Financial Projections had been reasonably prepared in good faith and on a basis reflecting the Debtors' most accurate currently available estimates and judgments as to the future operating and financial performance of the Reorganized Debtors. Lazard did not independently verify the Financial Projections in connection with preparing estimates of Enterprise Value, and no independent valuations or appraisals of the Debtors were sought or obtained in connection herewith. The Debtors developed the Financial Projections solely for the purposes of the formulation and negotiation of the Plan, and to provide "adequate information" pursuant to section 1125 of the Bankruptcy Code.

Lazard's estimated Enterprise Value range for the Reorganized Debtors does not constitute a recommendation to any holder of Allowed Claims as to how such person should vote or otherwise act with respect to the Plan. Lazard's Valuation Analysis does not constitute an opinion as to fairness from a financial point of view of the consideration to be received or paid under the Plan, of the terms and provisions of the Plan or with respect to any other matter. Lazard has not been asked to and does not express any view as to what the trading value of the Reorganized Debtors' securities would be on issuance at any time.

The valuation estimates set forth herein represent a valuation analysis of the Reorganized Debtors generally based on the application, to the extent deemed appropriate by Lazard, of customary valuation techniques, including discounted cash flow ("**DCF**") analysis, comparable publicly traded companies analysis and precedent transactions analysis. The valuation estimates do not purport to reflect or constitute appraisals, liquidation values or estimates of the actual market value that may be realized through the sale of any securities, which may be significantly different than the amounts set forth herein. The value of an operating business is subject to numerous uncertainties and contingencies that are difficult to predict and will fluctuate with changes in factors affecting the financial condition and prospects of such a business. As a result, the estimated Enterprise Value range of the Reorganized Debtors set forth herein is not necessarily indicative of actual outcomes, which may be significantly more or less favorable than those set forth herein. Neither the Reorganized Debtors, Lazard, nor any other person assumes responsibility for any differences between the Enterprise Value range and such actual outcomes. Actual market prices of any securities will depend upon, among other things, the operating performance of the Reorganized Debtors, prevailing interest rates, conditions in the financial markets, the anticipated holding period of securities received, developments in the Reorganized Debtors' industry and economic conditions generally and other factors which generally influence the prices of securities.

A. VALUATION METHODOLOGIES

In preparing its valuation, Lazard performed a variety of financial analyses and considered a variety of factors. The following is a brief summary of the material financial analyses considered by Lazard, which, to the extent deemed appropriate by Lazard, consisted of (i) DCF analyses, (ii) comparable publicly traded companies analyses and (iii) precedent transactions analyses. Lazard employed a sum-of-the-parts approach that separately valued the Debtors' three operating segments, including the nuclear generation segment (the "**Nuclear Operations**"), the fossil generation segment (the "**Fossil Operations**"), and the competitive retail electricity segment ("**FES Retail**"). This summary does not purport to be a complete description of the analyses performed or factors considered by Lazard in the preparation of the Valuation

Analysis. The preparation of a valuation analysis is a complex analytical process involving subjective determinations with respect to which methodologies of financial analysis are most appropriate and the application of those methodologies to particular facts and circumstances in a manner that is not readily susceptible to summary description.

i. DCF Analysis

The DCF analysis is a forward-looking enterprise valuation methodology that estimates the value of an asset or business by calculating the present value of expected future cash flows to be generated by that asset or business. Under this methodology, projected future cash flows are discounted by the asset or business' weighted average cost of capital (the "**Discount Rate**"). The Discount Rate reflects the estimated blended rate of return that would be required by debt and equity investors to invest in the asset or business. The enterprise value of the asset or business is determined by calculating the present value of the asset or business' unlevered after-tax free cash flows based on the asset or business' financial projections plus, in most cases, an estimate for the value of the asset or business beyond the forecast period, known as the terminal value. The terminal value is derived by making certain adjustments to the forecasted cash flows to estimate "steady-state" cash flows beyond the forecast period and the applying a perpetuity growth rate. When valuing discrete, finite lived assets, however, a life-of-plant DCF analysis was performed that did not include any terminal value.

To estimate the Discount Rate applicable to the Reorganized Debtors' various operating segments, Lazard calculated the cost of equity and the after-tax cost of debt for the Reorganized Debtors, assuming a targeted debt-to-total capitalization ratio for each segment. Lazard calculated the cost of equity for each of the Reorganized Debtors' various operating segments using the "Capital Asset Pricing Model," which assumes that the required equity return is a function of the risk-free cost of capital and the covariance of a publicly traded stock's performance relative to the return on the broader market, as well as taking into consideration size and other factors affecting the company being valued.

Although formulaic methods are used to derive the key assumptions for the DCF methodology, their application and interpretation involve complex considerations and judgments concerning potential variances in the projected financial and operating characteristics of the Reorganized Debtors and each of its operating segments, which in turn affect their cost of capital and terminal values (if any).

ii. Comparable Publicly Traded Companies Analysis

The comparable publicly traded companies analysis utilizes the trading multiples of publicly traded companies that have operating and financial characteristics that are relatively similar to the operating segments of the Reorganized Debtors. Under this methodology, the enterprise value for each selected public company was determined by examining the trading prices of the equity securities of such company in the public markets and adding the value of outstanding net debt for such company, preferred equity and minority interest, and adjusting for the value of any unconsolidated investments. Once the enterprise value of the selected comparable companies is calculated, it is commonly expressed as a multiple of various measures of financial performance (for example, EBITDA). In addition, each of the selected public companies' operational profile, operating margins, profitability, and leverage were examined. Based on these analyses, financial multiples and ratios are calculated to apply to the projected results for the various

segments of the Reorganized Debtors. Lazard focused primarily on EBITDA multiples when estimating the value of the Reorganized Debtors' various operating segments.

A key factor in this approach is the selection of companies with relatively similar business and operational characteristics to each of the Reorganized Debtors' operating segments. Common criteria for selecting comparable companies for the analysis include, among other things, industry, business model, revenue composition, geographic footprint, growth prospects, margin profile, customer type and capital intensity. The selection of appropriate comparable companies is often difficult, a matter of judgment and subject to limitations due to sample size, the availability of meaningful market-based information and reliable financial projections from third-party financial research firms.

iii. Precedent Transactions Analysis

The precedent transactions analysis estimates the value of an asset or business by examining public merger and acquisition transactions. The valuations paid in such acquisitions or implied in such mergers are analyzed as ratios of various financial results or operating metrics. The transaction multiples are calculated based on the purchase price (including any debt assumed) paid to acquire companies or assets that are comparable to the operating segments of the Reorganized Debtors or their assets. Since precedent transactions analysis reflects aspects of value other than the intrinsic value of a company or asset, there are limitations as to its applicability in determining Enterprise Value in certain circumstances. Lazard reviewed recent M&A transactions involving nuclear power plants, coal power plants, and competitive retail electricity suppliers. Many of the transactions analyzed occurred in different fundamental, credit and other market conditions from those currently prevailing in the current marketplace, and therefore, only a select number of the transactions analyzed could be used as appropriate indications of value in the current market.

In determining the relevance of various precedent transactions for purposes of estimating the Enterprise Value of the Reorganized Debtors' various operating segments, Lazard considered a number of factors with respect to the circumstances surrounding each of the transactions analyzed, some of which were related to certain unique characteristics of the power industry. For example, when evaluating the relevance of precedent transactions for purposes of estimating the value of a power generating company, it is critically important to consider, among other factors, the geographic region in which the acquired assets operate, the specific nature and fuel type of the assets acquired and the existence of any long-term power purchase agreements associated with the acquired assets. Power generating companies operating in different regions of the United States are subject to different regulatory frameworks, and the various power markets that comprise the United States' electric grid are influenced by unique and varying regional dynamics.

B. APPLICATION OF VALUATION METHODOLOGIES TO THE REORGANIZED DEBTORS' OPERATING SEGMENTS

In performing the sum-of-the-parts valuation analysis described above, Lazard estimated the enterprise values of each of the Debtors' three operating segments, including (i) the Nuclear Operations, (ii) the Fossil Operations and (iii) FES Retail, separately, based on the application of the customary valuation techniques deemed applicable and appropriate for each. Lazard considered the varying cash flows, degree of operational uncertainty, and availability of relevant precedent transactions and comparable companies, among other factors, in determining which of the customary valuation techniques were most suitable for purposes of estimating the value of each of the Reorganized Debtors' operating segments.

i. Nuclear Operations

Lazard estimated the value of the Reorganized Debtors' Nuclear Operations based only on the application of the DCF methodology to two different operating scenarios provided by the Debtors' management. The first operating scenario is based on the Financial Projections for the Nuclear Operations attached to the Disclosure Statement as Exhibit [D], while the second operating scenario was prepared by the Debtors' management in order to understand and take into account the potential implications of receiving additional revenue, as a result of legislative action in Ohio and Pennsylvania, on account of being a provider of zero emissions electricity. The DCF valuations resulting from an analysis of each scenario were then weighted based upon the potential probability, as determined by the Debtors' management, of receiving legislative approval in Ohio and Pennsylvania that would result in the realization of such additional revenues. Lazard did not utilize comparable publicly traded companies analysis or precedent transactions analysis given that Lazard does not believe there are any publicly traded merchant power companies or M&A transactions that are sufficiently comparable to the Debtors' Nuclear Operations, among other reasons.

ii. Fossil Operations

Lazard estimated the value of the Reorganized Debtors' Fossil Operations based only on precedent transactions analysis. Given that the Debtors' Fossil Operations are projected to generate negative cash flows over the remaining operating lives of the two owned power plants (W.H. Sammis and Bruce Mansfield), the application of the DCF methodology yields a negative implied value for the Fossil Operations. Lazard believes, however, that the DCF analysis methodology does not adequately reflect the value embedded in the Fossil Operations' physical and intangible assets (for example, transmission rights), as well as option value. Furthermore, Lazard did not utilize comparable publicly traded companies analysis given that Lazard does not believe there are any publicly traded merchant power companies that are sufficiently comparable to the Debtors' Fossil Operators, among other reasons.

Lazard analyzed recent M&A transactions involving fossil generating companies and related assets to identify precedent transactions that are relevant to estimating the value of the Fossil Operations. In determining the relevance of the precedent transactions reviewed, Lazard considered the characteristics of the assets involved in the precedent transactions (including geography, age, heat rate and operating performance of the assets, among other factors) and the unique circumstances surrounding each of the precedent transactions (including the existence of power purchase agreements, and the motivations of the relevant buyers and sellers, among other factors). Lazard calculated the enterprise value multiple of nameplate capacity ("Capacity Multiple") implied by each of the relevant precedent transactions. The implied Capacity Multiples were then applied to the total nameplate capacity of the Fossil Operations' generating units that were projected to be in operation as of the Effective Date to derive an estimate of the Enterprise Value of the Reorganized Debtors' Fossil Operations.

Lazard did not independently value the Pleasants power plant, which the Reorganized Debtors are acquiring from the FE Non-Debtor Parties pursuant to the FE Settlement Agreement on the Effective Date. At the direction of the Debtors' management, Lazard has assumed that the Pleasants Plant's enterprise value is equal to its book value as of March 31, 2018.

iii. FES Retail

Lazard relied on each of the three customary valuation techniques described above and considered the relevance of each in estimating the potential Enterprise Value range for FES Retail.

THE SUMMARY SET FORTH ABOVE DOES NOT PURPORT TO BE A COMPLETE DESCRIPTION OF THE ANALYSES PERFORMED BY LAZARD. THE PREPARATION OF A VALUATION ESTIMATE INVOLVES VARIOUS DETERMINATIONS AS TO THE MOST APPROPRIATE AND RELEVANT METHODS OF FINANCIAL ANALYSIS AND THE APPLICATION OF THESE METHODS IN THE PARTICULAR CIRCUMSTANCES AND, THEREFORE, SUCH AN ESTIMATE IS NOT READILY SUITABLE TO SUMMARY DESCRIPTION. IN PERFORMING THESE ANALYSES, LAZARD AND THE DEBTORS MADE NUMEROUS ASSUMPTIONS WITH RESPECT TO INDUSTRY PERFORMANCE, BUSINESS AND ECONOMIC CONDITIONS, AND OTHER MATTERS. THE ANALYSES PERFORMED BY LAZARD ARE NOT NECESSARILY INDICATIVE OF ACTUAL VALUES OR FUTURE RESULTS, WHICH MAY BE SIGNIFICANTLY MORE OR LESS FAVORABLE THAN SUGGESTED BY SUCH ANALYSES.

EXHIBIT F

Liquidation Analysis

LIQUIDATION ANALYSIS

FIRSTENERGY SOLUTIONS CORP.,et al.

I. INTRODUCTION

Section 1129(a)(7) of the Bankruptcy Code, often called the "best interests test," requires that a bankruptcy court find, as a condition of confirmation, that chapter 11 plan provides, with respect to each class, that each holder of an Allowed Claim either (i) has accepted the plan of reorganization, or (ii) will receive or retain under the plan property of a value, as of the plan's assumed effective date, that is not less than the value such non-accepting holders would receive or retain if the debtors were to be liquidated under chapter 7 of the Bankruptcy Code.

Accordingly, to demonstrate that the proposed Plan satisfies the "best interest" of creditors test, the Debtors, with assistance from their advisors, have prepared the following hypothetical liquidation analysis **("Liquidation Analysis")**, in connection with the Plan and the Disclosure Statement.[1] The Liquidation Analysis indicates the estimated recoveries that may be obtained by Classes of Claims or Interests assuming a hypothetical liquidation under chapter 7 of the Bankruptcy Code upon disposition of the Debtors' assets as an alternative to the Plan. Accordingly, the values discussed in the Liquidation Analysis may be different from amounts referred to in the Plan. The Liquidation Analysis is based on certain assumptions in the Disclosure Statement and in the accompanying notes to the Liquidation Analysis.

II. STATEMENT OF LIMITATIONS

The determination of the costs of, and proceeds from, the hypothetical liquidation of the Debtors' assets in a chapter 7 case is an uncertain process involving the extensive use of significant estimates and assumptions that, although considered reasonable by the Debtors based upon their business judgment and input from their advisors, are inherently subject to significant business, economic, and competitive uncertainties and contingencies beyond the control of the Debtors, their management and their advisors. Inevitably, some assumptions in the Liquidation Analysis would not materialize in an actual chapter 7 liquidation, and unanticipated events and circumstances could materially affect the ultimate results in an actual chapter 7 liquidation. The Liquidation Analysis was prepared for the sole purpose of generating a reasonable good faith estimate of the proceeds that would be generated if the Debtors' assets were liquidated in accordance with chapter 7 of the Bankruptcy Code. The Liquidation Analysis is not intended and should not be used for any other purpose. The underlying financial information in the Liquidation Analysis was not compiled or examined by independent accountants in accordance with standards promulgated by the American Institute of Certified Public Accountants.

NEITHER THE DEBTORS NOR THEIR ADVISORS MAKE ANY REPRESENTATION OR WARRANTY THAT THE ACTUAL RESULTS WOULD OR WOULD NOT APPROXIMATE THE ESTIMATES AND ASSUMPTIONS REPRESENTED IN THE LIQUIDATION ANALYSIS. ACTUAL RESULTS COULD VARY MATERIALLY.

[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in *the Disclosure Statement for the Joint Plan of Reorganization of FirstEnergy Solutions Corp., et al.*

NOTHING CONTAINED IN THIS LIQUIDATION ANALYSIS IS INTENDED TO BE, OR CONSTITUTES, A CONCESSION, ADMISSION, OR ALLOWANCE OF ANY CLAIM BY THE DEBTORS. THE ACTUAL AMOUNT OR PRIORITY OF ALLOWED CLAIMS IN THE CHAPTER 11 CASES COULD MATERIALLY DIFFER FROM THE ESTIMATED AMOUNTS SET FORTH AND USED IN THIS LIQUIDATION ANALYSIS. THE DEBTORS RESERVE ALL RIGHTS TO SUPPLEMENT, MODIFY, OR AMEND THE ANALYSIS SET FORTH HEREIN.

III. OVERVIEW AND GENERAL ASSUMPTIONS

The Liquidation Analysis assumes that the Debtors would be liquidated in a jointly administered, but not substantively consolidated, proceeding. The total administrative costs of the Debtors' chapter 7 cases, including professional (attorneys, investment bankers, financial advisors, appraisers, experts) and trustee fees, commissions, wages and benefits, severance, retention payments, overhead and maintenance costs, likely would be substantially higher if one or more of the Debtors were liquidated in a separately administered chapter 7 case.

Accordingly, the Liquidation Analysis considers an entity-by-entity liquidation of the following Debtors:

- FirstEnergy Solutions Corp.,
- FirstEnergy Generation, LLC,
- FirstEnergy Nuclear Generation, LLC,
- FirstEnergy Aircraft Leasing Corp.,
- FirstEnergy Generation Mansfield Unit 1 Corp.,
- FirstEnergy Nuclear Operating Company, and
- Norton Energy Storage L.L.C.

The Liquidation Analysis has been prepared assuming the Debtors convert their cases from chapter 11 cases to chapter 7 cases on May 31, 2019 (the "**Conversion Date**"). On the Conversion Date, it is assumed that the Bankruptcy Court would appoint a chapter 7 trustee (the "**Trustee**") to oversee the liquidation[2] of the Debtors' estates. Under section 704 of the Bankruptcy Code, a trustee must, among other duties, collect and convert the property of the estate as expeditiously as is compatible with the best interests of parties in interest.

The Liquidation Analysis assumes that one Trustee is appointed to liquidate and wind down the Estates. The selection of a separate chapter 7 trustee for one or more of the Estates likely would result in substantially higher administrative expenses associated with the chapter 7 cases from a large duplication of effort by each trustee and his or her professionals. In addition, the selection of separate chapter 7 trustees likely would give rise to complicated, expensive, and time-consuming disputes regarding certain inter-Debtor issues.

The Trustee would retain professionals (attorneys, investment bankers, financial advisors, accountants, consultants, appraisers, experts, etc.) to assist in the liquidation and wind down of the Estates. Although the Trustee may retain certain of the Debtors' professionals for discrete projects, the Liquidation Analysis assumes that the Trustee's primary investment banking, legal,

[2] The Liquidation Analysis assumes that certain Debtor assets would be sold, in an expedited manner, as going concerns, as described more fully herein.

accounting, consulting, and forensic support would be provided by new professionals, because most (if not all) of the Debtors' current professionals likely would hold Claims in the chapter 7 cases and therefore could be incapable of satisfying applicable disinterestedness requirements for continued retention by the Trustee or the Estates.

IV. GLOBAL ASSUMPTIONS

A. Liquidation Balance

Unless otherwise stated, liquidation value (the "**Liquidation Balance**") reflected in the Liquidation Analysis is based on estimated net book value ("**NBV**") as of the Conversion Date. Certain asset Liquidation Balances were estimated using forward-looking projections (the "**Projections**") in the Debtors' business plan,[3] which were prepared by the Debtors with advice from the Debtors' advisors. The Projections necessarily incorporate estimates and assumptions that are inherently subject to significant business, economic, and competitive risks, uncertainties and contingencies. Inevitably, some assumptions in the Projections will not materialize in an actual chapter 7 liquidation and could materially affect the ultimate results of the Projections in an actual chapter 7 liquidation.

B. Allowed Claims

In preparing the Liquidation Analysis, the Debtors estimated Allowed Claims based upon a review of (i) claims listed on the Debtors' Schedules of Assets and Liabilities, (ii) claims filed with the Bankruptcy Court and (iii) the Debtors' financial statements to account for other known liabilities, as necessary. The Liquidation Analysis was prepared before the Debtors fully evaluated claims filed against the Debtors or adjudicated such claims before the Bankruptcy Court. Accordingly, the amount of the final Allowed Claims against the Debtors' estates may differ from the claim amounts used in this Liquidation Analysis. In addition, the Liquidation Analysis includes estimates for claims not currently asserted in the chapter 11 cases, but which could be asserted and allowed in a chapter 7 liquidation, including unpaid chapter 11 administrative claims, and chapter 7 administrative claims such as wind-down costs and Trustee fees. To date, the Bankruptcy Court has not estimated or otherwise fixed the total amount of Allowed Claims used for purposes of preparing this Liquidation Analysis. Therefore, the Debtors' estimate of Allowed Claims set forth in the Liquidation Analysis should not be relied on for any other purpose, including determining the value of any distribution to be made on account of Allowed Claims and Interests under the Plan.

C. Liquidation Process

The Debtors' business liquidation would be conducted in a chapter 7 scenario with the Trustee managing the bankruptcy estates to maximize recovery to creditors as expeditiously as possible. The Trustee would attempt to sell or otherwise monetize the assets owned by the Debtors to one or multiple buyers, which may include (i) sales of logical asset groups, (ii) sales of major generation facilities with associated assets, (iii) sales on a going-concern basis, or (iv) other sales of assets on a piecemeal basis. It is assumed the chapter 7 cases would be closed at the Deactivation Date (defined below).

[3] The Projections differ substantially from the Financial Projections referenced in Exhibit D which assume a chapter 11 reorganization instead of a chapter 7 conversion contemplated in the Liquidation Analysis.

Due to the unique nature of the Debtors' assets, the Liquidation Analysis assumes the Trustee would pursue multiple paths in liquidating each of the Debtors' major asset types. As described more fully in the notes to this Liquidation Analysis, the Debtors assume that the Trustee will oversee the following processes to monetize the Debtors' primary assets.

- Wholesale and Retail Sales Book (the "**Retail Book**"): The Liquidation Analysis assumes the Trustee would pursue an expedited, going concern, sales process to monetize the value of the Retail Book as quickly as possible. The Liquidation Analysis assumes the Trustee sells the Retail Book four months (the "**Asset Sale Period**") after the Conversion Date (the "**Asset Sale Date**").
- Fossil Plants (W.H. Sammis and Bruce Mansfield)[4]: The Liquidation Analysis assumes the Trustee would pursue an expedited sales process to monetize the value of the Fossil Plants during the Asset Sale Period. The Liquidation Analysis assumes the Trustee sells the Fossil Plants on the Asset Sale Date and that the buyer or buyers assume all environmental liabilities and capacity obligations associated with the Fossil Plants.
- Nuclear Plants (Beaver Valley, Davis-Besse and Perry): The Liquidation Analysis assumes the Trustee would proceed to deactivate the Nuclear Plants in accordance with the deactivation notice schedule filed by the Debtors with the Nuclear Regulatory Commission on March 28, 2018.[5] The Liquidation Analysis assumes the Trustee deactivates the nuclear plants over a 29 month period[6] (the "**Deactivation Period**") from the Conversion Date (the "**Deactivation Date**") while simultaneously running a "sales" process for each plant that would be effectuated at or around each plant's planned Deactivation Date. The Liquidation Analysis assumes the currently estimated shortfall in the Nuclear Decommissioning Trust ("**NDT**") for Beaver Valley Unit 1 of approximately $67 million would be funded on the Deactivation Date (assuming there are no changes in the NRC's decommissioning regulatory framework that materially increases NRC required decommissioning costs estimates leading up to each nuclear plant's Deactivation Date), and that the Trustee would sell each nuclear plant at or around such applicable dates for approximately $0.[7]

D. FE Settlement and Plan Settlement Considerations

The Liquidation Analysis assumes that, upon conversion of the chapter 11 Cases to chapter 7

[4] FG owns multiple properties (East Lake, Lake Shore, Ashtabula, etc.) that were once operating / generation facilities, but are now non-operating. Each of these properties have had different levels of remediation work performed since being retired, though none have been fully converted to Brownfield status. The Debtors believe that these properties have little to no value. For the purposes of the Liquidation Analysis, the Debtors are assuming these properties have no recoverable value.

[5] Scheduled nuclear deactivations dates - Davis-Besse: May 2020, Beaver Valley (Unit 1): May 2021, Perry: May 2021, Beaver Valley (Unit 2): October 2021.

[6] In the event the Trustee chose to deactivate the nuclear units on or around the Conversion Date, the recoveries (if any) to creditors would be materially less than the recoveries noted in the Liquidation Analysis. The approximately $290 million of net operating cash flow estimated by the Projections during the Deactivation Period (and included in the Liquidation Analysis) would not be available for creditor distribution. Furthermore, the Debtors estimate the Trustee would be required to pay approximately $289 million in capacity performance penalties associated with the nuclear units no longer operating.

[7] Several firms with expertise in nuclear plant decommissioning have previously agreed to "purchase" deactivated nuclear plants for little to no consideration (other than the NDT trusts pledged for decommissioning costs) given the significant liabilities and time required to decommission these asset types.

cases, the FE Non-Debtor Parties would exercise their termination rights under the FE Settlement, and the mutual releases granted between and among the parties to the FE Settlement Agreement would be automatically revoked. Accordingly, the Debtors' estates would no longer be entitled to the direct consideration and waiver of claims provided by the FE Non-Debtor Parties under the FE Settlement. In this scenario, the Trustee would be entitled to pursue Estate-owned claims and causes of action against the FE Non-Debtor Parties, and the FE Non-Debtor Parties would be entitled to assert certain claims against the Debtors.

Taking into account the strengths and weaknesses of the potential claims and causes of action against the FE Non-Debtor Parties and the claims asserted by such parties against the Debtors, as well as the substantial risks, costs and time delays associated with litigating these matters, the Liquidation Analysis assumes that the Trustee will be able to: (a) recover between 25% and 50% of the aggregate direct consideration received by the Debtors under the FE Settlement; and (b) obtain orders of the bankruptcy court disallowing between 25% and 50% of the claims asserted by the FE Non-Debtor Parties against the Debtors.

Additionally, the Liquidation Analysis assumes that the Trustee will reach a settlement and compromise of the various inter-Debtor issues on terms substantially similar to the Plan Settlement. Accordingly, for purposes of the Liquidation Analysis, the terms of the Plan Settlement have been incorporated, including, without limitation, the allocation of the proceeds of any claims and causes of action against the FE Non-Debtor Parties, and the treatment of inter-Debtor claims.

Finally, the Liquidation Analysis assumes that the Trustee will reach settlements and compromises of: (a) the Mansfield Certificate Claims on terms and conditions substantially similar to those set forth in the Mansfield Settlement incorporated into the Plan; and (b) the Mansfield TIA Claim based on an estimated range of allowed claims to be asserted at FES, FG and FGMUC.

E. Additional Global Notes and Assumptions

The Liquidation Analysis should be read in conjunction with the following global notes and assumptions:

1. *Additional unsecured claims.* The cessation of business in a liquidation is likely to trigger certain claims that otherwise would not exist under a plan absent a liquidation. Examples of these kinds of claims include various potential employee claims (for such items as severance and potential WARN Act claims), tax liabilities, claims related to the rejection of unexpired leases (*i.e.*, real and personal property) and executory contracts, and other potential Allowed Claims. These additional claims could be significant and some will be entitled to priority in payment over General Unsecured Claims. Those priority claims likely would need to be paid, in full, from the liquidation proceeds before any balance would be made available to pay General Unsecured Claims or to make any distribution in respect of equity interests. No adjustment has been made for these potential claims.

2. *Chapter 7 liquidation costs.* Pursuant to section 726 of the Bankruptcy Code, the allowed administrative claims incurred by the Trustee, including expenses affiliated with selling the Debtors' assets, will be entitled to payment in full prior to any distribution to chapter

11 Administrative Claims and Other Priority Claims. The estimate used in the Liquidation Analysis for these expenses include estimates for operational expenses and certain legal, accounting, and other professionals, as well as an assumed 3% fee based upon liquidated assets payable to the Trustee.

It is assumed that chapter 7 administrative and other priority claims, post-conversion operational expenses and professional fees, and chapter 7 trustee fees are entitled to payment, in full, prior to any distribution to holders of chapter 11 superpriority administrative claims, chapter 11 administrative / priority claims and secured claims. Parties, however, may dispute that assumption.

3. *Distribution of net proceeds.* Chapter 11 Administrative Claim amounts and Priority Claim amounts, professional fees, trustee fees, and other such claims that may arise in a liquidation scenario would be paid, in full, from the liquidation proceeds before the balance of any proceeds will be made available to pay any other Allowed Claim[8]. Under the absolute priority rule, no junior creditor at a given entity would receive any distribution until all senior creditors are paid in full at such entity, and no equity holder at such entity would receive any distribution until all creditors at such entity are paid in full. The assumed distributions to creditors as reflected in the Liquidation Analysis are estimated in accordance with the absolute priority rule.

4. *Certain exclusions and assumptions.* This Liquidation Analysis does not include estimates for the tax consequences that may be triggered upon the liquidation and sale events included in the analysis. Such tax consequences may be material. Additionally, the Liquidation Analysis does not consider the discounting over time of asset values and creditor recoveries, which would likely result in significantly lower recoveries to Holders of Claims and Interests than those estimated recoveries presented in the Liquidation Analysis.

V. CONCLUSIONS

THE DEBTORS HAVE DETERMINED, AS SUMMARIZED IN THE FOLLOWING ANALYSIS, THAT CONFIRMATION OF THE PLAN WILL PROVIDE CREDITORS WITH A RECOVERY THAT IS NOT LESS THAN WHAT THEY WOULD OTHERWISE RECEIVE IN CONNECTION WITH A LIQUIDATION OF THE DEBTORS UNDER CHAPTER 7 OF THE BANKRUPTCY CODE.

[8] Liquidation proceeds generated from the sale and/or operation of an any asset secured by funded debt are assumed to receive payment from those proceeds prior to those proceeds becoming available to pay any chapter 11 claim.

SUMMARY OF ESTIMATED RECOVERIES FOR CLAIMS AND INTEREST

Class	Name of Class Under Plan	Status	Estimated Percentage Recovery Under the Plan	Recovery Under Hypothetical Liquidation (Low)	Recovery Under Hypothetical Liquidation (High)
FES					
A1	Other Secured Claims against FES	Unimpaired	n/a	n/a	n/a
A2	Other Priority Claims against FES	Unimpaired	n/a	n/a	n/a
A3	Unsecured PCN / FES Note Claims Against FES	Impaired	23%	11%	15%
A4	Mansfield Certificate Claims Against FES	Impaired	23%	11%	15%
A5	FES/FENOC Unsecured Claims	Impaired	25%	11%	15%
A6	FES Single-Box Unsecured Claims	Impaired	31%	11%	15%
A7	Mansfield TIA Claim	Impaired	[TBD]	11%	15%
A8	Convenience Claims	Impaired	36%	11%	15%
A9	Inter-Debtor Claims	Impaired	23%	11%	15%
A10	Interests in FES	Impaired	0%	0%	0%
FG					
B1	Other Secured Claims Against FG	Unimpaired	n/a	54%	64%
B2	Other Priority Claims Against FG	Unimpaired	n/a	n/a	n/a
B3	Secured FG PCN Designated Claims	Unimpaired	100%	54%	64%
B4	Secured FG PCN Reinstated Claims	Unimpaired	100%	54%	64%
B5	Unsecured PCN/FES Note Claims Against FG	Impaired	14%	3%	6%
B6	Mansfield Certificate Claims Against FG	Impaired	12%	3%	6%
B7	FG Single-Box Unsecured Claims	Impaired	17%	3%	6%
B8	Mansfield TIA Claim	Impaired	[TBD]	3%	6%
B9	Convenience Claims	Impaired	22%	3%	6%
B10	Inter-Debtor Claims	Impaired	13%	3%	6%
B11	Interests in FG	Impaired	0%	0%	0%
NG					
C1	Other Secured Claims Against NG	Unimpaired	n/a	10%	13%
C2	Other Priority Claims Against NG	Unimpaired	n/a	n/a	n/a
C3	Secured NG PCN Claims	Unimpaired	100%	10%	13%
C4	Unsecured PCN/FES Notes Claims Against NG	Impaired	30%	3%	7%
C5	Mansfield Certificate Claims Against NG	Impaired	30%	3%	7%
C6	NG Single-Box Unsecured Claims	Impaired	n/a	3%	7%
C7	NG-FENOC Unsecured Claims against NG	Impaired	31%	3%	7%
C8	Convenience Claims	Impaired	36%	3%	7%
C9	Inter-Debtor Claims	Impaired	n/a	n/a	n/a
C10	Interests in NG	Impaired	0%	0%	0%

SUMMARY OF ESTIMATED RECOVERIES FOR CLAIMS AND INTEREST (Continued)

Class	Name of Class Under Plan	Status	Estimated Percentage Recovery Under the Plan	Recovery Under Hypothetical Liquidation (Low)	Recovery Under Hypothetical Liquidation (High)
FENOC					
D1	Other Secured Claims Against FENOC	Unimpaired	n/a	n/a	n/a
D2	Other Priority Claims Against FENOC	Unimpaired	n/a	n/a	n/a
D3	FES-FENOC Unsecured Claims against FENOC	Impaired	16%	0%	5%
D4	FENOC Single-Box Unsecured Claims	Impaired	19%	0%	5%
D5	NG-FENOC Unsecured Claims against FENOC	Impaired	16%	0%	5%
D6	Convenience Claims	Impaired	24%	0%	5%
D7	Inter-Debtor Claims	Impaired	16%	0%	5%
D8	Interests in FENOC	Impaired	0%	0%	0%
FGMUC					
E1	Other Secured Claims Against FGMUC	Unimpaired	n/a	n/a	n/a
E2	Other Priority Claims Against FGMUC	Unimpaired	n/a	n/a	n/a
E3	Mansfield Certificate Claims Against FGMUC	Impaired	9%	1%	4%
E4	FGMUC Single-Box Unsecured Claims	Impaired	13%	1%	4%
E5	Mansfield TIA Claim	Impaired	[TBD]	1%	4%
E6	Convenience Claims	Impaired	18%	1%	4%
E7	Inter-Debtor Claims	Impaired	9%	1%	4%
E8	Interests in FGMUC	Impaired	0%	0%	0%
FE Aircraft					
F1	Other Secured Claims Against FE Aircraft	Unimpaired	n/a	n/a	n/a
F2	Other Priority Claims Against FE Aircraft	Unimpaired	n/a	n/a	n/a
F3	General Unsecured Claims Against FE Aircraft	Impaired	n/a	n/a	n/a
F4	Inter-Debtor Claims	Impaired	n/a	n/a	n/a
F5	Interests in FE Aircraft	Impaired	n/a	n/a	n/a
Norton					
G1	Other Secured Claims Against Norton	Unimpaired	n/a	n/a	n/a
G2	Other Priority Claims Against Norton	Unimpaired	n/a	n/a	n/a
G3	General Unsecured Claims Against Norton	Impaired	n/a	n/a	n/a
G4	Inter-Debtor Claims	Impaired	n/a	n/a	n/a
G5	Interests in Norton	Impaired	n/a	n/a	n/a

VI. LIQUIDATION ANALYSIS RESULTS

The following pages present the results for the hypothetical liquidation of the Debtors.[9]

[9] The estimated claims on the following pages may differ from the estimated claims included in the Disclosure Statement because of differing assumptions between a chapter 11 reorganization and a hypothetical chapter 7 liquidation.

Estimated Proceeds Generated From Asset Liquidation at FirstEnergy Solutions, Corp.

In $US Millions

Assets	Notes	Liquidation Balance	Potential Recovery: Recovery Estimate (%) Low	Recovery Estimate (%) High	Recovery Estimate ($) Low	Recovery Estimate ($) High
Gross Liquidation Proceeds:						
Cash	[1]	$ 952	100%	100%	$ 952	$ 952
Accounts Receivable	[2]	64	84%	92%	54	59
Property, Plant, & Equipment	[3]	-	-	-	-	-
Collateral	[4]	58	90%	100%	52	58
Retail Book	[5]	55	80%	90%	44	50
Inter-Debtor Claims Recovery	[6]	557	27%	35%	152	195
FE Non-Debtor Litigation Recovery	[7]	602	25%	50%	150	301
Total Assets		**2,288**	**61%**	**71%**	**1,405**	**1,614**
			Recovery / Rates			
Less: Chapter 7 Costs		**Amount**	**Low**	**High**		
Inter-Debtor Superpriority Admin Claim	[8]	3	100%	100%	(3)	(3)
Estate Wind-Down Costs	[9]	3	100%	100%	(3)	(3)
Trustee Fees	[10]	n/a	3%	3%	(10)	(15)
Total Chapter 7 Costs					**(16)**	**(21)**
Net Proceeds Available to Secured Creditors					-	-
Net Proceeds Available to Other Creditors					1,389	1,593
Net Distributable Proceeds					**1,389**	**1,593**

Distribution of Net Liquidation Proceeds to Creditors

Ch. 11 Claims		Claims Low	Claims High	Recovery % Low	Recovery % High	Recovery Estimate $ Low	Recovery Estimate $ High
Inter-Debtor Superpriority Admin.	[11]	325	397	100%	100%	397	325
Proceeds Available for Next Priority of Creditors						**992**	**1,269**
Less: Secured Claims							
Secured Claims (A1)	[12]	-	-	-	-	-	-
Proceeds Available for Next Priority of Creditors						**992**	**1,269**
Less: Admin / Priority Claims							
Administrative Claims		41	50	100%	100%	50	41
Priority Tax Claims		-	-	-	-	-	-
Total Admin / Priority Claims	[13]	**41**	**50**	**100%**	**100%**	**50**	**41**
Proceeds Available for Next Priority of Creditors						**941**	**1,227**
Less: General Unsecured Claims							
Unsecured PCN / FES Note Claims (A3)	[14]	2,238	2,238	11%	15%	241	342
Mansfield Certificate Claims (A4)	[15]	787	787	11%	15%	85	120
FE Revolver Claim	[16]	350	525	11%	15%	57	54
Secured PCN Deficiency Claims	[17]	689	689	11%	15%	74	105
FES/FENOC Unsecured Claims (A5)	[18]	139	139	11%	15%	15	21
FES Single-Box Unsecured Claims (A6)	[18]	524	641	11%	15%	69	80
Non-Debtor Affiliate Claims	[19]	56	85	11%	15%	9	9
Mansfield TIA Claim (A7)	[20]	55	444	11%	15%	48	8
Inter-Debtor Prepetition Claims (A9)	[21]	3,189	3,189	11%	15%	344	488
Total General Unsecured Claims		**8,027**	**8,736**	**11%**	**15%**	**941**	**1,227**
Proceeds Available for Next Priority of Creditors						**$ -**	**$ -**

VI. LIQUIDATION ANALYSIS RESULTS (continued)

Estimated Proceeds Generated From Asset Liquidation at FirstEnergy Generation, LLC

In $US Millions

Assets	Notes	Liquidation Balance	Potential Recovery: Recovery Estimate % Low	Recovery Estimate % High	Recovery Estimate $ Low	Recovery Estimate $ High
Gross Liquidation Proceeds:						
Cash	[1]	$ 8	100%	100%	8	8
Accounts Receivable	[2]	-	-	-	-	-
Property, Plant, & Equipment	[3]	356	85%	89%	301	317
Collateral	[4]	-	-	-	-	-
Retail Book	[5]	-	-	-	-	-
Inter-Debtor Claims Recovery	[6]	1,608	17%	22%	281	348
FE Non-Debtor Litigation Recovery	[7]	245	25%	50%	61	122
Total Assets		**2,217**	**29%**	**36%**	**651**	**795**

Less: Chapter 7 Costs		Amount	Recovery / Rates Low	Recovery / Rates High		
Inter-Debtor Superpriority Admin Claim	[8]	18	100%	100%	(18)	(18)
Estate Wind-Down Costs	[9]	n/a	n/a	n/a	-	-
Trustee Fees	[10]	n/a	3%	3%	(11)	(13)
Total Chapter 7 Costs					**(28)**	**(31)**
Net Proceeds Available to Secured Creditors					292	307
Net Proceeds Available to Other Creditors					330	457
Net Distributable Proceeds					**622**	**764**

Distribution of Net Liquidation Proceeds to Creditors

Ch. 11 Claim Types		Claims Low	Claims High	Recovery % Low	Recovery % High	Recovery Estimate $ Low	Recovery Estimate $ High
Inter-Debtor Superpriority Admin.	[11]	58	71	100%	100%	71	58
Proceeds Available for Next Priority of Creditors						**552**	**706**
Less: Secured Claims							
FE Revolver Claims (B1)		125	188	54%	64%	101	80
Secured FG PCN Designated Claims (B3)		199	199	54%	64%	107	127
Secured FG PCN Reinsated Claims (B4)		157	157	54%	64%	84	100
Total Secured Claims	[12]	**481**	**543**	**54%**	**64%**	**292**	**307**
Proceeds Available for Next Priority of Creditors						**260**	**399**
Less: Admin / Priority Claims							
Administrative Claims		58	71	100%	100%	71	58
Priority Tax Claims		14	14	100%	100%	14	14
Total Admin / Priority Claims	[13]	**72**	**85**	**100%**	**100%**	**85**	**72**
Proceeds Available for Next Priority of Creditors						**175**	**327**
Less: General Unsecured Claims							
Unsecured PCN/FES Note Claims (B5)	[14]	2,238	2,238	3%	6%	65	143
Mansfield Certificate Claims (B6)	[15]	787	787	3%	6%	23	50
FE Revolver Claim	[16]	277	415	3%	6%	12	18
Secured PCN Deficiency Claims	[17]	462	498	3%	6%	15	30
FG Single-Box Unsecured Claims (B7)	[18]	331	634	3%	6%	18	21
Non-Debtor Affiliate Claims	[19]	51	77	3%	6%	2	3
Mansfield TIA Claims (B8)	[20]	55	444	3%	6%	13	4
Inter-Debtor Prepetition Claims (B10)	[21]	902	902	3%	6%	26	58
Total Unsecured Claims		**5,103**	**5,995**	**3%**	**6%**	**175**	**327**
Proceeds Available for Next Priority of Creditors						**-**	**-**

VI. LIQUIDATION ANALYSIS RESULTS (continued)

Estimated Proceeds Generated From Asset Liquidation at FirstEnergy Nuclear Generation, LLC

In $US Millions

Assets	Notes	Liquidation Balance	Potential Recovery: Recovery Estimate % Low	Recovery Estimate % High	Recovery Estimate $ Low	Recovery Estimate $ High
Gross Liquidation Proceeds:						
Cash	[1]	-	-	-	-	-
Accounts Receivable	[2]	-	-	-	-	-
Property, Plant, & Equipment	[3]	138	75%	82%	103	113
Collateral	[4]	-	-	-	-	-
Retail Book	[5]	-	-	-	-	-
Inter-Debtor Claims Recovery	[6]	1,918	22%	26%	421	497
FE Non-Debtor Litigation Recovery	[7]	158	25%	50%	40	79
Total Assets		**2,214**	**25%**	**31%**	**563**	**688**

Less: Chapter 7 Costs		Amount	Recovery / Rates Low	Recovery / Rates High		
Inter-Debtor Superpriority Admin Claim	[8]	193	100%	100%	(193)	(193)
Estate Wind-Down Costs	[9]	n/a	n/a	n/a	-	-
Trustee Fees	[10]	n/a	3%	3%	(4)	(6)
Total Chapter 7 Costs					**(197)**	**(198)**
Net Proceeds Available to Secured Creditors					65	75
Net Proceeds Available to Other Creditors					301	415
Net Liquidation Proceeds Available for Distribution to Creditors					**366**	**490**

Distribution of Net Liquidation Proceeds to Creditors

Ch. 11 Claim Types		Claims Low	Claims High	Recovery % Low	Recovery % High	Recovery Estimate $ Low	Recovery Estimate $ High
Inter-Debtor Superpriority Admin.	[11]	113	138	100%	100%	138	113
Proceeds Available for Next Priority of Creditors						**229**	**377**
Less: Secured Claims							
FE Revolver Claims (C1)		225	338	10%	13%	33	30
Secured NG PCN Claims (C3)		333	333	10%	13%	33	45
Total Secured Claims	[12]	**558**	**671**	**10%**	**13%**	**65**	**75**
Proceeds Available for Next Priority of Creditors						**163**	**302**
Less: Admin / Priority Claims							
Administrative Claims		-	-	-	-	-	-
Priority Tax Claims		21	21	100%	100%	21	21
Total Admin / Priority Claims	[13]	**21**	**21**	**100%**	**100%**	**21**	**21**
Proceeds Available for Next Priority of Creditors						**142**	**281**
Less: General Unsecured Claims							
Unsecured PCN/FES Notes Claims (C4)	[14]	2,238	2,238	3%	7%	75	155
Mansfield Certificate Claims (C5)	[15]	787	787	3%	7%	26	55
FE Revolver Claim	[16]	311	466	3%	7%	16	22
Secured PCN Deficiency Claims	[17]	644	657	3%	7%	22	45
Non-Debtor Affiliate Claims	[19]	1	2	3%	7%	0	0
NG-FENOC Unsecured Claims (C7)	[18]	74	116	3%	7%	4	5
Inter-Debtor Prepetition Claims (C9)	[21]	-	-	-	-	-	-
Total Unsecured Claims		**4,056**	**4,265**	**3%**	**7%**	**142**	**281**
Proceeds Available for Next Priority of Creditors						**$ -**	**$ -**

VI. LIQUIDATION ANALYSIS RESULTS (continued)

Estimated Proceeds Generated From Asset Liquidation at FirstEnergy Nuclear Operating Company

In $US Millions

Assets	Notes	Liquidation Balance	Potential Recovery: Recovery Estimate % Low	Recovery Estimate % High	Recovery Estimate $ Low	Recovery Estimate $ High
Gross Liquidation Proceeds:						
Cash	[1]	-	-	-	-	-
Accounts Receivable	[2]	-	-	-	-	-
Property, Plant, & Equipment	[3]	-	-	-	-	-
Collateral	[4]	-	-	-	-	-
Retail Book	[5]	-	-	-	-	-
Inter-Debtor Claims Recovery	[6]	292	91%	92%	267	269
FE Non-Debtor Litigation Recovery	[7]	28	25%	50%	7	14
Total Assets		**321**	**86%**	**88%**	**275**	**283**

Less: Chapter 7 Costs		Amount	Recovery / Rates Low	Recovery / Rates High		
Inter-Debtor Superpriority Admin Claim	[8]	n/a	n/a	n/a	-	-
Estate Wind-Down Costs	[9]	193	100%	100%	(193)	(193)
Trustee Fees	[10]	n/a	3%	3%	(0)	(0)
Total Chapter 7 Costs					**(193)**	**(193)**
Net Proceeds Available to Secured Creditors					-	-
Net Proceeds Available to Other Creditors					82	90
Net Liquidation Proceeds Available for Distribution to Creditors					**82**	**90**

Distribution of Net Liquidation Proceeds to Creditors

Ch. 11 Claim Types		Claims Range Low	Claims Range High	Recovery % Low	Recovery % High	Recovery Estimate $ Low	Recovery Estimate $ High
Inter-Debtor Superpriority Admin.	[11]	6	7	100%	100%	7	6
Proceeds Available for Next Priority of Creditors						**75**	**84**
Less: Secured Claims							
Secured Claims (D1)	[12]	-	-	-	-	-	-
Proceeds Available for Next Priority of Creditors						**75**	**84**
Less: Admin / Priority Claims							
Administrative Claims		62	76	98%	100%	75	62
Priority Tax Claims		-	-	-	-	-	-
Total Admin / Priority Claims	[13]	**62**	**76**	**98%**	**100%**	**75**	**62**
Proceeds Available for Next Priority of Creditors						**-**	**22**
Less: General Unsecured Claims							
FES-FENOC Unsecured Claims (D3)	[18]	252	252	0%	5%	-	13
FENOC Single-Box Unsecured Claims (D4)	[18]	32	39	0%	5%	-	2
Non-Debtor Affiliate Claims	[19]	23	35	0%	5%	-	1
NG-FENOC Unsecured Claims (D5)	[18]	74	116	0%	5%	-	4
Inter-Debtor Prepetition Claims (D7)	[21]	33	33	0%	5%	-	2
Total Unsecured Claims		**415**	**475**	**0%**	**5%**	**-**	**22**
Proceeds Available for Next Priority of Creditors						**$ -**	**$ -**

VI. LIQUIDATION ANALYSIS RESULTS (continued)

Estimated Proceeds Generated From Asset Liquidation at FirstEnergy Aircraft Leasing Corp.

In $US Millions

Assets	Notes	Liquidation Balance	Potential Recovery: Recovery Estimate % Low	Recovery Estimate % High	Recovery Estimate $ Low	Recovery Estimate $ High
Gross Liquidation Proceeds:						
Cash	[1]	20	100%	100%	20	20
Accounts Receivable	[2]	-	-	-	-	-
Property, Plant, & Equipment	[3]	-	-	-	-	-
Collateral	[4]	-	-	-	-	-
Retail Book	[5]	-	-	-	-	-
Inter-Debtor Claims Recovery	[6]	2	10%	15%	0	0
FE Non-Debtor Litigation Recovery	[7]	-	-	-	-	-
Total Assets		**22**	**90%**	**91%**	**20**	**20**

Less: Chapter 7 Costs		Recovery / Rates Low	Recovery / Rates High		
Inter-Debtor Superpriority Admin Claim	[8]	n/a	n/a	-	-
Estate Wind-Down Costs	[9]	n/a	n/a	-	-
Trustee Fees	[10]	3%	3%	-	-
Total Chapter 7 Costs				**-**	**-**
Net Proceeds Available to Secured Creditors				-	-
Net Proceeds Available to Other Creditors				20	20
Net Liquidation Proceeds Available for Distribution to Creditors				**20**	**20**

Distribution of Net Liquidation Proceeds to Creditors

Ch. 11 Claim Types		Claims Low	Claims High	Recovery % Low	Recovery % High	Recovery Estimate $ Low	Recovery Estimate $ High
Inter-Debtor Superpriority Admin.	[11]	-	-	-	-	-	-
Proceeds Available for Next Priority of Creditors						**20**	**20**
Less: Secured Claims							
Secured Claims (F1)	[12]	-	-	-	-	-	-
Proceeds Available for Next Priority of Creditors						**20**	**20**
Less: Admin / Priority Claims							
Administrative Claims		-	-	-	-	-	-
Priority Tax Claims		-	-	-	-	-	-
Total Admin / Priority Claims	[13]	**-**	**-**	**-**	**-**	**-**	**-**
Proceeds Available for Next Priority of Creditors						**20**	**20**
Less: General Unsecured Claims							
General Unsecured Claims (F3)	[18]	-	-	-	-	-	-
Inter-Debtor Prepetition Claims (F5)	[21]	-	-	-	-	-	-
Total Unsecured Claims		**-**	**-**	**-**	**-**	**-**	**-**
Proceeds Available for Next Priority of Creditors						**$ 20**	**$ 20**

VI. LIQUIDATION ANALYSIS RESULTS (continued)

Estimated Proceeds Generated From Asset Liquidation at FirstEnergy Generation Mansfield Unit 1 Corp.

In $US Millions

Assets	Notes	Liquidation Balance	Potential Recovery: Recovery Estimate % Low	Recovery Estimate % High	Recovery Estimate $ Low	Recovery Estimate $ High
Gross Liquidation Proceeds:						
Cash	[1]	-	-	-	-	-
Accounts Receivable	[2]	-	-	-	-	-
Property, Plant, & Equipment	[3]	-	-	-	-	-
Collateral	[4]	-	-	-	-	-
Retail Book	[5]	-	-	-	-	-
Inter-Debtor Claims Recovery	[6]	902	3%	6%	26	58
FE Non-Debtor Litigation Recovery	[7]	14	25%	50%	3	7
Total Assets		**915**	**3%**	**7%**	**30**	**65**

Less: Chapter 7 Costs		Recovery / Rates Low	Recovery / Rates High		
Inter-Debtor Superpriority Admin Claim	[8]	n/a	n/a	-	-
Estate Wind-Down Costs	[9]	n/a	n/a	-	-
Trustee Fees	[10]	3%	3%	(0)	(0)
Total Chapter 7 Costs				**(0)**	**(0)**
Net Proceeds Available to Secured Creditors				-	-
Net Proceeds Available to Other Creditors				30	64
Net Liquidation Proceeds Available for Distribution to Creditors				**30**	**64**

Distribution of Net Liquidation Proceeds to Creditors

Ch. 11 Claim Types		Claims Low	Claims High	Recovery % Low	Recovery % High	Recovery Estimate $ Low	Recovery Estimate $ High
Inter-Debtor Superpriority Admin.	[11]	17	20	100%	100%	20	17
Proceeds Available for Next Priority of Creditors						**9**	**48**
Less: Secured Claims							
Secured Claims (E1)	[12]	-	-	-	-	-	-
Proceeds Available for Next Priority of Creditors						**9**	**48**
Less: Admin / Priority Claims							
Administrative Claims		-	-	-	-	-	-
Priority Tax Claims		-	-	-	-	-	-
Total Admin / Priority Claims	[13]	**-**	**-**	**-**	**-**	**-**	**-**
Proceeds Available for Next Priority of Creditors						**9**	**48**
Less: General Unsecured Claims							
Mansfield Certificate Claims (E3)	[15]	787	787	1%	4%	5	31
FGMUC Single-Box Unsecured Claims (E4)	[18]	14	17	1%	4%	0	1
Non-Debtor Affiliate Claims	[19]	0	0	1%	4%	0	0
Mansfield TIA Claim (E5)	[20]	55	444	1%	4%	3	2
Inter-Debtor Prepetition Claims (E7)	[21]	368	368	1%	4%	2	14
Total Unsecured Claims		**1,223**	**1,615**	**1%**	**4%**	**9**	**48**
Proceeds Available for Next Priority of Creditors						**$ -**	**$ -**

VI. LIQUIDATION ANALYSIS RESULTS (continued)

Estimated Proceeds Generated From Asset Liquidation at Norton Energy Storage L.L.C.

In $US Millions

Assets	Notes	Liquidation Balance	Potential Recovery: Recovery Estimate % Low	Recovery Estimate % High	Recovery Estimate $ Low	Recovery Estimate $ High
Gross Liquidation Proceeds:						
Cash	[1]	-	-	-	-	-
Accounts Receivable	[2]	-	-	-	-	-
Property, Plant, & Equipment	[3]	TBD	TBD	TBD	TBD	TBD
Collateral	[4]	-	-	-	-	-
Retail Book	[5]	-	-	-	-	-
Inter-Debtor Claims Recovery	[6]	-	-	-	-	-
FE Non-Debtor Litigation Recovery	[7]	-	-	-	-	-
Total Assets		**-**	**-**	**-**	**-**	**-**

Less: Chapter 7 Costs		Recovery / Rates Low	Recovery / Rates High		
Inter-Debtor Superpriority Admin Claim	[8]	n/a	n/a	-	-
Estate Wind-Down Costs	[9]	n/a	n/a	-	-
Trustee Fees	[10]	3%	3%	-	-
Total Chapter 7 Costs				**-**	**-**
Net Proceeds Available to Secured Creditors				-	-
Net Proceeds Available to Other Creditors				-	-
Net Liquidation Proceeds Available for Distribution to Creditors				**-**	**-**

Distribution of Net Liquidation Proceeds to Creditors

Ch. 11 Claim Types		Claims Low	Claims High	Recovery % Low	Recovery % High	Recovery Estimate $ Low	Recovery Estimate $ High
Inter-Debtor Superpriority Admin.	[11]	-	-	-	-	-	-
Proceeds Available for Next Priority of Creditors						**-**	**-**
Less: Secured Claims							
Secured Claims (G1)	[12]	-	-	-	-	-	-
Proceeds Available for Next Priority of Creditors						**-**	**-**
Less: Admin / Priority Claims							
Administrative Claims		-	-	-	-	-	-
Priority Tax Claims		-	-	-	-	-	-
Total Admin / Priority Claims	[13]	**-**	**-**	**-**	**-**	**-**	**-**
Proceeds Available for Next Priority of Creditors						**-**	**-**
Less: General Unsecured Claims							
General Unsecured Claims (G3)	[18]	-	-	-	-	-	-
Inter-Debtor Prepetition Claims (G5)	[21]	-	-	-	-	-	-
Total Unsecured Claims		**-**	**-**	**-**	**-**	**-**	**-**
Proceeds Available for Next Priority of Creditors						**$ -**	**$ -**

VII. NOTES FOR PROCEEDS AVAILABLE FOR DISTRIBUTION

Note [1] – Cash and Cash Equivalents

Cash and cash equivalents at each Debtor entity were estimated using the Projections as of the Deactivation Date. All estimated cash balances are assumed to be 100% recoverable in both the "High" and "Low" liquidation recovery scenarios. The FENOC cash balance as of the Deactivation Date is forecast to be $0 given the fact that FENOC is a "net neutral" cash operator (e.g., all cash is expected to be utilized to satisfy liabilities arising in chapter 7 as of the Deactivation Date). The cash balance at FirstEnergy Aircraft Leasing Corp. ("FEALC") is related to the previous sale of an aircraft asset to FE Corp. The ending proceeds available for creditors at FEALC are assumed to be distributed to FES creditors as there are no estimated allowed claims at FEALC.

Note [2] – Accounts Receivable, Net

Accounts receivable balances (exclusive of intercompany balances) primarily consist of (i) Retail Book customer receivables at FES[10] and (ii) PJM receivables at FES[11]. Both were estimated using the Projections. Retail Book customer receivables are assumed to recover 80% and 90% in the "Low" and "High" recovery scenarios, respectively. These assumed recovery rates are based on the Debtors' ability to collect on accounts receivable, taking into consideration the potential effect a hypothetical chapter 7 case may have on customers' willingness to pay amounts owed[12]. PJM receivables are assumed to recover 100% in both the "High" and "Low" recovery scenarios.

Note [3] – Property, Plant, & Equipment ("PP&E")

PP&E of the Debtors consists primarily of generation plant assets of FG and NG. The Liquidation Analysis assumes that the Trustee would attempt to sell or otherwise monetize the assets owned by the Debtors to one or multiple buyers, which may include (i) sales of logical asset groups, (ii) sales of major generation facilities with associated assets, (iii) sales on a going-concern basis, or (iv) other sales of assets on a piecemeal basis.

After review of the assets, the Debtors and their advisors concluded that the forced sale of the Debtors' PP&E in a compressed timeframe that would likely occur during a chapter 7 liquidation would result in a valuation discount relative to "fair value." Specifically, the Liquidation Analysis provides for the Liquidation Balance of the Debtors' assets as follows:

- FG: The PP&E Liquidation Balance at FG consists of:
  - The estimated fair value of the Fossil Plants (Mansfield and Sammis) assume they are deactivated in accordance with the deactivation notice schedule filed by the Debtors on August 29, 2018. The Liquidation Analysis assumes the Trustee would run an expedited sales process that would return distressed recoveries of 65% and 75% in the "Low" and "High" recovery scenarios, respectively, as compared to the value in the Plan, with the buyer or buyers assuming all environmental liabilities associated with the Fossil Plants.;
  - Cash realized from previously (or soon to be) executed FG asset sales; and[13]

[10] As of the Asset Sale Date.
[11] As of the Deactivation Date.
[12] The Retail Book serves over 900,000 individual customers making effective collection efforts difficult.
[13] Including Bayshore (~$5 million), Burger (~$12 million) and West Lorain (~$144 million).

- Estimated insurance proceeds of approximately $38 million relating to the Mansfield Unit 1 & 2 fire event, in accordance with the Plan Settlement.

- NG: The PP&E liquidation balance at NG consists of:
  - That certain replacement steam generator at Beaver Valley with an estimated liquidation value of approximately $100 million; and
  - Estimated insurance proceeds of approximately $38 million relating to the Mansfield Unit 1 & 2 fire event, in accordance with the Plan Settlement.
- FENOC: PP&E (e.g., uranium, enriched uranium, etc.) as of the Deactivation Date is assumed to be $0 as all uranium feed is forecast to be utilized during the Deactivation Period.
- Norton: The Debtors are in the process of obtaining a third party appraisal for the Norton property. The Debtors do not believe the results of the appraisal will have any material impact on the conclusions reached in the Liquidation Analysis.

Note [4] – Collateral

Collateral liquidation balance consists of cash collateral held by third parties as adequate assurance FES will continue to perform under various retail, hedging, and supplier obligations. The collateral balance was forecast using the Projections as of the Asset Sale Date. Collateral is assumed to recover 90% and 100% in the "Low" and "High" recovery scenarios, respectively.

Note [5] – Retail Book

The Liquidation Analysis assumes the Trustee pursues an expedited sales process to monetize the value of the Retail Book. The Liquidation Balance represents the estimated, non-discounted, future cash flows of the Retail Book based on committed load as of September 2018 and energy pricing as of December 2018. Due to the assumed expedited nature of the sales process, the Retail Book is assumed to recover 80% and 90% of the mark-to-market value in the "Low" and "High" recovery scenarios, respectively.

Note [6] – Inter-Debtor Claims Recovery

Inter-Debtor Claims Recovery primarily consist of:

- Recoveries on chapter 11 prepetition claims by and among various Debtors. The Liquidation Analysis assumes all chapter 11 Inter-Debtor prepetition claims are allowed in the amounts set forth in the Plan, in accordance with the Plan Settlement;
- Recoveries on estimated chapter 11 postpetition claims by and among various Debtors. The Liquidation Analysis assumes all estimated chapter 11 Inter-Debtor postpetition claims are allowed in the amounts set forth in the Plan, in accordance with the Plan Settlement; and
- The Liquidation Analysis assumes that the Trustee amends those certain Power Purchase Agreements (the "Inter-Debtor PPA's") by and among FES/FG and FES/NG as of the Conversion Date, such that FG and NG become responsible for any profit and/or loss each entity would receive assuming they were selling their energy output to PJM directly (and paying their own costs), instead of to FES. The FES/FG balance following the Conversion Date was forecast using the Projections as of the Asset Sale Date. The

FES/NG balance following the Conversion Date was forecast using the Projections as of the Deactivation Date.

Note [7] – FE Non-Debtor Litigation Recovery

The Liquidation Analysis assumes that, upon conversion of the chapter 11 Cases to chapter 7 cases, the FE Non-Debtor Parties would exercise their termination rights under the FE Settlement, and the mutual releases granted between and among the parties to the FE Settlement Agreement would be automatically revoked. Accordingly, the Debtors' estates would no longer be entitled to the direct consideration and waiver of claims provided by the FE Non-Debtor Parties under the FE Settlement. In this scenario, the Trustee would be entitled to pursue Estate-owned claims and causes of action against the FE Non-Debtor Parties, and the FE Non-Debtor Parties would be entitled to assert certain claims against the Debtors.

Taking into account the strengths and weaknesses of the potential claims and causes of action against the FE Non-Debtor Parties and the claims asserted by such parties against the Debtors, as well as the substantial risks, costs and time delays associated with litigating these matters, the Litigation Analysis assumes that the Trustee will be able to: (a) recover between 25% and 50% of the aggregate direct consideration received by the Debtors under the FE Settlement; and (b) obtain orders of the bankruptcy court disallowing between 25% and 50% of the claims asserted by the FE Non-Debtor Parties against the Debtors. The Liquidation Analysis assumes litigation would occur over an eighteen month period at a cost of approximately $55 million.

Additionally, the Liquidation Analysis assumes that the Trustee will reach a settlement and compromise of the various inter-Debtor issues on terms substantially similar to the Plan Settlement. Accordingly, for purposes of the Liquidation Analysis, the terms of the Plan Settlement have been incorporated, including without limitation, the allocation of the proceeds of any claims and causes of action against the FE Non-Debtor Parties, and the treatment of inter-Debtor claims.

VIII. CHAPTER 7 CLAIMS

Note [8] – Inter-Debtor Superpriority Administrative Claims

See Note 6 above for explanation of this claim type.

Note [9] – Estate Wind Down Costs

Estate wind down costs primarily consist of estimated liabilities as of the Deactivation Date relating to: (i) NDT shortfall funding (~$67 million); (ii) spent fuel management true-up required to facilitate the sale of the Nuclear Plants (~$48 million);[14](iii) certain nuclear employee (KERP, severance, etc.) amounts forecast to be outstanding as of the Deactivation Date (~$78 million); and (iv) accrued but unpaid chapter 7 professional fees (~$3 million).

Note [10] – Trustee Fees

In a chapter 7 liquidation, the Bankruptcy Court may allow reasonable compensation for the Trustee's services not to exceed 3% of such proceeds greater than $1 million, upon all proceeds disbursed or turned over in the case by the trustee to parties in interest. Chapter 7 trustee fees were

[14]The Liquidation Analysis assumes that the Trustee will be required to pay a "purchaser" of the Nuclear Plants the difference between (i) the total forecast spent fuel costs after the Deactivation Date and (ii) the anticipated amount of reimbursement from the US Department of Energy ("DOE") for the same.

estimated at 3% of gross liquidation proceeds, excluding (i) recoveries related to cash and cash equivalents available to the Trustee as of the Conversion Date and (ii) recoveries on Inter-Debtor Claims.

IX. CHAPTER 11 CLAIMS

Note [11] – Inter-Debtor Superpriority Admin.

See Note 6 above for explanation of this claim type.

Note [12] – Secured Claims

Secured claim amounts primarily consist of:

- $700[15] million revolving credit facility provided by FE Corp. to FES, as borrower, and NG and FG as secured guarantors;[16]
- Approximately $356 million in outstanding principal and unpaid interest of fixed-rate pollution control revenue notes supported by first mortgage bonds issued by FG; and
- Approximately $333 million in outstanding principal and unpaid interest of fixed-rate pollution control revenue notes supported by first mortgage bonds issued by NG.

FG and NG have entered upstream guarantees of certain of FES's indebtedness, and FES has entered downstream guarantees of certain indebtedness of each of FG and NG. These guarantees cover, among other things, the pollution control notes referenced above. The guarantees, however, are unsecured obligations of the applicable guarantor.

Note [13] – Chapter 11 Administrative and Priority Claims

Chapter 11 Administrative and Priority claims primarily consist of:

- Approximately $155 million of post-petition trade payables, payroll, and related accruals were estimated to remain outstanding at the Conversion Date;
- Approximately $10 million of postpetition chapter 11 professional fees estimated to remain outstanding at the Conversion Date;
- Approximately $34 million of priority tax claims estimated to remain outstanding at the Conversion Date; and
- Approximately $15 million of prepetition 503(b)(9) claims were estimated to remain outstanding at the Conversion Date.

Estimated chapter 11 Administrative and Priority Claims were risk adjusted 10% (up and down) in the "Low" and "High" recovery scenarios to account for the potential that the Projections used to develop the estimates may be different than actual results.

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[15] The Liquidation Analysis assumes certain of those claims by Non-Debtor Affiliates waived per the FE Settlement Agreement would ultimately be allowed in a hypothetical chapter 7 conversion. The claim amounts referenced in section VI represent the Debtors view of claims by the Non-Debtor Affiliates that would be allowed with a litigation risk haircut of 25% and 50% in the "Low" and "High" recovery scenarios, respectively.

[16] The secured revolving credit facility is $500 million for general purposes and $200 million for surety support. The secured revolving credit facility is secured by first mortgage bonds issued by FG and NG, which grant a first lien security interest in substantially all of the respective property, plant, and equipment of FG and NG, respectively, used and useful in the generation and production of electric energy. In support of the secured revolving credit facility, FG issued $250 million of first mortgage bonds and NG issued $450 million of first mortgage bonds.

X. UNSECURED CLAIMS

Note [14] – Unsecured PCN / FES Note Claims

Aggregate Unsecured PCN / FES Note Claims of approximately $2.238 billion consisting of

- Approximately $701 million in outstanding principal and interest for the FES senior unsecured notes;
- Approximately $685 million in outstanding principal and interest of unsecured fixed-rate pollution control revenue notes issued by FG that support additional tax-exempt pollution control revenue bonds; and
- Approximately $852 million in outstanding principal and interest of unsecured fixed-rate pollution control revenue notes issued by NG that support tax-exempt pollution control revenue bonds;

Note [15] – Unsecured Mansfield Certificate Claims

Unsecured Mansfield Certificate Claims represent approximately $787 million in aggregate outstanding principal and interest of Claims evidenced by certain certificates issued in connection with the sale-leaseback transaction for Unit 1 of the Bruce Mansfield Plant;

Note [16] – Unsecured FE Revolver Claims

Unsecured FE Revolver Claims represent deficiency and guarantee claims that may be asserted by FE Corp. relating to the $700 million secured revolving credit facility referenced in Note [12] above.

Note [17] – Secured PCN Deficiency Claims

Secured PCN Deficiency Claims represent deficiency claims that may be asserted by Holders of Secured PCN Claims to the extent the value of the collateral securing their claims is insufficient to pay such Claims in full.

Note [18] – General Unsecured Claims

General Unsecured Claims at each entity primarily consist of:

- FES
  - Contract rejection damage and guarantee claims range of approximately $612 million to $717 million;
  - Third party trade claims range of approximately $24 million to $30 million; and
  - Litigation claims range of approximately $27 million to $33 million.
- FG[17]
  - Contract rejection damage claims range of approximately $270 million to $559 million;
  - Third party trade claims range of approximately $21 million to $26 million; and
  - Litigation claims range of approximately $41 million to $50 million.
- NG

[17] The Liquidation Analysis assumes there will be sufficient cash from the posted cash collateral related to the Hollow Rock remediation site, in addition to the sureties drawing on the FE Corp. Credit Support facility for the Little Blue Run and Hatfield surety bonds to fund the remediation costs associated with such sites.

- Total claims of approximately $74 million to $116 million

- FENOC
  - Contract rejection damage claims range of approximately range of $248 million to $303 million; and
  - Third party trade claims range of approximately $86 million to $105 million.
- FGMUC
  - Litigation claims range of approximately $14 million to $17 million.

Certain of these General Unsecured Claims were risk adjusted (up and down) in the "High" and "Low" recovery scenarios based on the Debtors view of their potential variability.

Note [19] – Non-Debtor Affiliate Claims

Non-Debtor Affiliate Claims primarily consist of the following undiscounted claim amounts:

- FES
  - Note claim of approximately $102 million;
  - Operating related claims of approximately $8 million; and
  - Employee liabilities and other miscellaneous claims of approximately $3 million.
- FG
  - Rail settlement guarantee claim of approximately $72 million;
  - Operating related claims of approximately $12 million; and
  - Employee liabilities and other miscellaneous claims of approximately $19 million.
- NG
  - Operating related claims of approximately $3 million.
- FENOC
  - Operating related claims of approximately $10 million; and
  - Employee liabilities and other miscellaneous claims of approximately $37 million.
- FGMUC
  - Miscellaneous claims less than $1 million.

Note [20] – Mansfield TIA Claim

Mansfield TIA Claim amount represents an estimated range of allowed claims to be asserted at FES, FG and FGMUC.

Note [21] – Inter-Debtor Prepetition Claims

See Note 6 above for explanation of this claim type.

Exhibit G

DISCLOSURE STATEMENT FORM OF ORDER

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

In re:	)	Chapter 11
	)	
	)	Case No. 18-50757 (AMK)
FIRSTENERGY SOLUTIONS CORP., *et al.*,[1]	)	(Jointly Administered)
	)	
Debtors.	)	
	)	Hon. Judge Alan M. Koschik
	)	

ORDER (I) APPROVING DISCLOSURE STATEMENT, (II) ESTABLISHING PROCEDURES FOR SOLICITATION AND TABULATION OF VOTES TO ACCEPT OR REJECT THE DEBTORS' JOINT CHAPTER 11 PLAN, (III) APPROVING THE FORM OF BALLOTS, (IV) SCHEDULING A HEARING ON CONFIRMATION OF THE PLAN, (V) APPROVING PROCEDURES FOR NOTICE OF THE CONFIRMATION HEARING AND FOR FILING OBJECTIONS TO CONFIRMATION OF THE PLAN, AND (VI) GRANTING RELATED RELIEF

Upon the motion [Docket No. ●] (the "Motion") of the above-captioned debtors and debtors in possession (the "Debtors") for entry of an order (this "Order") (i) approving the *Disclosure Statement for the Joint Plan of Reorganization FirstEnergy Solutions Corp.,* et. al.*, Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. ●] (as modified, amended or supplemented from time to time, the "Disclosure Statement"); (ii) approving certain procedures for the solicitation of votes on the Debtors' *Joint Plan of Reorganization of FirstEnergy Solutions Corp.,* et. al.*, Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. ●] (as modified, amended or supplemented from time to time, the "Plan")[2] (the "Solicitation

[1]The Debtors in these chapter 11 cases (the "Chapter 11 Cases"), along with the last four digits of each Debtor's federal tax identification number, are: FE Aircraft Leasing Corp. (9245), case no. 18-50759; FirstEnergy Generation, LLC (0561), case no. 18-50762; FirstEnergy Generation Mansfield Unit 1 Corp. (5914), case no. 18-50763; FirstEnergy Nuclear Generation, LLC (6394), case no. 18-50760; FirstEnergy Nuclear Operating Company (1483), case no. 18-50761; FirstEnergy Solutions Corp. (0186); and Norton Energy Storage L.L.C. (6928), case no. 18-50764. The Debtors' address is: 341 White Pond Dr., Akron, OH 44320.

[2]Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Plan or in the Disclosure Statement, as applicable.

Procedures") and procedures for the tabulation of such votes (the "Tabulation Procedures"); (iii) approving the form of ballots, notices and certain other documents to be distributed in connection with the solicitation of the Plan; (iv) approving certain key dates described herein relating to the confirmation of the Plan (the "Plan Confirmation Schedule"); and (v) approving procedures for notices regarding the hearing to consider confirmation of the Plan (the "Confirmation Hearing") and filing objections to confirmation of the Plan, all as more fully set forth in the Motion; and the Court having found that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having held a hearing on the Motion on March 19, 2019 (the "Hearing"); and the Court having found that the Debtors provided appropriate notice of the Motion; and the Court having reviewed the Motion and having heard the statements in support of the relief requested at the Hearing; and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause therefore, it is HEREBY ORDERED THAT:

1. The Motion is **GRANTED** as set forth herein.

I. Disclosure Statement

2. The Disclosure Statement contains adequate information within the meaning of section 1125 of the Bankruptcy Code and is **APPROVED**.

3. All objections to the Disclosure Statement that have not been withdrawn or resolved previously or at the Hearing hereby are overruled.

II. Approval of Plan Confirmation Schedule

4. The following dates and deadlines in connection with the Solicitation Procedures, the Tabulation Procedures, and the Confirmation Hearing are hereby **APPROVED**.

A. Equity Election Record Date

5. The Equity Election Record Date shall be **January 23, 2019**, or such later date as agreed to by the Debtors with the consent of the Requisite Supporting Parties (as such term is defined in the Restructuring Support Agreement) and the Committee.

6. The following Equity Election Conditions are approved: All Holders of General Unsecured Claims wishing to make an Equity Election with respect to an eligible Claim will be required to certify on their ballots to accept or reject the Plan, or by such other method acceptable to the Debtors with the consent of the Requisite Supporting Parties (as defined in the Restructuring Support Agreement) and the Committee, that they (i) were the beneficial holder of such Claim as of the applicable Equity Election Record Date and have not sold, transferred, or provided a participation in such Claim, or directly or implicitly agreed to do so following the applicable Equity Election Record Date or (ii) are otherwise party to the Restructuring Support Agreement and the beneficial holder of such Claim and such Claims was subject to the Restructuring Support Agreement as of the applicable Equity Election Record Date.

B. Voting Record Date

7. The Voting Record Date shall be the first day of the Disclosure Statement Hearing, or **March 19, 2019**.

8. The transferee of a Transferred Claim will be entitled to receive a Solicitation Package and cast a Ballot on account of such Transferred Claim only if (i) all actions necessary to effect the transfer of the Claim pursuant to Bankruptcy Rule 3001(e) have been completed by one (1) business day prior to the Voting Record Date, or (ii) the transferee files one (1) business

day prior to the Voting Record Date (a) the documentation required by Bankruptcy Rule 3001(e) to evidence the transfer and (b) a sworn statement of the transferor supporting the validity of the transfer.

C. Voting Deadline

9. The Voting Deadline shall be **April 26, 2019 at 4:00 p.m. (prevailing Eastern Time)**.

D. Plan Objection Deadline

10. The Plan Objection Deadline is **April 26, 2019 at 4:00 p.m. (prevailing Eastern Time)**.

E. Confirmation Hearing

11. The Confirmation Hearing shall be held on **May 7, 2019 at 10:00 a.m. (prevailing Eastern Time)**. The Confirmation Hearing may be adjourned from time to time by the Court or the Debtors without further notice other than adjournments announced in open Court or as indicated in any notice of agenda of matters scheduled for a particular hearing that is filed with the Court.

F. Other Dates

12. Any and all other dates and deadlines requested to be approved in the Motion are hereby approved.

III. Approval of Solicitation Procedures

A. Parties Entitled to Vote

13. Holders of Claims in the Voting Classes shall be entitled to vote to accept or reject the Plan, **unless** such a Claim meets the following criteria (the "Voting Non-Eligibility Criteria"):

(a) as of the Voting Record Date, such Claim has been disallowed or expunged;

(b) the Debtors scheduled such Claim as contingent, unliquidated, or disputed and a proof of claim was not filed by the General Bar Date or deemed timely filed by order of the Court at least five (5) business days prior to the Voting Deadline; or

(c) such Claim is subject to an objection that remains unresolved as of April 22, 2019.

14. Because the FE Non-Debtor Parties are releasing any and all prepetition Claims against the Debtors pursuant to the terms of the Plan, the FE Non-Debtor Parties shall not vote on the Plan. To the extent the FE Settlement Agreement is terminated, nothing contained in the Plan or this Order shall be deemed to waive or release any Claims held by the FE Non-Debtor Parties under any subsequent plan of reorganization or liquidation or the FE Non-Debtor Parties' right to vote thereon.

B. Temporary Allowance of Claims for Voting Purposes

15. For voting purposes, each Claim within the Voting Classes will be counted for voting purposes in an amount equal to the amount of the Claim as set forth in (i) the Schedules or (ii) the filed proof of claim as reflected in the claims register maintained by Prime Clerk as of the Voting Record Date, **subject to the following exceptions**:

(a) If a Claim meets any of the Voting Non-Eligibility Criteria such Claim will be disallowed for voting purposes;

(b) If a Claim is deemed allowed in accordance with the Plan, an order of the Court or a stipulated agreement between the parties, such Claim is allowed for voting purposes in the deemed allowed amount set forth in the Plan, order or stipulated agreement;

(c) If a proof of claim was timely filed in accordance with the applicable procedures set forth in the Bar Date Order, in a liquidated amount, such Claim will be temporarily allowed in the amount set forth in the proof of claim, unless such Claim is contingent on its face (after a review by the Debtors of the supporting documentation attached to the proof of claim form) or disputed as set forth in subparagraph (h) below, in which case the claimant will be allowed to cast one vote valued at one dollar ($1.00) for voting purposes only;

(d) If a Claim for which a proof of claim has been timely filed is (i) contingent or unliquidated (as determined on the face of the proof of claim or after a review of the supporting documentation by the Debtors), or (ii) does not otherwise specify a fixed or liquidated amount, the claimant will be allowed to cast one vote valued at one dollar ($1.00) for voting purposes only;

(e) If a Claim is listed in the Schedules as contingent, unliquidated, or disputed and a proof of claim was not (i) filed by the General Bar Date or (ii) deemed timely filed by an order of the Court prior to the Voting Deadline, such claim will be disallowed for voting purposes;

(f) If a Claim is represented by a timely filed proof of claim and (i) is determined by the Debtors (after a review by the Debtors of the supporting documentation attached to the proof of claim form) to be contingent or unliquidated in part, or (ii) has been listed in the Schedules by the Debtors as contingent, unliquidated or disputed, the claimant will be allowed to cast one vote valued at one dollar ($1.00) for voting purposes only;

(g) Notwithstanding anything to the contrary contained herein, if an Unsecured Claim for which a proof of claim has been timely filed also contains a Secured Claim in an unliquidated amount based solely on a reservation of a right of setoff, the claimant will only be entitled to vote the Unsecured Claim in the applicable Unsecured Plan Class and will not be entitled to vote the Secured Claim in the otherwise applicable secured Plan Class;

(h) If the Debtors have filed an objection to a Claim no later than the Voting Purposes Objection Deadline, such Claim will be temporarily disallowed for voting purposes, except as otherwise ordered by the Court pursuant to a Temporary Allowance Request Motion; *provided*, *however*, that if the Debtors' objection seeks to reclassify or reduce the allowed amount of such Claim, then such Claim will be temporarily allowed for voting purposes in the reduced amount and/or reclassified, except as otherwise ordered by the Court before the Voting Deadline pursuant to a Temporary Allowance Request Motion;

(i) If a Claim is allowed pursuant to an order of the Court on or before April 22, 2019, in connection with a Temporary Allowance Request Motion, then such claimant will be entitled to vote to accept or reject the Plan in accordance with the terms of such order;[3] and

(j) If a Claim has been otherwise allowed for voting purposes by order of the Court, such Claim will be temporarily allowed in the amount so allowed

[3]For the avoidance of doubt, such a Claim shall not be allowed for purposes of allowance or distributions under the Plan.

by the Court for voting purposes only, and not for purposes of allowance or distribution.

C. Filing of Temporary Allowance Request Motions

16. If any claimant elects to challenge the disallowance, classification or treatment of its Claim for voting purposes (including, without limitation, the treatment of the claim for voting purposes as set forth in paragraph 15 of this Order), such claimant shall file with the Court a motion (a "Temporary Allowance Request Motion") pursuant to Bankruptcy Rule 3018(a) requesting such relief as it may assert is proper, including the temporary allowance or reclassification of its claim solely for voting purposes. The claimant's Ballot will not be counted, unless temporarily allowed by an order entered on or before April 22, 2019 or as otherwise ordered by the Court. The following sets forth the proposed briefing schedule for the filing of a Temporary Allowance Request Motion:

(a) All Temporary Allowance Request Motions must be filed and served on or before the seventh (7^{th}) day after the later of (i) service of the Confirmation Hearing Notice if an objection to a specific claim is pending, or such claim has been listed in the Schedules as contingent, unliquidated, or disputed, and (ii) service of a notice of an objection, if any, as to the specific claim, but in no event later than April 8, 2019 at 4:00 p.m.;

(b) All objections and responses to Temporary Allowance Request Motions must be filed and served on or before April 15, 2019;

(c) A claimant may file a reply to any objection or response to its motion on or before April 17, 2019; and

(d) Any order temporarily allowing such claims must be entered on or before April 22, 2019 or as otherwise ordered by the Court.

17. Temporary Allowance Request Motions must: (i) be made in writing; (ii) comply with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules; (iii) set forth the name of the claimant(s) pursuing the Temporary Allowance Request Motion; (iv) set forth the name(s) of the Debtor(s) against which the Claim(s) is/are asserted; (v) state with particularity the legal and

factual bases relied upon for the relief requested by the Temporary Allowance Request Motion; and (vi) be filed and served in accordance with the Amended Case Management Order, in each case so as to be received by the following parties (the "Notice Parties") (with a copy to the chambers of the Honorable Alan M. Koschik, United States Bankruptcy Judge) no later than April 8, 2019:

(a) the Debtors, (i) FirstEnergy Solutions Corp., 341 White Pond Drive, Akron, OH 44320, Attention: Rick Giannantonio, General Counsel, Email address: giannanr@firstenergycorp.com, (ii) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036, Attention: Ira Dizengoff; Brad Kahn, Email address: idizengoff@akingump.com and bkahn@akingump.com, and (iii) Akin Gump Strauss Hauer & Feld LLP, 1333 New Hampshire Avenue, N.W., Washington, DC 20036, Attention: Scott Alberino, Email address: salberino@akingump.com;

(b) the Committee, c/o Milbank Tweed Hadley & McCloy LLP, 28 Liberty Street, New York, New York 10005, Attention: Evan R. Fleck and Parker J. Milender, Email address: efleck@milbank.com and pmilender@milbank.com;

(c) the Ad Hoc Noteholder Group, c/o Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036, Attention: Joshua K. Brody and Joseph A. Shifer, Email address: jbrody@kramerlevin.com and jshifer@kramerlevin.com;

(d) the Mansfield Certificateholders Group, c/o Latham & Watkins LLP, 885 Third Avenue, New York, New York 10022, Attention: George Davis and Andrew Parlen, Email address: george.davis@lw.com and andrew.parlen@lw.com;

(e) the FES Creditor Group, c/o Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017, Attention: Darren S. Klein and Natasha Tsiouris, Email address: darren.klein@davispolk.com and natasha.tsiouris@davispolk.com;

(f) the FE Non-Debtor Parties, c/o Jones Day, 901 Lakeside Ave. E., Cleveland, Ohio 44114, Attention: Heather Lennox, Thomas M. Wearsch and T. Daniel Reynolds, email address: hlennox@jonesday.com, twearsch@jonesday.com and tdreynolds@jonesday.com; and

(g) the Office of the United States Trustee, Region 9, Howard M. Metzenbaum U.S. Courthouse, 201 Superior Avenue E, Suite 441,

Cleveland, Ohio 44114, Attention: Tiiara N. A. Patton, Email address: tiiara.patton@usdoj.gov.

18. Temporary Allowance Request Motions that do not comply with the foregoing will not be considered by the Court and deemed denied except as otherwise ordered by the Court.

19. Any claimant timely filing and serving a Temporary Allowance Request Motion that has not otherwise been provided a Solicitation Package a copy shall be provided with a Ballot and shall be allowed to cast a provisional vote to accept or reject the Plan on or before the Voting Deadline, pending a determination of such motion by the Court. No later than two (2) business days after the filing and service of such Temporary Allowance Request Motion, Prime Clerk will send the movant a Solicitation Package, and the movant shall be required to return its Ballot to Prime Clerk by the Voting Deadline.

20. If the Debtors and such claimant are unable to resolve the issues raised by the Temporary Allowance Request Motion prior to the Voting Deadline, such Temporary Allowance Request Motion shall be considered by the Court at such time as it shall direct. At such hearing, the Court shall determine whether the provisional Ballot should be allowed to the extent for voting purposes and the amount(s) of the claim(s) that may be voted.

IV. Approval of Solicitation Packages and Solicitation Procedures

A. Solicitation Packages

21. The Solicitation Packages are **APPROVED**.

22. The Debtors shall assemble, or cause to be assembled, the Solicitation Packages and shall transmit, or cause to be transmitted, the Solicitation Packages by five (5) business days after entry of this Order, or as soon thereafter as reasonably practicable.

23. In accordance with Rule 3017(d), each Solicitation Package shall contain a copy of:

(a) this Order (without any exhibits);

(b) the Confirmation Hearing Notice;

(c) if the recipient is a Holder of a Claim or Interest in a Voting Class or Nominee, (i) the Disclosure Statement, including the Plan as an attachment, on paper or USB flash drive, (ii) a Ballot, and (iii) a letter explaining the Committee's recommendation that the creditor vote in favor of the Plan, in the form attached to this Order as Exhibit 25, and, as appropriate, a postage-prepaid envelope;[4] **OR**

(d) if the recipient is a Holder of a Claim or Interest in a Non-Voting Class, a Notice of Non-Voting Status - Unimpaired Classes or a Notice of Non-Voting Status - Impaired Classes (together, the "Notices of Non-Voting Status"); and

(e) such other materials as may be ordered or permitted by the Court.

24. To avoid duplication and reduce expenses, Prime Clerk is authorized (but not directed) to provide creditors who have filed duplicate Claims against the Debtors (whether against the same or multiple Debtors) which are classified under the Plan in the same Class with only one Solicitation Package and the appropriate number of Ballots (if applicable) for voting their claims with respect to that Class.

25. Copies of the Disclosure Statement and the Plan included in the Solicitation Package shall be provided in PDF format (with the exception of the Ballots and the Confirmation Hearing Notice, which will be provided in printed hard copies) instead of printed hard copies.

26. For Disclosure Statement Hearing Notices and/or Solicitation Packages returned as undeliverable, the Debtors are excused from mailing Disclosure Statement Hearing Notices and/or Solicitation Packages or any other materials related to voting or confirmation of the Plan to those entities listed at such addresses unless the Debtors are provided with accurate addresses for such entities before April 1, 2019, and failure to mail Solicitation Packages or any other

[4]Consistent with securities industry practice in chapter 11 solicitations, Ballots will be distributed to Nominees together with the Solicitation Packages to be forwarded by them to the beneficial owners. Solicitation Packages will be distributed to beneficial owners approximately seven (7) days after the initial distribution of Solicitation Packages to the Nominee.

materials related to voting or confirmation of the Plan to such entities shall not constitute inadequate notice of the Confirmation Hearing or the Voting Deadline and shall not constitute a violation of Bankruptcy Rule 3017(d).

B. Ballots

27. The forms of Ballots are **APPROVED**.

28. The form of Bondholder Election Notice is **APPROVED**.

29. To be counted as a vote to accept or reject the Plan, each Ballot must be properly executed, completed and delivered to Prime Clerk (i) via Prime Clerk's E-Balloting Portal, (ii) by mail, (iii) by courier, or (iv) by personal delivery, so that it is actually received by Prime Clerk no later than the Voting Deadline. Ballot submitted by facsimile or other electronic means of transmission shall not be accepted; *provided*, *however*, Nominees and their agents may return the Master Ballots to Prime Clerk via email at fesballots@primeclerk.com.

30. With respect to the Ballots that will be sent to Holders of Claims in Classes **A3, A4, B4, B5, B6, C4, C5 and E3** the Debtors are authorized to send Ballots to each broker, bank or other nominee that is the record holder of such Claims (each, a "Nominee"). Each Nominee will be entitled to receive reasonably sufficient copies of Beneficial Ballots for beneficial holders of the Voting Bondholder Claims (each, a "Beneficial Ballot") and Solicitation Packages to distribute to the beneficial owners of the Voting Bondholder Claims for whom such Nominee holds such Claims. The Debtors shall be responsible for each such Nominee's requested reasonable, documented costs and expenses associated with the distribution of copies of Beneficial Ballots and Solicitation Packages to the beneficial owners of the Voting Bondholder Claims and tabulation of the Beneficial Ballots.

31. Additionally each Nominee will receive returned Beneficial Ballots from the beneficial owners, tabulate the results, and return, *inter alia*, such results to Prime Clerk, in a

master ballot (each, a "Master Ballot") by the Voting Deadline, or arrange for beneficial holders to receive pre-validated Ballots for direct return for Prime Clerk before the Voting Deadline.

32. A Nominee has two options with respect to voting. Under the first option, the Nominee will forward the Solicitation Package to each beneficial owner of the Claims entitled to vote on the Plan for voting and include a return envelope provided by and addressed to the Nominee, so that the beneficial owner may return the completed Beneficial Ballot to the Nominee. The Nominee will then summarize the individual votes of its respective beneficial owners from their individual Beneficial Ballots on the appropriate Master Ballot, in substantially the form of the Master Ballot, and then return the Master Ballot to Prime Clerk by the Voting Deadline. The Nominee should advise the beneficial owners to return their Beneficial Ballots to the Nominee by a date calculated by the Nominee to allow it to prepare and return the Master Ballot to Prime Clerk so that the Master Ballot is **actually received** by Prime Clerk by the Voting Deadline.

33. Under the second option, the Nominee elects to pre-validate the Beneficial Ballot contained in the Solicitation Package and then forward the Solicitation Package to the beneficial owners of the Claims for voting within seven (7) business days after the receipt by such Nominee of the Solicitation Package, with the beneficial owners then returning the Beneficial Ballots directly to Prime Clerk (i) via Prime Clerk's E-Balloting Portal or (ii) in the return envelope provided in the Solicitation Package. A Nominee pre-validates a beneficial owner's Beneficial Ballot by, *inter alia*, (a) indicating thereon the name and address of the record holder of the Claim to be voted, the amount of the Claim held by the beneficial owners as of the Voting Record Date, and the appropriate account numbers through which the beneficial owner's holdings are derived, and (b) executing the beneficial owner's Beneficial Ballot. The beneficial

owner shall return the pre-validated Beneficial Ballot directly to Prime Clerk by the Voting Deadline.

34. The Debtors are authorized to, in addition to accepting Ballots by regular mail, overnight courier or hand delivery, accept Ballots via electronic, online transmission through a customized electronic Ballot by utilizing the E-Balloting Portal on Prime Clerk's website at https://cases.primeclerk.com/FES/.

C. Notice of Non-Voting Status

35. The Notices of Non-Voting Status are **APPROVED**.

36. The Debtors shall distribute a Notice of Non-Voting Status - Unimpaired Class, substantially in the form annexed hereto as Exhibit 20 to the Holders of Claims in Classes **A1, A2, B1, B2, B3, B11, C1, C2, C10, D1, D2, E1, E2, E8, F1, F2, G1, G2 and G5**, as of the close of business on the Voting Record Date, which Classes are Unimpaired and therefore not entitled to vote to accept or reject the Plan.

37. The Debtors shall distribute a Notice of Non-Voting Status - Impaired Class, substantially in the form annexed hereto as Exhibit 21 to the Holders of Claims and Interests in Classes **A10, D8 and F5** as of the close of business on the Voting Record Date, which Classes will not receive or retain any property under the Plan and will not be not entitled to vote to accept or reject the Plan.

38. The Notices of Non-Voting Status satisfy the requirements of the Bankruptcy Code and the Bankruptcy Rules, and the Debtors therefore are not required to distribute copies of the Plan, the Disclosure Statement, and the Confirmation Hearing Notice to any Holder of Claims and Interests in Classes **A1, A2, A10, B1, B2, B3, B11, C1, C2, C10, D1, D2, D8, E1, E2, E8, F1, F2, F5, G1, G2 and G5**. Such documents shall also be posted on the Debtors' restructuring website, https://cases.primeclerk.com/FES.

V. Approval of Notice of Filing the Plan Supplement

39. The Plan Supplement Notice in the form annexed hereto as Exhibit 22 is **APPROVED.**

40. The Debtors shall serve the Plan Supplement by April 19, 2019 or as soon as practicable thereafter, on those parties receiving the Solicitation Package.

41. The Debtors will file the Plan Supplement no later than seven (7) days prior to the Voting Deadline or such later date as may be approved by the Court, except as otherwise provided under the Plan.

VI. Approval of Tabulation Procedures

A. Tabulation Procedures

42. The following Tabulation Procedures are **APPROVED:**

(a) Whenever a creditor casts more than one Ballot voting the same claim(s) before the Voting Deadline, the last properly completed Ballot received before the Voting Deadline will be deemed to reflect the voter's intent, and thus, to supersede any prior Ballots;

(b) The following Ballots will not be counted: (i) any Ballot that is properly completed, executed, and timely returned to Prime Clerk, but does not indicate either an acceptance or rejection of the Plan; (ii) any Ballot submitted for which the Holder of a Claim entitled to vote to accept or reject the Plan votes to both accept and reject the Plan; (iii) in the absence of any extension of the Voting Deadline granted by the Debtor, any Ballot received after the Voting Deadline; (iv) any Ballot that is illegible or contains insufficient information to permit the identification of the claimant; (v) any Ballot cast by a person or entity that does not hold a Claim as of the Voting Record Date that is entitled to vote to accept or reject the Plan; (vi) any Ballot cast by a person or entity that (a) as of the Voting Record Date, is for a claim that was disallowed or expunged; (b) is for a claim the Debtors scheduled as contingent, unliquidated, or disputed and a proof of claim was not filed by the General Bar Date or deemed timely filed by order for the Court at least five (5) business days prior to the Voting Deadline; or (c) such claim is subject to an objection that remains unresolved (subject, however, to the rights of any Holder of the Claim under Fed. R. Bankr. P. 2018 to have such Claim allowed for voting purposes); (vii) any unsigned Ballot; or (viii) any Ballot transmitted to Prime Clerk by fax, e-mail, other electronic means of transmission (other

than the E-Ballot platform available on Prime Clerk's website), unless otherwise agreed to by the Debtors;

(c) If no Holders of Claims eligible to vote in a particular Class vote to accept or reject the Plan, the Plan shall be deemed accepted by the Holders of such Claims in such Class; and

(d) In the event there are no creditors in a given Class for a particular Debtor, such Class shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and disregarded for purposes of determining whether the Plan satisfies section 1129(a)(8) of the Bankruptcy Code with respect to that Class.

43. The following additional Tabulation Procedures with respect to tabulating Master Ballots are **APPROVED**:

(a) Votes cast by Holders of the Voting Bondholder Claims through Nominees will be applied to the applicable positions held by such Nominees as of the Voting Record Date, as evidenced by the record and depository listings. Voting submitted by a Votes cast by Holders of the Voting Bondholder Claims through Nominees will be applied to the applicable positions held by such Nominees as of the Voting Record Date, as evidenced by the record and depository listings. Voting submitted by a Nominee shall not be counted in excess of the amount of the Voting Bondholder Claims held by such Nominee as of the Record Date;

(b) If conflicting votes or "over-votes" are submitted by a Nominee, the Debtors shall use reasonable efforts to reconcile discrepancies with the Nominee;

(c) If over-votes are submitted by a Nominee which are not reconciled prior to the preparation of the Voting Certification, the votes to accept and to reject the Plan shall be approved in the same proportion as the votes to accept and to reject the Plan submitted by the Nominee, but only to the extent of the Nominee's Voting Record Date position;

(d) The Claims of Holders of Unsecured PCN/FES Notes Claims or Mansfield Certificate Claims will receive a Ballot on account of the primary obligor on their respective claims. Votes submitted by Holders of Allowed Unsecured PCN/FES Notes Claims and Mansfield Certificate Claims will be counted as a vote for a Claim in equal amount against each of the Debtors' guaranteeing such Allowed Unsecured PCN/FES Notes Claim or Mansfield Certificate Claim (*e.g.* a vote from a Holder of an Allowed PCN/FES Note Claim at FG to accept the Plan will be counted as a vote in the same amount at FES and NG to also accept the Plan).

(e) For the purposes of tabulating votes, each beneficial holder shall be deemed (regardless of whether such holder includes interest in the amount voted on its Ballot) to have voted only the principal amount of its Voting Bondholder Claims any principal amounts thus voted will be thereafter adjusted by Prime Clerk, on a proportionate basis with a view to the amount of the Voting Bondholder Claims actually voted, to reflect the corresponding claim amount, including, any accrued but unpaid prepetition interest, with respect to the securities thus voted; and

(f) A single Nominee may complete and deliver to Prime Clerk multiple Master Ballots. Votes reflected on multiple Master Ballots shall be counted, except to the extent that they are duplicative of another Master Ballot. If two or more Master Ballots are inconsistent, the latest validly executed Master Ballot received prior to the Voting Deadline shall, to the extent of such inconsistency, supersede, and revoke any prior Master Ballot.

44. The Debtors may waive any defects or irregularities as to any particular Ballot at any time, either before or after the Voting Deadline; *provided, however*, that (i) any such waivers shall be documented in the Voting Certification, and (ii) neither the Debtors, nor any other entity, shall be under any duty to provide notification of such defects or irregularities other than as provided in the Voting Certification, nor will any of them incur any liability for failure to provide such notification.

45. Unless otherwise ordered by the Court, questions as to the validity, form, eligibility (including time of receipt), acceptance, and revocation or withdrawal of Ballots shall be determined by Prime Clerk and the Debtors, which determination shall be final and binding.

B. Withdrawal of Vote

46. Any creditor who has delivered a properly completed Ballot for the acceptance or rejection of the Plan may withdraw such Ballot, subject to any rights of the Debtors to contest the validity of such withdrawal, such acceptance or rejection by delivering a written notice of withdrawal to Prime Clerk, at any time prior to the Voting Deadline; provided, however, that any instance in which a Ballot is withdrawn shall be listed in the Voting Certification by Prime Clerk.

A notice of withdrawal, to be valid, shall (i) contain the description of the Claim(s) to which it relates and the aggregate principal amount represented in such Claims(s), (ii) be executed by the withdrawing creditor, (iii) contain a certification that the withdrawing creditor owns the Claim(s) and possesses the right to withdraw the Ballot, and (iv) be received by Prime Clerk prior to the Voting Deadline. The Debtors expressly reserve the right to contest the validity of any withdrawals of votes on the Plan.

C. Changing of Votes

47. Notwithstanding Bankruptcy Rule 3018(a), whenever two or more Ballots or Master Ballots are cast voting the same Claim(s) prior to the Voting Deadline, the last properly completed Ballot or Master Ballot received prior to the Voting Deadline shall be deemed to reflect the voter's intent and will supersede any prior Ballots or Master Ballots, as the case may be, without prejudice to any rights of the Debtors to object to the validity or allowance for voting purposes of the later Ballot or Master Ballot on any basis permitted by law, including under Bankruptcy Rule 3018(a), and, if the objection is sustained, to count the next-most recent properly completed Ballot or Master Ballot received by Prime Clerk for all purposes; *provided, however,* that as to any instance in which a vote is changed by the filing of a superseding Ballot, the Voting Certification to be filed by Prime Clerk shall indicate the changing of the particular vote.

D. No Division of Claims or Votes

48. Except as set forth below and as it may relate to the procedures applicable to Master Ballots or as set forth in paragraphs [● through ●] of the Motion, each claimant who votes must vote the full amount of each Claim in any one Class either to accept or reject the Plan, and, therefore: (i) separate Claims held by a single creditor in any one Class will be aggregated, for purposes of the numerosity requirement of section 1126(c) of the Bankruptcy Code, as if such

creditor held one Claim against the Debtor in such Class, (ii) such creditor will receive a single Ballot with respect to all of its claims in such Class; and (iii) the votes related to such Claims will be treated as a single vote to accept or reject the Plan. Notwithstanding anything to the contrary herein, separate Ballots will be provided, and the votes of creditors will not be aggregated, in the event that separate Ballots are requested by a creditor in a Temporary Allowance Request Motion prior to the deadline set forth in paragraph [●] for filing any such motion and such motion is approved by the Court prior to the Voting Deadline. Further, Holders of Claims against multiple Debtors (*e.g.* FENOC-FES Unsecured Claims) must vote all such Claims either to accept or reject the Plan and may not vote to accept the Plan as to certain Debtors and reject the Plan as to other Debtors.

49. Prime Clerk is authorized (but not required) to contact parties that submit incomplete or otherwise deficient Ballots in order to cure such deficiencies and allow the Debtors to waive such deficiencies in their discretion and without further order of the Court.

E. Certification of Votes

50. Prime Clerk will process and tabulate Ballots and Master Ballots for each Class entitled to vote to accept or reject the Plan and, prior to the Confirmation Hearing, will file the voting certification (the "Voting Certification") no later than (7) seven days prior the Confirmation Hearing (on or about April 30, 2019).

51. Such Voting Certification shall list, *inter alia*, all instances in which (i) Ballots were withdrawn, (ii) votes were changed by the filing of superseding Ballots, (iii) the Voting Deadline was extended, and (iv) every irregular Ballot and Master Ballot including, without limitation, those Ballots and Master Ballots that are late or (in whole or in material part) illegible, unidentifiable, lacking signatures or necessary information, damaged, or received via facsimile

or any other means. With regard to section (iv) of this paragraph, the Voting Certification shall indicate the Debtors' intentions with regard to such irregular Ballots and Master Ballots.

52. The Voting Certification shall be served on (i) all Notice Parties and (ii) all parties who have requested notice pursuant to Bankruptcy Rule 2002, and the Voting Certification shall be posted on the Debtors' restructuring website, https://cases.primeclerk.com/FES, as soon as practicable after such Voting Certification is filed.

VII. Approval of the Confirmation Procedures

A. Confirmation Hearing Notice

53. The Confirmation Hearing Notice substantially in the form annexed hereto as Exhibit 23 is **APPROVED**.

54. The Debtors shall mail a copy of the Confirmation Hearing Notice (to the extent not already provided in the distributions above) to: (i) the US Trustee; (ii) counsel to the Committee; (iii) all persons or entities that have requested notice of the proceedings in the Chapter 11 Cases; (iv) all Holders of Claims and Interests regardless of whether such Holders are entitled to vote on the Plan; (v) the Internal Revenue Service, the Securities and Exchange Commission, the United States Attorney for the Northern District of Ohio and any other required governmental units; (vi) the parties listed on the 2002 Service List and the General Service List (each as defined in the Amended Case Management Order); (vii) retail and wholesale customers of FES, (viii) executory contract and lease counterparties who have not filed proofs of claim in the Chapter 11 Cases; and (ix) such additional persons and entities as deemed appropriate by the Debtors.

55. The Debtors shall publish the Confirmation Hearing Notice, modified for publication, on one occasion in each of the publications listed on Exhibit 24 to this Order within ten (10) business days after entry of the Order.

B. Objections to Confirmation of the Plan

56. Objections and responses, if any, to confirmation of the Plan, must (i) be in writing, (ii) conform to the Bankruptcy Rules, the Local Rules and the Amended Case Management Order, (iii) set forth the name(s) of the objecting party/(ies), (iv) set forth the nature and amount of the Claim(s) or Interest(s) held or asserted by the objection party/(ies) against the Debtors, (v) state with particularity the legal and factual bases relied upon for the objection or response, (vi) be filed electronically with the Court; and (vii) be served upon the Notice Parties on or prior to the Plan Objection Deadline.

57. Any objections or responses must also be served upon and received by the Notice Parties no later than the Plan Objection Deadline of **April 26, 2019 at 4:00 p.m. (prevailing Eastern Time)**.

58. Objections to confirmation of the Plan not timely filed and served in accordance with the provisions of this Order shall not be considered by the Court and are denied and overruled unless otherwise ordered by the Court.

59. The Debtors may file and serve, as appropriate, replies or an omnibus reply on or before May 3, 2019 to objections or responses that may be served and filed.

60. The Debtors may make non-substantive changes to the Solicitation Package (including the Plan, Disclosure Statement, Ballots and Master Ballots), the Confirmation Hearing Notice, the Notices of Non-Voting Status, the Plan Supplement Notice, the procedures contained herein and all related documents, without further order of the Court, including, without limitation, filling in any missing dates or other missing information, changes to correct typographical and grammatical errors and to make conforming changes among the Disclosure Statement, the Plan, any other materials in the Solicitation Package, the Confirmation Hearing

Notice, the Notices of Non-Voting Status, and/or the Plan Supplement Notice, prior to distribution of such materials.

61. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.

# # #

SUBMITTED BY:

/s/

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Exhibit H

RESTRUCTURING SUPPORT AGREEMENT

THIS RESTRUCTURING SUPPORT AGREEMENT IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE. NOTHING CONTAINED IN THIS RESTRUCTURING SUPPORT AGREEMENT SHALL BE AN ADMISSION OF FACT OR LIABILITY OR, UNTIL THE OCCURRENCE OF THE EFFECTIVE DATE ON THE TERMS DESCRIBED HEREIN, DEEMED BINDING ON ANY OF THE PARTIES HERETO.

RESTRUCTURING SUPPORT AGREEMENT

This Restructuring Support Agreement (including all exhibits and schedules attached hereto and in accordance with Section 2, this "**Agreement**")[1] is made and entered into as of January 23, 2019 by and among the following parties (each of the foregoing described in sub-clauses (1) through (5), and any person or entity that becomes a party hereto in accordance with the terms hereof, a "**Party**" and, collectively, the "**Parties**"):

1. each of the debtors and debtors in possession in the jointly administered chapter 11 bankruptcy cases under the lead case *In re FirstEnergy Solutions Corp.*, Case No. 18-50757 (AMK), including FirstEnergy Solutions Corp. ("**FES**"), FirstEnergy Generation, LLC ("**FG**"), FirstEnergy Nuclear Generation, LLC ("**NG**"), FirstEnergy Nuclear Operating Company ("**FENOC**"), FE Aircraft Leasing Corp., FirstEnergy Mansfield Unit 1 Corp., and Norton Energy Storage, L.L.C. (collectively, the "**Debtors**");

2. the members of the ad hoc group of certain holders of (i) pollution control revenue bonds supported by notes (the "**PCNs**," and any claims of holders of the PCNs arising from the PCNs, the "**PCN Claims**") issued by FG and NG and (ii) certain unsecured notes (the "**FES Notes**," and any claims of holders of the FES Notes arising from the FES Notes, the "**FES Notes Claims**," and collectively with the PCN Claims, the "**Noteholder Claims**") issued by FES (which group includes holders of at least 50% of the outstanding amount of PCNs and FES Notes, in the aggregate, such holders being the "**Requisite Noteholders**") that are (and any such holder that may become in accordance with Section 6 hereof) signatories hereto (each, a "**Consenting Noteholder**" collectively, the "**Ad Hoc Noteholder Group**");

3. the members of the ad hoc group of certain holders of pass-through certificates (the "**Certificates**," and any claims of holders of the Certificates arising from the Certificates, the "**Certificate Claims**") issued in connection with the sale-leaseback transaction for Unit 1 of the Bruce Mansfield Plant (a majority of the holders of outstanding Certificates being the "**Requisite Certificateholders**") that are (and any such holder that may become in accordance with Section 6 hereof) signatories hereto

[1] Capitalized terms used but not otherwise defined herein have the meaning ascribed to such terms in the Plan Term Sheet (as defined below) or the Settlement Agreement (as defined below), subject to Section 2 hereof.

(each a "**Consenting Certificateholder**" and collectively, the "**Mansfield Certificateholders Group**");

4. certain holders (or advisors to holders thereof) of (i) unsecured claims against FES arising from the rejection of certain power purchase agreements (the "**FES Claims**") and (ii) unsecured claims against FENOC that are guaranteed by FES (the "**FENOC/FES Claims**"[2] and, together with the FES Claims, Noteholder Claims and Certificate Claims, the "**Creditor Claims**") that are (and any such holder that may become in accordance with Section 6 hereof) signatories hereto (each a "**Consenting FES Creditor**" and, Consenting FES Creditors that are the members of the ad hoc group represented by Davis Polk & Wardwell LLP collectively, the "**FES Creditor Group**" and, together with the Ad Hoc Noteholder Group and the Mansfield Certificateholders Group, the "**Consenting Creditors**"); and

5. the official committee of unsecured creditors appointed in the Chapter 11 Cases (the "**Committee**").

RECITALS

WHEREAS, on March 31, 2018, the Debtors commenced voluntary cases under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq*. (the "**Bankruptcy Code**"), which are being jointly administered under the caption *In re FirstEnergy Solutions Corp., et al.*, Case No. 18-50757 (AMK) (the "**Chapter 11 Cases**") in the United States Bankruptcy Court for the Northern District of Ohio (the "**Bankruptcy Court**");

WHEREAS, on May 9, 2018, the Bankruptcy Court entered the *Order (I) Authorizing Debtors to Assume (A) the Process Support Agreement and (B) the Standstill Agreement and (II) Granting Related Relief* (the "**PSA Order**") [Docket No. 509], which authorized the Debtors to assume (i) that certain process support agreement by and among the Debtors and certain creditor and stakeholder parties signatory thereto, dated as of March 30, 2018 and attached as Exhibit 1 to the PSA Order (the "**PSA**") and (ii) that certain standstill agreement by and among the Debtors, FirstEnergy Corp. ("**FE**") and certain creditor parties, dated as of March 30, 2018 and attached as Exhibit 2 to the PSA Order (the "**Standstill Agreement**");

WHEREAS, on August 26, 2018, the Debtors, the Debtors' non-Debtor Affiliates, including FE, certain of the Consenting Creditors and the Committee entered into a settlement agreement (the "**Settlement Agreement**"), which was approved by the Bankruptcy Court on September 26, 2018, pursuant to an order located at Docket No. 1465;

WHEREAS, the Debtors, the independent directors and independent managers of FES, FG and NG (collectively, the "**Independent Directors**"), the Committee, and the Consenting Creditors have been engaged in good faith negotiations with each other regarding the terms of a settlement of, among other things (i) allocation of consideration provided under the Settlement Agreement, (ii) treatment and allowance of Intercompany Claims and (iii) the Mansfield

[2] For the avoidance of doubt, "FENOC/FES Claims" shall include FENOC/FES Claims to be held by Consenting Creditors that are subject to pending settlements as of the date hereof.

Settlement (defined below) (collectively, the "**Plan Settlement**"), and such parties have reached agreement with each other with respect to the Plan Settlement on terms as set forth in the Plan Term Sheet, and as will be memorialized in the Plan and the Disclosure Statement;

WHEREAS, the Parties desire to express to each other their mutual support and commitment with respect to facilitating a value-maximizing restructuring (the "**Restructuring**") of the Debtors and their assets, as set forth on the terms and conditions described in this Agreement (such transactions, the "**Restructuring Transactions**");

WHEREAS, the Parties have engaged in good faith, arm's length negotiations regarding the principal terms of a chapter 11 plan of reorganization (as may be amended or supplemented from time to time in accordance with the terms of this Agreement, including all exhibits, schedules, supplements, appendices, annexes and attachments thereto, the "**Plan**") by which the Debtors can effect the Restructuring, as set forth in the term sheet attached hereto as **Exhibit A** (the "**Plan Term Sheet**")

WHEREAS, the Parties have engaged in good faith, arm's length negotiations regarding the principal terms of a compromise and settlement (the "**Mansfield Settlement**") of certain claims and causes of action related to that certain sale-leaseback transaction for Unit 1 of the Bruce Mansfield Plant (including, without limitation, any claims or causes of action belonging to the holders of the Certificates or Wilmington Savings Fund Society, FSB, as indenture trustee and pass-through trustee, arising from the Debtors' rejection of certain agreements relating to such sale-leaseback transaction);

WHEREAS, the Consenting Creditors and the Committee are prepared to perform their obligations under this Agreement subject to the terms and conditions set forth herein, including, among other things, supporting the Plan and working with the Debtors to obtain approval of, and consummate, the Plan;

WHEREAS, in expressing such support and commitment, the Parties do not desire and do not intend in any way to derogate from or diminish the solicitation requirements of applicable law, including chapter 11 of the Bankruptcy Code; and

WHEREAS, subject to the execution of definitive documentation and appropriate approvals by the Bankruptcy Court, the terms of this Agreement set forth the Parties' entire agreement concerning their respective obligations.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Party, intending to be legally bound hereby, agrees as follows:

Section 1. ***Agreement Effective Date.*** This Agreement shall become effective and binding upon each Party immediately upon the occurrence of the following conditions (the "**Agreement Effective Date**"):

(a) each of the Debtors shall have executed and delivered counterpart signatures to this Agreement to each other Party;

(b) the Requisite Noteholders shall have executed and delivered counterpart signatures to this Agreement to each other Party;

(c) the Requisite Certificateholders shall have executed and delivered counterpart signatures to this Agreement to each other Party;

(d) the FES Creditor Group shall have executed and delivered counterpart signatures to this Agreement to each other Party; and

(e) the Committee shall have executed and delivered counterpart signatures to this Agreement to each other Party.

Section 2. ***Exhibits Incorporated by Reference.*** Each of the exhibits and schedules attached hereto are expressly incorporated herein and made a part of this Agreement, and all references to this Agreement shall include the exhibits. In the event of any inconsistency between this Agreement (without reference to the exhibits) and the exhibits, the terms of the exhibits shall govern. This Agreement (without reference to the exhibits) may be interpreted with reference to the definitions set forth in the exhibits, to the extent such terms are used herein.

Section 3. ***Definitive Documentation***.

(a) The Restructuring will be implemented pursuant to various documents and agreements, including the Plan, which Plan shall contain the terms and conditions set forth in, and shall be otherwise consistent with, the Plan Term Sheet. The definitive documents and agreements (collectively, the "**Restructuring Documents**") consist of:

(i) the Plan;

(ii) an order confirming the Plan (the "**Confirmation Order**");

(iii) the Disclosure Statement, the other solicitation materials in respect of the Plan (such materials, collectively, the "**Solicitation Materials**"), and an order entered by the Bankruptcy Court approving the Disclosure Statement and Solicitation Materials as containing, among other things, "adequate information" as required by section 1125 of the Bankruptcy Code (the "**Disclosure Statement Order**");

(iv) a motion by the Debtors seeking Bankruptcy Court approval to enter into this Agreement pursuant to section 363(b) of the Bankruptcy Code (the "**RSA Motion**");

(v) an order approving the RSA Motion (the "**RSA Order**");

(vi) any documents in respect of the MIP;

(vii) any documents disclosing the identity of the officers and members of the board of directors or board of managers, as applicable, of any of the reorganized Debtors and the nature of and compensation for any

"insider" under the Bankruptcy Code who is proposed to be employed or retained by any of the reorganized Debtors;

(viii) any list of material executory contracts and unexpired leases to be assumed, assumed and assigned, or rejected;

(ix) any documents or agreements for the governance of the Reorganized Debtors following the Effective Date, including any constituent documents, certificates of incorporation, bylaws, or other shareholder or unitholder agreements;

(x) any documents necessary to effectuate the Mansfield Settlement, solely to the extent the terms therein are not incorporated into the Plan, the Plan Supplement, or the Confirmation Order; and

(xi) all other documents and agreements that will comprise the Plan Supplement, including but not limited to the Plan Administrator Agreement, the form of indenture for the New FE Notes and the Amended Separation Agreement, except as provided herein.

(b) The Restructuring Documents remain subject to negotiation and completion and shall, upon completion, contain terms, conditions, representations, warranties, and covenants materially consistent with the terms of this Agreement, including the Plan Term Sheet. Each of the Restructuring Documents shall be in form and substance reasonably acceptable to (i) the Debtors, (ii) Consenting Creditors representing at least 70% of the total aggregate principal and face amount of unsecured Creditor Claims held by the Consenting Creditors, which shall include (A) Consenting Creditors that hold at least 33% of the total aggregate principal amount of the Certificate Claims held by the Consenting Creditors and (B) (x) to the extent affecting distributions on account of, or economic treatment of, FES Single-Box Unsecured Claims in a manner inconsistent with the Plan Term Sheet (except to the extent such inconsistency only results in *pro rata* dilution of New FES Common Stock), the rights of minority holders of New FES Common Stock (to the extent inconsistent with the Corporate Governance Term Sheet) or release or exculpation provisions relating to the FES Creditor Group, members of the FES Creditor Group holding at least 50% of the total face amount of the FES Claims and FENOC/FES Claims held by the FES Creditor Group and (y) to the extent affecting distributions on account of, or economic treatment of, FENOC/FES Unsecured Claims in a manner inconsistent with the Plan Term Sheet (except to the extent such inconsistency only results in *pro rata* dilution of New FES Common Stock), members of the FES Creditor Group holding at least 50% of the total face amount of the FENOC/FES Claims held by the FES Creditor Group (the "**Requisite Supporting Parties**"), and (iii) the Committee. Each of the Debtors, the Committee, and the Consenting Creditors agrees that it shall act in good faith and use and undertake all commercially reasonable efforts to negotiate and finalize the terms of the Restructuring Documents.

Section 4. ***Milestones*.** The following milestones (the "**Milestones**") shall apply to this Agreement, unless extended or agreed to in writing by the Debtors, the Committee (solely with respect to Section 4(a) through (e)), and the Requisite Supporting Parties (which writing may be in the form of emails exchanged between counsel to the foregoing parties):

(a) no later than February 8, 2019, the Debtors shall file the Plan, the Disclosure Statement and the motion to approve the Disclosure Statement;

(b) no later than 5 business days following the filing of the Plan and the Disclosure Statement, the Debtors shall file the RSA Motion;

(c) the Bankruptcy Court shall have entered the Disclosure Statement Order no later than March 21, 2019;

(d) the Bankruptcy Court shall have entered the RSA Order no later than the date set forth in Section 4(c) above, as such date may have been amended, extended or modified in accordance with the terms of this Agreement;

(e) the Bankruptcy Court shall have entered the Confirmation Order no later than May 10, 2019; and

(f) the effective date of the Plan (the "**Plan Effective Date**") shall have occurred no later than September 15, 2019, which date shall automatically be extended to October 31, 2019 (the "**Plan Support Outside Date**") in the event that the only conditions to the Plan Effective Date remaining are any regulatory approvals.

Section 5. ***Commitments Regarding the Restructuring***

5.01. Commitments of the Consenting Creditors and the Committee.

(a) Each Consenting Creditor intends to be and is bound under this Agreement with respect to any and all claims against, or interests in, any of the Debtors, whether currently held or hereafter acquired by such Consenting Creditor or such Consenting Creditor's controlled affiliates. Subject to the terms and conditions of this Agreement, during the period beginning on the Agreement Effective Date and ending on the Termination Date (defined in Section 9.08) (such period, the "**Effective Period**"), the Committee and each of the Consenting Creditors hereby covenant and agree:

(i) to support confirmation of the Plan, including the solicitation, confirmation, and consummation of the Plan, as may be applicable, and will not direct and/or instruct any Indenture Trustee,[3] as applicable, to take any actions inconsistent with this Agreement and/or the Plan Term Sheet;

[3] For purposes of the Agreement, the term "**Indenture Trustee**" means any of the following (and each of their respective successors and assigns): (i) The Bank of New York Mellon Trust Company, N.A. in its capacity as trustee under (a) that certain Indenture, dated as of August 1, 2009 as supplemented by that certain First Supplemental Indenture, dated as of August 1, 2009, as the same has been or may be subsequently modified, amended, supplemented, or otherwise revised from time to time and (b) the unsecured PCN indentures, as the same have been or may be subsequently modified, amended, supplemented, or otherwise revised from time to time; (ii) UMB Bank, National Association, as successor trustee under (a) that certain Open-End Mortgage, General Mortgage Indenture and Deed of Trust, dated as of June 19, 2008, as amended and supplemented and (b) that certain Open-End Mortgage, General Mortgage Indenture and Deed of Trust, dated as of June 1, 2009, as amended and supplemented; and (iii) Wilmington Savings Fund Society, FSB not in its individual capacity, but solely as Pass Through Trustee under the Bruce Mansfield Unit 1 2007 Pass Through Trust Agreement, dated as of June 26, 2007, as the same has been or may be

(ii) solely with respect to the Consenting Creditors, to disclose in its signature pages attached hereto all claims, as such term is defined in section 101(5) of the Bankruptcy Code (including any subsequently acquired claims, each a "**Claim**" and collectively the "**Claims**") that it holds, controls, or has the ability to control, against the Debtors, which Claim amounts shall be redacted in any version of this Agreement distributed to the Parties, filed or otherwise made public and the Debtors shall keep such Claim amounts confidential;

(iii) that entry into this Agreement shall be deemed a written extension of the Outside Date under the PSA to be coterminous with the Plan Effective Date in accordance with section 10.02(k) of the PSA;

(iv) solely with respect to the Consenting Creditors, and subject to the terms of this Agreement and subject to receipt of the Disclosure Statement and the Solicitation Materials approved by the Bankruptcy Court as containing "adequate information" as such term is defined in section 1125 of the Bankruptcy Code, (A) to timely vote or cause to be voted all such Claims that it holds, controls, or has the ability to control, to accept the Plan by delivering its duly executed and completed ballot or ballots, as applicable, accepting the Plan on a timely basis pursuant to the solicitation of votes in accordance with sections 1125 and 1126 of the Bankruptcy Code; and (B) not change or withdraw such vote (or cause or direct such vote to be changed or withdrawn); provided that, such vote may be revoked by any Consenting Creditor at any time following the termination of this Agreement;

(v) to not directly or indirectly (A) object to, delay, impede, vote to reject or take any other action to interfere with the acceptance, implementation, or consummation of the Plan, (B) propose, support, vote for, encourage, seek, solicit, pursue, initiate, assist, join in, participate in the formulation of or enter into negotiations or discussions with any entity regarding, any restructuring, workout, plan of arrangement, settlement, or plan of reorganization for the Debtors other than the Plan, the Plan Term Sheet and the Restructuring Transactions contemplated therein, including, for the avoidance of doubt, making or supporting any filings with the Bankruptcy Court or any other regulatory agency, including without limitation, the Nuclear Regulatory Commission (the "**NRC**") and the Federal Energy Regulatory Commission (the "**FERC**"), or making or supporting any press release, press report or comparable public statement, or filing with respect to any restructuring, workout, plan of arrangement, settlement, or plan of reorganization for the Debtors other than the Plan, the Plan Term Sheet and the Restructuring Transactions contemplated therein, or (C) direct the Indenture Trustees (as applicable) to take any action contemplated in (A) and (B) of this Section 5.01(a)(v);

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subsequently modified, amended, supplemented, or otherwise revised from time to time and Indenture Trustee under six Indentures of Trust, Open-End Mortgages and Security Agreements dated July 1, 2007 with Mansfield 2007 Trusts A-F, as amended from time to time.

(vi) solely with respect to the Committee, and subject in all respects to the provisions of Section 5.01(c), to not propose, file, support, encourage, seek, solicit, pursue, initiate, assist, participate in the formulation of or enter into negotiations or discussions with any entity regarding or take any other action in furtherance of any plan of reorganization or liquidation, proposal, term sheet, offer, transaction, dissolution, winding up, liquidation, reorganization, refinancing, recapitalization, restructuring, merger, consolidation, business combination, joint venture, partnership, sale of material assets or equity involving the Debtors, other than the Plan, the Plan Term Sheet and the Restructuring Transactions contemplated therein, including, for the avoidance of doubt, making or supporting any filings with the Bankruptcy Court or any other regulatory agency, including without limitation, the NRC and FERC (any of the foregoing, an "**Alternative Proposal**");

(vii) solely with respect to the Committee, to provide a letter, in consultation with the Debtors and the Requisite Supporting Parties, recommending that Unsecured Creditors vote to accept the Plan, which shall be included with the Debtors' solicitation materials;

(viii) to cooperate and coordinate activities (to the extent practicable and subject to the terms hereof) with the Debtors and to use commercially reasonable efforts to support and consummate the Restructuring Transactions contemplated by the Plan, as applicable, and to execute any document and give any notice, order, instruction, or direction reasonably necessary to support, facilitate, implement, consummate, or otherwise give effect to the Restructuring Transactions contemplated by the Plan, as applicable, including, for the avoidance of doubt, using reasonable best efforts to obtain any necessary federal, state, and local regulatory approvals, including, without limitation, approvals from the NRC and FERC, and to act in good faith and take all commercially reasonable actions to negotiate the Restructuring Documents with the other Parties and consummate the Restructuring Transactions in a manner consistent with this Agreement and the Plan Term Sheet;

(ix) to support, and in good faith take all actions necessary or reasonably requested by the Debtors to obtain entry of an order approving the Mansfield Settlement and consummate such settlement; provided, that such an order may be the Confirmation Order;

(x) to timely oppose, including by way of joinder, any objections filed with the Bankruptcy Court to (A) the Disclosure Statement, (B) the Plan, (C) confirmation of the Plan, or (D) the RSA Motion; and

(xi) except to the extent expressly contemplated under the Plan or this Agreement, to not, and to not direct any Indenture Trustee (as applicable) to, exercise any right or remedy for the enforcement, collection, or recovery of any of the Creditor Claims, and any other claims against any direct or indirect subsidiaries of the Debtors that are not Debtors; provided, however, that nothing in this

Agreement shall limit the right of any Party to exercise any right or remedy provided under the Confirmation Order or any other Restructuring Document; provided, further, that nothing in this Agreement shall limit the right of the Consenting Certificateholders to take any action in furtherance of the Mansfield Settlement, including, without limitation, foreclosing upon the undivided interest in Unit 1 of the Bruce Mansfield Plant to the extent necessary or appropriate to consummate the Mansfield Settlement.

(b) The foregoing sub-clause (a) of this Section 5.01 will not limit any of the following Committee or Consenting Creditor rights:

(i) rights in any applicable bankruptcy, insolvency, foreclosure or similar proceeding, including the right to appear as a party in interest in any matter to be adjudicated in order to be heard concerning any matter arising in the Chapter 11 Cases, in each case provided that such appearance and the positions advocated in connection therewith are not inconsistent with this Agreement (including the Plan Term Sheet) and do not hinder, delay or prevent consummation of the Plan, the Restructuring Transactions or the Mansfield Settlement;

(ii) rights under any applicable credit agreement, indenture, other loan document, or any other contract, stipulation, or applicable law, and nothing herein shall constitute a waiver or amendment of any provision thereof, provided that the exercise of such rights is not inconsistent with the terms of this Agreement solely during the time in which this Agreement is in effect and does not hinder, delay or prevent consummation of the Plan, the Restructuring Transactions or the Mansfield Settlement;

(iii) rights to purchase, sell or enter into any transactions in connection with the Creditor Claims subject to the terms of this Agreement, including a Permitted Transfer pursuant to Section 6 hereof;

(iv) rights to consult with other Consenting Creditors, the Debtors, the Committee, or any other party in interest in the Chapter 11 Cases, provided, that such action is not inconsistent with this Agreement (including the Plan Term Sheet) and does not hinder, delay or prevent consummation of the Plan, the Restructuring Transactions or the Mansfield Settlement;

(v) rights to direct or request the amendment or supplementation of any proof of claim filed by or on behalf of the Consenting Creditors including the proofs of claim filed by Wilmington Savings Fund Society, FSB, as indenture trustee and pass-through trustee;

(vi) rights to object to any proof of claim that is not related to Creditor Claims held by the Consenting Creditors, or to any settlement or proposed allowance of any such proof of claim to the extent consistent with this Agreement and the Plan Term Sheet, *provided that* the Committee shall

retain the right to object to any amendment to Creditor Claims filed by the Consenting Creditors to the extent such amendment is inconsistent with this Agreement or the Plan Term Sheet; or

(vii) rights to enforce any right, remedy, condition, consent or approval requirement under this Agreement, the Plan Term Sheet, the PSA or any of the Restructuring Documents.

(c) Notwithstanding anything in this Agreement to the contrary, and solely with respect to the Committee, nothing in this Agreement, the Plan Term Sheet or any other Restructuring Document shall require the Committee to take or refrain from taking any action that it determines in good faith would be inconsistent with its fiduciary duties under applicable law, provided, that it is agreed that any such action that results in a Termination Event hereunder shall be subject to the provisions set forth in Section 9 hereto. Notwithstanding the foregoing, the Committee acknowledges that its entry into this Agreement is consistent with its fiduciary duties.

5.02. Commitments of the Debtors.

(a) Subject to the terms and conditions of this Agreement, during the Effective Period, each Debtor agrees:

(i) to prepare, or cause to be prepared, the Restructuring Documents and any related documents, and distribute such documents concurrently to the other Parties, and afford reasonable opportunity to comment and review to the respective legal and financial advisors for the other Parties, as applicable, in advance of any filing thereof;

(ii) to file, as soon as reasonably practicable, but in no event later than the dates set forth in the Milestones (as such Milestones may otherwise be extended), the Plan, the Disclosure Statement and the RSA Motion;

(iii) to (A) support and take all actions reasonably necessary to facilitate the solicitation, confirmation, and consummation of the Plan; and (B) not take any action or commence or continue any proceeding that is inconsistent with, or that would delay or impede the solicitation, confirmation, or consummation of the Plan;

(iv) to (A) support and take all actions reasonably necessary to facilitate the approval of the RSA Motion; and (B) not take any action that is inconsistent with, or that would delay or impede the approval of the RSA Motion;

(v) to pursue the Restructuring Transactions and the Mansfield Settlement on the terms set forth in this Agreement and the Plan Term Sheet, and, subject to Section 5.02(b) of this Agreement, not sign any agreement to pursue any auction, sale process or other restructuring transaction for the Debtors or substantially all of its assets. For the avoidance of doubt, the

Debtors shall continue to pursue the sale processes associated with the West Lorain Power Plant and the acquisition of the Pleasants Power Plant;

(vi) to pursue any necessary federal, state, and local regulatory approvals to enable confirmation of the Plan, including, without limitation, approvals from the NRC and FERC;

(vii) subject to Section 5.02(b) of this Agreement, to not (x) propose, file, support, encourage, seek, solicit, pursue, initiate, assist, participate in the formulation of or enter into negotiations or discussions with any entity regarding or take any other action in furtherance of any Alternative Proposal or (y) make or support any press release, press report or comparable public statement, or filing with respect to any Alternative Proposal, in each case without the prior written consent (which may be by email) of the Committee and the Requisite Supporting Parties;

(viii) subject to Section 5.02(b) of this Agreement, to (A) not take any action, directly or indirectly, that is inconsistent with, or that would reasonably be expected to prevent, interfere with, delay or impede the approval of the RSA Motion, the Disclosure Statement, the solicitation of votes on the Plan, and the confirmation and consummation of the Plan and the Restructuring Transactions, including soliciting or causing or allowing any of its agents or representatives to solicit any agreements or commence or continue negotiations with any party in interest in these Chapter 11 Cases relating to any chapter 11 plan or restructuring transaction (including, for the avoidance of doubt, a transaction premised on an asset sale under section 363 of the Bankruptcy Code) or otherwise facilitating the consummation of an alternative transaction; and (B) not, nor encourage any other person to, take any action which would, or would reasonably be expected to, breach or be inconsistent with this Agreement (including the Plan Term Sheet) or delay, impede, appeal, or take any other negative action, directly or indirectly, to interfere with the acceptance or implementation of the Restructuring Transactions;

(ix) to timely object to any motion filed with the Bankruptcy Court by a party seeking the entry of an order (A) directing the appointment of a trustee or examiner (with expanded powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code), (B) converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, or (C) dismissing any of the Chapter 11 Cases;

(x) to timely oppose any objections filed with the Bankruptcy Court to (A) the Disclosure Statement, (B) the Plan, (C) confirmation of the Plan or (D) the RSA Motion;

(xi) to timely object to any motion filed with the Bankruptcy Court by a party seeking the entry of an order modifying or terminating the Debtors'

exclusive right to file and/or solicit acceptances of a plan of reorganization, as applicable;

(xii) to operate the business of each of the Debtors in the ordinary course and consistent with past practice (taking into account the announced deactivations of certain of the Debtors' generating assets) and in a manner that is consistent with this Agreement (including the Plan Term Sheet) and confer with the Committee and the Consenting Creditors and their respective representatives, as reasonably requested, on operational matters and the general status of ongoing operations, provided that:

(A) during the Effective Period, the Debtors shall consult in good faith with and consider recommendations of a committee comprised of John Kiani, Donald R. Schneider (or any successor president of FES), a member of management designated by the Debtors and acceptable to Mr. Kiani, and, at the election of the Ad Hoc Noteholders Group, and reasonably acceptable to the Debtors, an individual designated by the Ad Hoc Noteholder Group (collectively, the "**Transition Working Group**") regarding all material business plans and strategic initiatives relating to the operation of the Debtors' generating assets and management of the Debtors' retail business, and provide the Transition Working Group with reasonable access during normal business hours to the Debtors' employees, facilities, and reports, *provided, however* that the Transition Working Group shall not have any power to control or direct the Debtors' employees or advisors and *provided, further, however*, that all access of the Transition Working Group shall be subject in all respects to the execution of confidentiality agreements for Mr. Kiani, and any other member of the Transition Working Group designated by the Ad Hoc Noteholder Group acceptable to the Debtors; and

(B) the Debtors shall, in consultation with counsel to the Consenting Creditors and the Committee, negotiate in good faith a management agreement (which agreement shall be considered to be a Restructuring Document and shall be filed as part of the Plan Supplement) with Mr. Kiani to become effective upon entry of the Confirmation Order, which agreement shall also provide for the compensation of the member of the Transition Working Group designated by the Ad Hoc Noteholder Group;

(xiii) to not seek to amend or modify, or file a pleading seeking authority to amend or modify, the Restructuring Documents in a manner that is inconsistent in any material respect with this Agreement or the Plan Term Sheet;

(xiv) to not file any pleading inconsistent in any material respect with the Restructuring Transactions, the Mansfield Settlement, or the terms of this Agreement or the Plan Term Sheet;

(xv) that entry into this Agreement shall be deemed a written extension of the Outside Date under the PSA to be coterminous with the Plan Effective Date in accordance with section 10.02(k) of the PSA;

(xvi) solely with respect to FES and FENOC, to consent in writing to the assignment and transfer of Commerzbank AG's rights, entitlements and claims in respect of Claim Nos. 931 and 932 and under the written agreements between FES, FENOC, Nukem, Inc. and Commerzbank AG relating to such claims to HSBC Bank plc and to any subsequent assignees by executing the form of consent received from Commerzbank AG's counsel by counsel to FES and FENOC on December 26, 2018 or in such other form as is agreed upon by counsel to FES and FENOC (the "**Consent**") and delivering its signature pages to the Consent to counsel for Commerzbank AG, *provided, however*, that Commerzbank AG and Nukem, Inc. shall have also executed and delivered their signature pages to the Consent to counsel for FES and FENOC;

(xvii) to file within 7 days of the date hereof, a motion with the Bankruptcy Court seeking approval of a stipulation and order providing that (a) Claim No. 931 shall be an allowed and general unsecured claim against FENOC in the amount of $59,817,058.49 and (b) Claims No. 932 shall be an allowed and general unsecured claim against FES in the amount of $59,817,058.49 (the "**FES/FENOC Claim Stipulation Order**"); and

(xviii) if the Debtors know or should know of a breach by any Debtor in any respect of any of the obligations, representations, warranties, or covenants of the Debtors set forth in this Agreement, furnish prompt written notice (and in any event within three (3) Business Days of such actual knowledge) to the other Parties.

(b) Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement, the Plan Term Sheet or any other Restructuring Document shall require any of the Debtors, the Debtors' directors, managers, and officers, or the Independent Directors, to take or refrain from taking any action that any such person or persons determines in good faith would be inconsistent with its fiduciary duties under applicable law, provided, that it is agreed that any such action that results in a Termination Event hereunder shall be subject to the provisions set forth in Section 9 hereto. Notwithstanding the foregoing the Debtors acknowledge that their entry into this Agreement is consistent with their fiduciary duties.

(c) If the Debtors receive a proposal or expression of interest in undertaking an Alternative Proposal, the Debtors shall promptly notify the respective counsel to the Committee and the Consenting Creditors of the receipt of such proposal or expression of interest, with such notice to include the identity of the person or group of persons involved as well as the terms of such Alternative Proposal, as well as a written copy of such Alternative Proposal.

Section 6. ***Transfer of Claims and Interests***.

(a) During the Effective Period, no Consenting Creditor shall sell, use, pledge, assign, transfer, permit the participation in, or otherwise dispose of any ownership (including any beneficial ownership)[4] in the Creditor Claims in whole or in part (each, a "**Transfer**", *provided*, *however*, that any pledge in favor of a bank or broker dealer at which a Consenting Creditor maintains an account, where such bank or broker dealer holds a security interest in or other encumbrances over property in the account generally shall not be deemed a "Transfer" for any purposes hereunder) to any party, unless it satisfies all of the following requirements (a transferee that satisfies such requirements, a "**Permitted Transferee**," and such Transfer, a "**Permitted Transfer**"):

(i) the intended transferee (x) is another Consenting Creditor, (y) as of the date of such Transfer, the Consenting Creditor controls, is controlled by or is under common control with such transferee or is an affiliate, affiliated fund or affiliated entity with a common investment advisor, or (z) executes a transfer agreement in the form attached hereto as **Exhibit B** (a "**Transfer Agreement**") prior to or concurrently with the closing of such Transfer; and

(ii) notice of any Transfer, including the amount transferred and, in the case of (i)(z) above, the fully executed Transfer Agreement, shall be provided to counsel to each Party within three (3) business days following the closing of such Transfer.

(b) Upon satisfaction of the requirements in Section 6(a), (i) the Permitted Transferee shall be deemed to be a Consenting Creditor hereunder and shall be deemed to be a Consenting Noteholder, Consenting Certificateholder, or Consenting FES Creditor, or all, as applicable, and, for the avoidance of doubt, a Permitted Transferee is bound as a Consenting Creditor under this Agreement with respect to any and all claims against, or interests in, any of the Debtors (including, without limitation, any Creditor Claims), whether held at the time such Permitted Transferee becomes a Party or later acquired by such Permitted Transferee, and (ii) the transferor shall be deemed to relinquish its rights (and be released from its obligations) under this Agreement to the extent of such transferred rights and obligations.

(c) Notwithstanding Section 6(a), a Qualified Marketmaker[5] that acquires any Creditor Claims with the purpose and intent of acting as a Qualified Marketmaker for such Creditor Claims , shall not be required to execute and deliver to counsel to any Party a Transfer Agreement in respect of such Creditor Claims if (A) such Qualified Marketmaker subsequently transfers such Creditor Claims (by purchase, sale, assignment, participation, or otherwise) within

[4] As used herein, the term "beneficial ownership" means the direct or indirect economic ownership of, and/or the power, whether by contract or otherwise, to direct the exercise of the voting rights and the disposition of, the Creditor Claims or the right to acquire such claims or interests.

[5] As used herein, the term "**Qualified Marketmaker**" means an entity that (a) holds itself out to the public or the applicable private markets as standing ready in the ordinary course of business to purchase from customers and sell to customers claims of the Debtors (or enter with customers into long and short positions in claims against the Debtors), in its capacity as a dealer or market maker in claims against the Debtors and (b) is, in fact, regularly in the business of making a market in claims against issuers or borrowers (including debt securities or other debt).

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ten (10) business days of its acquisition to a transferee that is an entity that is not an affiliate, affiliated fund or affiliated entity with a common investment advisor, (B) the transferee otherwise is a Permitted Transferee (including, for the avoidance of doubt, the requirement that such transferee execute a Transfer Agreement) and (C) the Transfer otherwise is a Permitted Transfer. To the extent that a Consenting Creditor is acting in its capacity as a Qualified Marketmaker, it may transfer (by purchase, sale, assignment, participation or otherwise) any right, title or interest in Creditor Claims that such Consenting Creditor acquires in its capacity as a Qualified Marketmaker from a holder of the Creditor Claims who is not a Consenting Creditor without regard to the requirements set forth in Section 6(a) hereof.

(d) This Agreement shall in no way be construed to preclude the Consenting Creditors from acquiring additional Creditor Claims; provided, however, that (i) any Consenting Creditor that acquires additional Creditor Claims, as applicable, after the Agreement Effective Date shall notify counsel to each Party of such acquisition, within five business days following such acquisition, including the amount of such acquisition, which notice may be deemed to be provided by the filing of a statement with the Bankruptcy Court as required by Rule 2019 of the Federal Rules of Bankruptcy Procedure, including revised holdings information for such Consenting Creditor and (ii) such additional Creditor Claims shall automatically and immediately upon acquisition by a Consenting Creditor, as applicable, be deemed subject to the terms of this Agreement (regardless of when or whether notice of such acquisition is given to the respective counsels to the Parties).

(e) In addition, other than pursuant to a Permitted Transfer, any holder of Creditor Claims shall become a Party, and become obligated as a Consenting Creditor, solely to the extent (i) such holder executes a joinder agreement in the form attached hereto as **Exhibit C** (a "**Joinder Agreement**"), and shall be deemed a Consenting Creditor, (ii) such joinder is delivered to counsel to each Party within three (3) business days following the execution thereof, and (iii) such holder is reasonably acceptable to the Debtors.

(f) Any Transfer made in violation of this Section 6 shall be void *ab initio*. Each other Consenting Creditor shall have the right to enforce the voiding of such Transfer. Any Consenting Creditor or Qualified Marketmaker that effectuates a Permitted Transfer to a Permitted Transferee shall have no liability under this Agreement arising from or related to the failure of the Permitted Transferee to comply with the terms of this Agreement. The failure by a Consenting Creditor to comply with the transfer provisions of this Section 6 (resulting in such Transfer becoming null and void *ab initio*) shall not constitute a material breach for purposes of Section 9 of this Agreement.

(g) Notwithstanding anything to the contrary herein, if a Consenting Creditor effects the Permitted Transfer of all of its Creditor Claims in accordance with this Agreement, such Consenting Creditor shall cease to be a Party to this Agreement in all respects and, subject to Section 12.10 herein, shall have no further obligation hereunder.

Section 7. ***Representations and Warranties.***

7.01. Mutual Representations, Warranties, and Covenants. Each Party (except for the Committee with respect to Section 7.01(a)), severally and not jointly, represents and warrants to

the other Parties that the following statements are true, correct and complete as of the date hereof (or as of the date a Consenting Creditor becomes a party hereto):

(a) Power and Authority. Such Party is validly existing and in good standing under the laws of its jurisdiction of incorporation or organization, and has all requisite corporate, partnership, limited liability company or similar authority to enter into this Agreement and carry out the transactions contemplated hereby and perform its obligations contemplated hereunder, and the execution and delivery of this Agreement and the performance of such Party's obligations hereunder have been duly authorized by all necessary corporate, limited liability company, partnership or other similar action on its part.

(b) No Conflict. The execution, delivery and performance by such Party of this Agreement does not and will not (i) violate any provision of law, rule or regulation applicable to it or any of its subsidiaries or its charter or bylaws (or other similar governing documents) or those of any of its subsidiaries, or (ii) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its subsidiaries is a party;

(c) No Consent or Approval. Except as expressly provided in this Agreement or the Bankruptcy Code, and with respect to the Debtors, as contemplated by Section 7.01(e) below, no consent or approval is required by any other person or entity in order for it to effectuate the Plan contemplated by, and perform the respective obligations under, this Agreement.

(d) Enforceability. This Agreement is the legally valid and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability or a ruling of the Bankruptcy Court.

(e) Governmental Consents. Except with respect to the receipt of necessary Bankruptcy Court and regulatory approvals associated with or contemplated by the Plan, the execution, delivery and performance by it of this Agreement does not, and shall not, require any registration or filing with consent or approval of, or notice to, or other action to, with or by, any federal, state, or other governmental authority or regulatory body.

(f) Representation. It has been represented by legal counsel of its choosing in connection with this Agreement and the transactions contemplated by this Agreement, has had the opportunity to review this Agreement with its legal counsel and has not relied on any statements made by any other Party or its legal counsel as to the meaning of any term or condition contained herein or in deciding whether to enter into this Agreement or the transactions contemplated hereof.

7.02. Representations and Warranties of Consenting Creditors. Each Consenting Creditor individually represents, warrants, and covenants to each other Party that the following statements are true, correct, and complete as of the date of this Agreement (or, with respect to a transferee, the date of such Transfer) (each of which is a continuing representation, warranty, and covenant), *provided that*, this Section 7.02 shall not be applicable to any FENOC/FES Claims subject to pending settlements until the purchase has settled:

(a) it (i) is either (x) the sole beneficial owner of the original principal or face amount of Creditor Claims set forth below its signature hereto, or (y) has sole investment or voting discretion with respect to the original principal or face amount of Creditor Claims set forth below its signature hereto and has the power and authority to bind the beneficial owner(s) of such Creditor Claims to the terms of this Agreement, (ii) has full power and authority to act on behalf of, vote and consent to matters concerning such Creditor Claims and to dispose of, exchange, assign, and transfer such Creditor Claims and (iii) holds no other Creditor Claims;

(b) other than pursuant to this Agreement, its Creditor Claims are free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal, or other limitation on disposition or encumbrance of any kind (each, a "Security Interest") that would materially and adversely affect in any way such Consenting Creditor's performance of its obligations contained in this Agreement at the time such obligations are required to be performed, it being understood that any Security Interest in favor of a broker-dealer in connection with any prime brokerage account does not materially and adversely affect a Consenting Creditor's ability to perform its obligations contained in this Agreement at the time such obligations are required to be performed;

(c) it (i) has such knowledge and experience in financial and business matters of this type that it is capable of evaluating the merits and risks of entering into this Agreement and of making an informed investment decision, and has conducted an independent review and analysis of the business and affairs of the Debtors that it considers sufficient and reasonable for purposes of entering into this Agreement and (ii) is either (A) an "accredited investor" (as defined by Rule 501 of the Securities Act of 1933, as amended) (the "Securities Act"), (B) a qualified institutional buyer as defined by Rule 144A under the Securities Act, or (C) a non-U.S. person under Regulation S under the Securities Act;

(d) it has made no prior assignment, sale, participation, grant, conveyance, pledge, or other Transfer of, and has not entered into any other agreement to assign, sell, participate, grant, convey, pledge, or otherwise Transfer, in whole or in part, any portion of its right, title, or interests in any of the Creditor Claims that are inconsistent or conflict with representations and warranties of such Consenting Creditor herein or that would render it otherwise unable to comply with this Agreement and perform its obligations hereunder, either generally or with respect to any specific Creditor Claims; *provided, however* that any pledge in favor of a bank or broker dealer at which the Supporting Party maintains an account, where such bank or broker dealer holds a security interest or other encumbrance over property in the account generally shall not be deemed a "Transfer" for any purposes hereunder; and

(e) as of the date hereof, it has no actual knowledge of any event that, due to any fiduciary or similar duty to any other person or entity, would prevent it from taking any action required of it under this Agreement.

Section 8. ***Acknowledgement***. Notwithstanding any other provision herein, this Agreement is not and shall not be deemed to be an offer with respect to any securities or solicitation of votes for the acceptance of a plan of reorganization for purposes of sections 1125 and 1126 of the Bankruptcy Code or otherwise. Any such offer or solicitation will be made only in compliance with all applicable securities laws and provisions of the Bankruptcy Code.

Section 9. ***Termination Events***.

9.01. Mutual Consent. This agreement may be terminated by the mutual written consent of (i) each of the Debtors, (ii) the Requisite Supporting Parties and (iii) the Committee.

9.02. Consenting Creditors Termination Events. The Requisite Supporting Parties may terminate this Agreement (and the liabilities and obligations of all Parties hereto) upon two (2) Business Days prior written notice delivered to the Parties identified in Section 12.09 and in accordance with Section 12.09 hereof, upon the occurrence and continuation of any of the following events (each, a "**Creditor Termination Event**"):

(a) except as provided in Section 9.02(c) of this Agreement, upon the failure to meet any of the Milestones, unless the failure to meet such Milestone has been caused by a breach of this Agreement by a Consenting Creditor;

(b) following the delivery of written notice thereof by a non-breaching Party, the occurrence of a material breach by any Party of any of the representations, warranties, covenants, obligations or commitments set forth in this Agreement, or the failure of any Party to act in a manner materially consistent with this Agreement (including the Plan Term Sheet), which breach or failure to act (i) would materially and adversely impede or interfere with the acceptance, implementation or consummation of the Restructuring Transactions or the Mansfield Settlement in accordance with the Milestones and on the terms and conditions set forth in this Agreement (including the Plan Term Sheet) and (ii) is uncured for a period of seven (7) business days after the receipt of written notice in accordance with Section 12.09 of such breach from any non-breaching Party provided that such breach is capable of being cured; *provided, however*, that such termination right will not be available to the Requisite Supporting Parties if the breach of this Agreement is by a Consenting Creditor;

(c) the occurrence of the Plan Support Outside Date; *provided, however*, that:

(i) if all regulatory approvals with respect to consummation of the Plan have been obtained before October 31, 2019, and so long as the Debtors are not in material breach of their obligations under this Agreement, then the Plan Support Outside Date automatically shall be extended to and be thirty (30) days following receipt of the last-received regulatory approval; and

(ii) if all regulatory approvals with respect to consummation of the Plan have not been obtained before October 31, 2019, and so long as the Debtors are not in material breach of their obligations under this Agreement, then the Plan Support Outside Date shall be extended at the request of the Debtors, on the one hand, or the Requisite Supporting Parties, on the other hand, until December 31, 2019.

(d) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any ruling or order enjoining the consummation of the Plan in a way that cannot be reasonably remedied by the Debtors or would have a material adverse effect on consummation of the Plan, unless the Debtors, the Requisite Noteholders or the Requisite Certificateholders have sought a stay of such injunction, judgment, decree, charge,

ruling, or order within fifteen (15) business days after the date of such issuance, and such injunction, judgment, decree, charge, ruling, or order is reversed or vacated within twenty (20) business days after the date of such issuance;

(e) the Bankruptcy Court enters an order (i) directing the appointment of an examiner with expanded powers to operate the Debtors' businesses pursuant to section 1104 of the Bankruptcy Code or a trustee in any of the Chapter 11 Cases, (ii) converting any of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, or (iii) dismissing any of the Chapter 11 Cases, unless such conversion or dismissal, as applicable, is made with the prior written consent of the Requisite Supporting Parties;

(f) except to the extent necessary for the Requisite Supporting Parties to seek to terminate this Agreement pursuant to this paragraph, any of the Parties files a pleading seeking authority to amend, modify or withdraw any of the Restructuring Documents without the prior written consent of the Requisite Supporting Parties and the Debtors, and such motion or pleading has not been withdrawn or is not otherwise denied by the Bankruptcy Court within twenty (20) business days of receipt of notice by such party that such motion or pleading is inconsistent with this Agreement (including the Plan Term Sheet);

(g) the Plan or Disclosure Statement is amended or modified in any manner that is adverse to either the Noteholders or the Certificateholders;

(h) except to the extent necessary for the Requisite Supporting Parties to seek to terminate this Agreement pursuant to this paragraph, any of the Parties directly or indirectly propose, support, assist, solicit or file a pleading seeking approval of any alternative transaction (or any approval of any sales, voting or other procedures in connection with an alternative transaction) without the prior written consent of the Requisite Supporting Parties and the Debtors that results in a material adverse effect for the consummation of the Restructuring Transactions;

(i) the Debtors enter into an agreement to sell, or file a motion or application seeking authority to sell, all or a material portion of its assets without the prior written consent of the Requisite Supporting Parties;

(j) the Debtors enter into an agreement to enter into, or file a motion seeking authority to enter into, post-petition secured financing, without the prior written consent of the Requisite Supporting Parties; and

(k) the Bankruptcy Court grants relief, or by declining to grant relief sought by any of the Parties causes a circumstance, that (i) is inconsistent with this Agreement (including the Plan Term Sheet) in any material respect or (ii) would, or would reasonably be expected to, materially frustrate the purposes of this Agreement, including by preventing the consummation of the Restructuring Transactions, unless the Debtors or the Requisite Noteholders and the Requisite Certificateholders have sought a stay of such relief within ten (10) business days after the date of such issuance, and such order is stayed, reversed or vacated within twenty (20) business days after the date of such issuance;

(l) if any of the Debtors gives notice of a termination pursuant to Section 9.03(e);

(m) the Settlement Agreement is terminated; or

(n) the issuance of an order or decree by any applicable regulatory agency making unlawful or otherwise prohibiting the consummation of the Plan or the transactions contemplated thereby or an unconditional denial with prejudice by any applicable regulatory agency of regulatory approvals required for consummation of the Plan.

9.03. Debtor Termination Events. The Debtors (and with regard to Section 9.03(e) any of the Debtors) may terminate their obligations and liabilities under this Agreement upon two (2) business days prior written notice delivered to the Parties identified in Section 12.09 in accordance with Section 12.09 hereof, upon the occurrence of any of the following events (each, a "**Debtor Termination Event**" and, together with the Creditor Termination Events, the "**Termination Events**"):

(a) the breach in any material respect by one or more of the Consenting Creditors of any of the undertakings, representations, warranties or covenants of the Consenting Creditors set forth herein which remains uncured for a period of five (5) business days after the receipt by the breaching Consenting Creditor(s) of written notice of such breach from the Debtors; *provided, however*, that the Debtors shall not have the right to terminate this Agreement if the remaining non-breaching Consenting Creditors have sufficient holdings to constitute Requisite Noteholders and/or Requisite Certificateholders;

(b) the occurrence of the Plan Support Outside Date; *provided, however*, that:

(i) if all regulatory approvals with respect to consummation of the Plan have been obtained before October 31, 2019, and so long as the Consenting Creditors are not in material breach of their obligations under this Agreement, then the Plan Support Outside Date automatically shall be extended to and be thirty (30) days following receipt of the last-received regulatory approval; and

(ii) if all regulatory approvals with respect to consummation of the Plan have not been obtained before October 31, 2019, and so long as the Requisite Supporting Parties are not in material breach of their obligations under this Agreement, then the Plan Support Outside Date shall be extended at the request of the Debtors, on the one hand, or the Requisite Supporting Parties, on the other hand until December 31, 2019;

(c) on the date that an order is entered by the Bankruptcy Court or a court of competent jurisdiction denying confirmation of the Plan (unless caused by a default by the Debtors of their obligations hereunder, in which event the Debtors shall not have the right to terminate under this subsection) or declining to approve the Disclosure Statement;

(d) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any final, non-appealable ruling, judgment or order enjoining the consummation of a material portion of the Restructuring Transactions, which ruling, judgment or order has not been stayed, reversed or vacated within twenty (20) business days after such issuance; and

(e) exercise by any of the Debtors of its "fiduciary out" as debtors-in-possession as provided for in Section 5.02(b) of this Agreement.

9.04. Mansfield Termination Events. Notwithstanding anything to the contrary in this Agreement (including, without limitation, Sections 3 and 11 of this Agreement), the members of the Mansfield Certificateholders Group holding at least 65% of the total aggregate outstanding principal amount of the Certificate Claims held by the Mansfield Certificateholders Group (the "**Mansfield RSA Majority**"), shall have the right to terminate this Agreement, solely as to the Mansfield Certificateholders Group, upon the occurrence of any of the following:

(a) any Restructuring Document is not in form and substance acceptable to the Requisite Supporting Parties;

(b) any Restructuring Document is filed and is inconsistent with the Plan Term Sheet, and such inconsistency disproportionately and adversely affects the rights, obligations, or interests of the Consenting Certificateholders relative to the Consenting Noteholders;

(c) this Agreement, the Plan, or any other Restructuring Document is amended or modified, or any terms and conditions in any Restructuring Document are waived, in any manner that is adverse to the Consenting Certificateholders, and such amendment, modification or waiver disproportionately affects the rights, obligations, or interests of Consenting Certificateholders relative to the Consenting Noteholders;

(d) this section 9.04 is amended without the consent of the Mansfield RSA Majority; or

(e) any provisions of the Plan Term Sheet requiring the consent of the Mansfield RSA Majority are amended or modified without the consent of the Mansfield RSA Majority.

9.05. FES Creditor Group Termination Events. Notwithstanding anything to the contrary in this Agreement (including, without limitation, Sections 3 and 11 of this Agreement), for the purposes of subsections (a)-(f) of this Section 9.05, the members of the FES Creditor Group holding at least 50% of the total face amount of the FES Claims and FENOC/FES Claims held by the FES Creditor Group, and for the purposes of subsections (a) and (g)-(i) of this Section 9.05, the members of the FES Creditor Group holding at least 50% of the total face amount of the FENOC/FES Claims held by the FES Creditor Group (the "**FES Creditor RSA Majority**"), shall have the right to terminate this Agreement, solely as to the FES Creditor Group, upon the occurrence of any of the events in subsections (a)-(f) of this Section 9.05, and solely as to the members of the FES Creditor Group that hold FENOC/FES Claims upon the occurrence of any of the events in subsections (a) and (g)-(i) of this Section 9.05:

(a) to the extent required by Section 3(b), any Restructuring Document is not in form and substance acceptable to the FES Creditor RSA Majority;

(b) any Restructuring Document is filed and is inconsistent with the Plan Term Sheet (including the Corporate Governance Term Sheet attached thereto) and such

inconsistency is related to the distributions on account of, or economic treatment of, the FES Single-Box Unsecured Claims, the rights of minority holders of New FES Common Stock, or release or exculpation provisions (except to the extent such inconsistency only results in *pro rata* dilution of New FES Common Stock);

(c) this Agreement, the Plan, or any other Restructuring Document is amended or modified, or any terms and conditions in any Restructuring Document are waived, in any manner that is related to the distributions on account of, or economic treatment of, the FES Single-Box Unsecured Claims, the rights of minority holders of New FES Common Stock, or release or exculpation provisions (except to the extent such amendment, modification or waiver only results in *pro rata* dilution of New FES Common Stock);

(d) Section 3(b), Section 5.02(a)(xvi), Section 5.02(a)(xvii), Section 9.05 or Section 9.10 of this Agreement, or any provision related to the payment of professional fees in the Plan Term Sheet (including Exhibit C attached thereto) is amended without the consent of the FES Creditor RSA Majority;

(e) any provisions of the Plan Term Sheet requiring the consent of the FES Creditor RSA Majority are amended or modified without the consent of the FES Creditor RSA Majority;

(f) the Plan Effective Date shall have not occurred on or before December 31, 2019;

(g) any Restructuring Document is filed and is inconsistent with the Plan Term Sheet, and such inconsistency is related to the distributions on account of, or economic treatment of the FENOC/FES Unsecured Claims (except to the extent such inconsistency only results in *pro rata* dilution of New FES Common Stock);

(h) this Agreement, the Plan, or any Restructuring Document is amended or modified, or any terms and conditions in any Restructuring Document are waived, in any manner that is related to the economic treatment of the FENOC/FES Unsecured Claims (except to the extent such amendment, modification or waiver only results in *pro rata* dilution of New FES Common Stock); or

(i) subsection (g), (h) or (i) of this Section 9.05 is amended without the consent of the FES Creditor RSA Majority.

9.06. Committee Termination Events. Notwithstanding anything to the contrary in this Agreement (including, without limitation, Sections 3 and 11 of this Agreement), the Committee may terminate this Agreement, solely as to the Committee, upon the occurrence of any of the following:

(a) any Restructuring Document (other than this Agreement, which shall be in form and substance acceptable to the Committee) or any amendment thereto or waiver of any terms and conditions thereof, including any amendment to this Agreement, is not in form and substance reasonably acceptable to the Committee;

(b) this section 9.06 is amended without the consent of the Committee;

(c) upon the failure to meet any of the Milestones, other than the Milestone set forth in Section 4(f), unless the failure to meet such Milestone has been caused by a breach of this Agreement by the Committee;

(d) following the delivery of written notice thereof by a non-breaching Party, the occurrence of a material breach by any Party of any of the representations, warranties, covenants, obligations or commitments set forth in this Agreement, or the failure of any Party to act in a manner materially consistent with this Agreement (including the Plan Term Sheet), which breach or failure to act (i) would materially and adversely impede or interfere with the acceptance, implementation or consummation of the Restructuring Transactions or the Mansfield Settlement in accordance with the Milestones and on the terms and conditions set forth in this Agreement (including the Plan Term Sheet) and (ii) is uncured for a period of seven (7) business days after the receipt of written notice in accordance with Section 12.09 of such breach from any non-breaching Party provided that such breach is capable of being cured; *provided, however*, that such termination right will not be available to the Committee if the breach of this Agreement is by the Committee;

(e) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any ruling or order enjoining the consummation of the Plan in a way that cannot be reasonably remedied by the Debtors, the Requisite Noteholders, the Requisite Certificateholders or the Committee, or would have a material adverse effect on consummation of the Plan, unless the Debtors have sought a stay of such injunction, judgment, decree, charge, ruling, or order within fifteen (15) business days after the date of such issuance, and such injunction, judgment, decree, charge, ruling, or order is reversed or vacated within twenty (20) business days after the date of such issuance;

(f) the Bankruptcy Court enters an order (i) directing the appointment of an examiner with expanded powers to operate the Debtors' businesses pursuant to section 1104 of the Bankruptcy Code or a trustee in any of the Chapter 11 Cases, (ii) converting any of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, or (iii) dismissing any of the Chapter 11 Cases, unless such conversion or dismissal, as applicable, is made with the prior written consent of the Committee;

(g) except to the extent necessary for the Committee to seek to terminate this Agreement pursuant to this paragraph, any of the Parties files a pleading seeking authority to amend, modify or withdraw any of the Restructuring Documents without the prior written consent of the Committee and the Debtors, and such motion or pleading has not been withdrawn or is not otherwise denied by the Bankruptcy Court within twenty (20) business days of receipt of notice by such party that such motion or pleading is inconsistent with this Agreement (including the Plan Term Sheet);

(h) except to the extent necessary for the Committee to seek to terminate this Agreement pursuant to this paragraph, any of the Parties directly or indirectly propose, support, assist, solicit or file a pleading seeking approval of any alternative transaction (or any approval of any sales, voting or other procedures in connection with an alternative transaction)

without the prior written consent of the Committee and the Debtors that results in a material adverse effect for the consummation of the Restructuring Transactions;

(i) the Debtors enter into an agreement to sell, or file a motion or application seeking authority to sell, all or a material portion of its assets without a prior written consent of the Committee;

(j) the Debtors enter into an agreement to enter into, or file a motion seeking authority to enter into, post-petition secured financing, without the prior written consent of the Committee;

(k) the Bankruptcy Court grants relief, or by declining to grant relief sought by any of the Parties causes a circumstance, that (i) is inconsistent with this Agreement (including the Plan Term Sheet) in any material respect or (ii) would, or would reasonably be expected to, materially frustrate the purposes of this Agreement, including by preventing the consummation of the Restructuring Transactions, unless the Debtors, the Requisite Noteholders, the Requisite Certificateholders, or the Committee have sought a stay of such relief within ten (10) business days after the date of such issuance, and such order is stayed, reversed or vacated within twenty (20) business days after the date of such issuance;

(l) if any of the Debtors gives notice of a termination pursuant to Section 9.03(e);

(m) the Settlement Agreement is terminated;

(n) the issuance of an order or decree by any applicable regulatory agency making unlawful or otherwise prohibiting the consummation of the Plan or the transactions contemplated thereby or an unconditional denial with prejudice by any applicable regulatory agency of regulatory approvals required for consummation of the Plan;

(o) any provisions of the Plan Term Sheet requiring the consent of the Committee are amended or modified without the consent of the Committee;

(p) the Plan Effective Date shall have not occurred on or before December 31, 2019; or

(q) exercise by the Committee of its "fiduciary out" as provided for in Section 5.01(c) of this Agreement.

9.07. Termination Upon Completion of the Restructuring Transactions. This Agreement shall terminate automatically without any further required action or notice on the Plan Effective Date.

9.08. Effect of Termination.

(a) Notwithstanding anything in this Agreement to the contrary, no Party may terminate this Agreement if such Party failed to perform or comply in all material respects

with the terms and conditions of this Agreement, with such failure to perform or comply causing, or resulting in, the occurrence of one or more termination events specified herein.

(b) The date on which termination of this Agreement is effective as to any Party (the "**Terminating Party**") shall be referred to as the "**Termination Date**." Upon the occurrence of the Termination Date and subject to Section 12.10, (i) this Agreement shall be of no further force and effect as to the Terminating Party and such Terminating Party shall be released from its commitments, undertakings and agreements under or related to this Agreement and shall have the rights and remedies that it would have had, had it not entered into this Agreement, and shall be entitled to take all actions, whether with respect to the Restructuring Transactions or otherwise, that it would have been entitled to take had it not entered into this Agreement, provided, that in no event shall any termination relieve any Terminating Party from liability for its material breach or material non-performance of its obligations hereunder prior to the date of such termination and (ii) any and all consents or ballots (other than consents or ballots tendered by Committee members solely in their individual capacity and not in their capacity as members of the Committee) tendered by the Terminating Party before the Termination Date relating to the Restructuring Transactions or this Agreement shall be deemed, for all purposes, to be null and void from the first instance and shall not be considered or otherwise used in any manner by the Parties in connection with the Restructuring Transactions and this Agreement or otherwise.

(c) Notwithstanding anything to the contrary in this Agreement, this Section 9.08 shall not be construed to prohibit any of the Debtors, the Committee, or the Consenting Creditors from contesting whether any such termination is in accordance with the terms of this Agreement or to seek enforcement of any rights under this Agreement that arose or existed before the Termination Date. Except as expressly provided in this Agreement, nothing herein is intended to, or does, in any manner waive, limit, impair or restrict any right of any Party, or the ability of any Party, to protect and preserve its rights (including rights under this Agreement), remedies and interests, including its claims against any other Party.

9.09. Automatic Stay. The Debtors acknowledge that the giving of any notice of termination by any Party pursuant to this Agreement or the exercise of any rights in compliance with any provision hereto shall not be a violation of the automatic stay of section 362 of the Bankruptcy Code; provided, that nothing herein shall prejudice any Party's rights to argue that the giving of notice of termination was not proper under the terms of this Agreement.

9.10. Fees. Subject to entry of the RSA Order and except as otherwise provided for in the PSA, the Debtors shall pay the reasonable and documented professional fees and expenses of the following advisors (i) GLC Advisors & Co., as financial advisors to the Ad Hoc Noteholder Group, (ii) Guggenheim Securities, LLC, as financial advisor to the Mansfield Certificateholders Group, (iii) Davis Polk and Wardwell LLP, as legal advisor to the FES Creditor Group, (iv) Frost Brown Todd LLC, as local legal advisor to the FES Creditor Group, and (v) Houlihan Lokey Capital, Inc. as financial advisor to the FES Creditor Group (including, with respect to the advisors referenced in clauses (i), (ii) and (v), fees in accordance with the terms set forth in Exhibit D to the Plan Term Sheet (notwithstanding the terms of any existing engagement letters entered into by such advisors)); *provided* that the Debtors shall not be responsible under this Agreement for any fees and expenses referenced in this Section 9.10 incurred after the termination of this Agreement; *provided further*, that the Debtors shall only pay transaction or back-end fees of financial advisors

upon consummation of the Plan as set forth in the Plan Term Sheet or as may be modified or amended in accordance with the terms hereof.

Section 10. ***Good Faith Cooperation; Further Assurances.*** The Parties shall cooperate with each other in good faith and shall coordinate their activities (to the extent practicable) in respect of all matters concerning the implementation and consummation of the Restructuring Transactions. Further, each of the Parties shall take such action (including executing and delivering any other agreements and making and filing any required regulatory filings) as may be reasonably necessary or as may be required by order of the Bankruptcy Court, to carry out the purpose and intent of this Agreement (provided, that nothing set forth in this Section 10 shall require any Consenting Creditor to provide any information that it determines, in its discretion, to be sensitive or confidential or to take any actions other than in its capacity as holder of Creditor Claims, provided, further, however that the Consenting Creditors shall be required to provide any information reasonably necessary, or information requested from regulators, to obtain required regulatory approvals, including, but not limited to, approvals from FERC and the NRC) subject to the Debtors using commercially reasonable efforts to obtain an appropriate protective order or other appropriate confidentiality protections with respect to any such information that the Consenting Creditors indicate is confidential in nature. Each of the Parties hereby covenants and agrees (a) to negotiate in good faith and in a timely manner (giving effect to the Milestones set forth in Section 4) the Restructuring Documents (including, without limitation, the Plan and Disclosure Statement) and (b) subject to the satisfaction of the terms and conditions set forth herein, to execute the Restructuring Documents.

Section 11. ***Amendments and Waivers***. The terms and conditions of this Agreement, including any exhibits, annexes or schedules to this Agreement, may not be waived, modified, amended, or supplemented without the prior written consent of the Debtors, the Committee, the Requisite Supporting Parties, *provided* that any amendment, modification or supplement that adversely affects any of the Debtor estates is subject to the reasonable consent of each such Debtor; *provided further*, that, any waiver, modification, amendment or supplement to this Agreement (or any exhibits, annexes or schedules hereto) that, if effective, would permit the Mansfield RSA Majority to terminate this Agreement as to the Mansfield Certificateholders Group pursuant to Section 9.04 of this Agreement, shall also require the consent of the Mansfield RSA Majority; *provided further*, that, any waiver, modification, amendment or supplement to this Agreement (or any exhibits, annexes or schedules hereto) that, if effective, would permit the FES Creditor RSA Majority to terminate this Agreement as to the FES Creditor Group pursuant to Section 9.05 of this Agreement, shall also require the consent of the FES Creditor RSA Majority.

Section 12. ***Miscellaneous***.

12.01. Entire Agreement. This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral, or written, among the Parties with respect thereto.

12.02. Headings. The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

12.03. GOVERNING LAW; SUBMISSION TO JURISDICTION; SELECTION OF FORUM; WAIVER OF TRIAL BY JURY. THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF. Each Party hereto agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Agreement in the Bankruptcy Court (or court of proper appellate jurisdiction) (the "**Chosen Court**"), and solely in connection with claims arising under this Agreement: (a) irrevocably submits to the exclusive jurisdiction of the Chosen Court; (b) waives any objection to laying venue in any such action or proceeding in the Chosen Court; and (c) waives any objection that the Chosen Court is an inconvenient forum or does not have jurisdiction over any Party hereto or constitutional authority to finally adjudicate the matter.

12.04. Trial by Jury Waiver. EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

12.05. Execution of Agreement. This Agreement may be executed and delivered in any number of counterparts and by way of electronic signature and delivery, each such counterpart, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Except as expressly provided in this Agreement, each individual executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

12.06. Rules of Construction. Notwithstanding anything contained herein to the contrary, it is the intent of the Parties that all references to votes or voting in this Agreement be interpreted to include votes or voting on a chapter 11 plan under the Bankruptcy Code. When a reference is made in this Agreement to a section or exhibit, such reference shall be to a section or exhibit, respectively, of or attached to this Agreement unless otherwise indicated. Unless the context of this Agreement otherwise requires, (a) words using the singular or plural number also include the plural or singular number, respectively, (b) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement, (c) the words "include," "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation," and (d) the word "or" shall not be exclusive and shall be read to mean "and/or." "Writing," "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form, and any requirement that any notice, consent or other information shall be provided "in writing" shall include email. Any reference to "business day" means any day, other than a Saturday, a Sunday or any other day on which banks located in New York, New York are closed for business as a result of federal, state or local holiday and any other reference to day means a calendar day.

12.07. Interpretation; Representation by Counsel. This Agreement is the product of negotiations among the Parties and in the enforcement or interpretation hereof, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Agreement, or any portion hereof, shall not be effective in regard to the interpretation hereof. The Parties were each represented by

counsel during the negotiations and drafting of this Agreement and continue to be represented by counsel and, therefore, waive the application of any law, regulation, holding or rule of construction (i) providing that ambiguities in an agreement or other document shall be construed against the party drafting such agreement or document or (ii) any Party with a defense to the enforcement of the terms of this Agreement against such Party based upon lack of legal counsel.

12.08. Successors and Assigns; No Third Party Beneficiaries. This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and permitted assigns, as applicable. There are no third party beneficiaries under this Agreement, and the rights or obligations of any Party under this Agreement may not be assigned, delegated, or transferred to any other person or entity other than as permitted herein.

12.09. Notices. All notices hereunder shall be deemed given if in writing and delivered by electronic mail, courier, or registered or certified mail (return receipt requested) to the following addresses (or at such other addresses as shall be specified by like notice):

(a) if to the Debtors, to the electronic mail addresses set forth below such Party's signature, as the case may be, with copies to:

FirstEnergy Solutions Corp.
341 White Pond Drive
Akron, OH 44320
Attention: Rick Giannantonio, General Counsel
Email address: giannanr@firstenergycorp.com

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
New York, NY 10036
Attention: Ira Dizengoff; Brad Kahn
Email address: idizengoff@akingump.com and
bkahn@akingump.com

Akin Gump Strauss Hauer & Feld LLP
1333 New Hampshire Avenue, N.W.
Washington, DC 20036
Attention: Scott Alberino
Email address: salberino@akingump.com

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, NY 10019
Attention: Matthew A. Feldman; Joseph G. Minias
Email address: mfeldman@willkie.com; jminias@willkie.com

Honigman Miller Schwartz and Cohn LLP
2290 First National Building
660 Woodward Avenue

Detroit, MI 48226
Attention: Joseph Sgroi
Email address: jsgroi@honigman.com

Ropes & Gray LLP
1211 Avenue of the Americas
New York, NY 10036
Attention: Mark Somerstein
Email address: mark.somerstein@ropesgray.com

(b) if to the Committee, to the electronic mail addresses set forth below such Party's signature, as the case may be, with copies to:

Milbank Tweed Hadley & McCloy LLP
28 Liberty Street
New York, New York 10005
Attention: Evan R. Fleck and Parker J. Milender
Email address: efleck@milbank.com; pmilender@milbank.com

(c) if to the Ad Hoc Noteholder Group (or as directed by any Permitted Transferee thereof), as the case may be, with copies to:

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, New York 10036
Attention: Joshua K. Brody and Joseph A. Shifer
Email address: jbrody@kramerlevin.com;
jshifer@kramerlevin.com

(d) if to the Mansfield Certificateholders Group, to the electronic mail addresses set forth below such Party's signature (or as directed by any Permitted Transferee thereof), as the case may be, with copies to:

Latham & Watkins LLP
885 Third Avenue
New York, New York 10022
Attention: George Davis and Andrew Parlen
Email address: george.davis@lw.com; andrew.parlen@lw.com

(e) if to the FES Creditor Group to the electronic mail addresses set forth below such Party's signature (or as directed by any Permitted Transferee thereof), as the case may be, with copies to:

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017

Attention: Darren S. Klein and Natasha Tsiouris
Email address: darren.klein@davispolk.com;
natasha.tsiouris@davispolk.com

or such other address as may have been furnished by a Party to each of the other Parties by notice given in accordance with the requirements set forth above. Any notice given by delivery, mail (electronic or otherwise), or courier shall be effective when received.

12.10. Survival. Notwithstanding the termination of this Agreement pursuant to Section 9, the agreements and obligations of the Parties in this Section 12.10 and Sections 9.08, 12.01, 12.03, 12.04, 12.05, 12.06, 12.07, 12.08, 12.09, 12.11, 12.12, 12.13, 12.14, 12.15, 12.16, 12.17 and 12.19 shall survive.

12.11. Independent Analysis. Each Party hereby confirms that its decision to execute this Agreement has been based upon its independent assessment of documents and information available to it, as it has deemed appropriate.

12.12. Waiver. If the Restructuring Transactions are not consummated, or if this Agreement is terminated for any reason, the Parties fully reserve any and all of their rights. Pursuant to Federal Rule of Evidence 408 and any other applicable rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms, pursue the consummation of the Restructuring Transactions or the payment of damages to which a Party may be entitled under this Agreement.

12.13. Relationship Among Parties.

(a) Notwithstanding anything herein to the contrary, (i) the duties and obligations of the Parties under this Agreement shall be several, not joint, (ii) no Party shall have any responsibility by virtue of this Agreement for any trading by any other entity; (iii) no prior history, pattern, or practice of sharing confidences among or between the Parties shall in any way affect or negate this Agreement; (iv) the Parties hereto acknowledge that this Agreement does not constitute an agreement, arrangement or understanding with respect to acting together for the purpose of acquiring, holding, voting or disposing of any equity securities of the Debtors and the Parties do not constitute a "group" within the meaning of Rule 13d-5 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"); (v) none of the Parties shall have any fiduciary duty, any duty of trust or confidence in any form, or other duties or responsibilities in any kind or form to each other, including as a result of this Agreement or the transactions contemplated herein or in the Plan; and (vi) no action taken by any Party pursuant to this Agreement shall be deemed to constitute or to create a presumption by any of the Parties that the Parties are in any way acting in concert or as such a "group."

(b) Notwithstanding anything to the contrary herein, this Agreement (including the Plan Term Sheet) and the transactions contemplated hereby shall not create any fiduciary duties between and among the Consenting Creditors, or other duties or responsibilities to each other, the Committee, the Debtors, or any Debtor's creditors or other stakeholders.

12.14. Specific Performance. It is understood and agreed by the Parties that money damages would be an insufficient remedy for any breach of this Agreement by any Party and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief (without the posting of any bond and without proof of actual damages) as a remedy of any such breach, including an order of a court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder. All rights, powers, and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any right, power, or remedy thereof by any Party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party or any other Party.

12.15. Several, Not Joint and Several, Obligations. Except as otherwise expressly set forth herein, the agreements, representations, warranties, liabilities and obligations of the Parties under this Agreement are, in all respects, several and not joint and several.

12.16. Severability and Construction. If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid, or unenforceable, in whole or in part, the remaining provisions shall remain in full force and effect. Upon any such determination of invalidity, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a reasonably acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

12.17. Reporting of Creditor Claims. The Parties agree and acknowledge that the reported amount of the Creditor Claims reflected in each Consenting Creditor signature block does not necessarily reflect the full amount of such Consenting Creditor's Creditor Claims (including, without limitation, principal, accrued and unpaid interest, makewhole, fees and expenses) and any disclosure made on any such signature block shall be without prejudice to any subsequent assertion by or on behalf of such Consenting Creditor of the full amount of its Creditor Claims.

12.18. Remedies Cumulative. All rights, powers, and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any right, power, or remedy thereof by any Party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party.

12.19. Settlement Discussions. This Agreement is part of a proposed settlement of matters that could otherwise be the subject of litigation among the Parties. Pursuant to Rule 408 of the Federal Rules of Evidence, any applicable state rules of evidence and any other applicable law, foreign or domestic, this Agreement and all negotiations relating thereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms.

12.20. Intercompany Agreements Motion. The Debtors agree to adjourn the *Motion of Debtors for Entry of Interim and Final Orders Authorizing Continued Performance Obligations Under Intercompany and Shared Services Agreements* [Docket No. 12] without date and shall file a notice of such adjournment on the Bankruptcy Court docket promptly following the Agreement Effective Date.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first above written.

DEBTORS

FIRSTENERGY SOLUTIONS CORP.

By: _____
Name: Kevin T. Warvell
Title: Vice President, Corporate Secretary, Chief Financial Officer, Treasurer

FIRSTENERGY NUCLEAR OPERATING COMPANY

By: _____
Name: Kevin T. Warvell
Title: Vice President, Corporate Secretary, Chief Financial Officer, Treasurer

FIRSTENERGY GENERATION, LLC

By: _____
Name: Kevin T. Warvell
Title: Vice President, Corporate Secretary, Chief Financial Officer, Treasurer

FIRSTENERGY MANSFIELD UNIT 1 CORP.

By: _____
Name: Kevin T. Warvell
Title: Vice President, Corporate Secretary, Chief Financial Officer, Treasurer

NORTON ENERGY STORAGE, LLC

By: FirstEnergy Generation, LLC, its sole Member

By: _____
Name: Kevin T. Warvell
Title: Vice President, Corporate Secretary, Chief Financial Officer, Treasurer

FIRSTENERGY NUCLEAR GENERATION, LLC

By: _____

Name: Kevin T. Warvell
Title: Vice President, Corporate Secretary, Chief Financial Officer, Treasurer

FIRSTENERGY AIRCRAFT LEASING CORP.

By: _____

Name: Kevin T. Warvell
Title: Vice President, Corporate Secretary, Chief Financial Officer, Treasurer

Avenue Capital Management II L.P.
solely on behalf of certain funds it advises

BY: its General Partner, Avenue Capital Management II GenPar, LLC

By: _____

Name: Sonia Gardner

Title: Member

Principal amount of Pollution Control Notes: [redacted]

Principal amount of Unsecured Notes: [redacted]

Principal amount of Pass-Through Certificates: [redacted]

Other claims (specify type and amount): [redacted]

Notice Address: 399 Park Avenue
New York, NY 10024

Attn: Matt Kimble
Fax:
Email: mkimble@avenuecapital.com

Cove Key Management, LP

By: _____

Name: John Kiani

Title: Co-Founder and Portfolio Manager

Principal amount of Pollution Control Notes: [redacted]

Principal amount of Unsecured Notes: [redacted]

Principal amount of Pass-Through Certificates: [redacted]

Other claims (specify type and amount): [redacted]

Attn: John Kiani
Cove Key Management
Email: john@covekey.com

Nuveen Asset Management, LLC,
as investment adviser on behalf of certain
fund/s accounts, severally and not jointly

By: _____

Name: STUART J. COHEN

Title: MANAGING DIRECTOR & HEAD OF LEGAL
NUVEEN ASSET MANAGEMENT, LLC

Principal amount of Pollution Control Notes: [redacted]

Principal amount of Unsecured Notes: [redacted]

Principal amount of Pass-Through Certificates: [redacted]

Other claims (specify type and amount): [redacted]

Notice Address: Nuveen Asset Management, LLC
333 W Wacker Drive
Chicago, IL 60606
Attn: Douglas Johnston
Douglas.johnston@nuveen.com

With Copy to: Nuveen Asset Management, LLC
333 W Wacker Drive
Chicago, IL 60606
Attn: Stuart Cohen
Stuart.cohen@nuveen.com

USAA
USAA General Indemnity Co.
Garrison Property & Casualty Ins. Co.
USAA Life Insurance Co.
USAA Life Insurance Co. of NY
USAA Tax Exempt Long-Term Fund
USAA Tax Exempt Intermediate-Term Fund
USAA Tax Exempt Short-Term Fund

By: _____

Name: John C Spear

Title: SVP CIO USAA Asset Management Co

Principal amount of Pollution Control Notes: [redacted]

Principal amount of Unsecured Notes: [redacted]

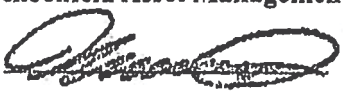
Principal amount of Pass-Through Certificates: [redacted]

Other claims (specify type and amount): [redacted]

Notice Address: USAA
A03E, Fixed Income
9800 Fredericksburg Rd
San Antonio, TX 78288

Attn: Hal Candland, Tim Caffrey & Andrew Whyte
Fax: 210-498-7953
Email: hal.candland@usaa.com,
timothy.caffery@usaa.com
andrew.whyte@usaa.com

P. Schoenfeld Asset Management LP

By: 

Name: _____

Title: Dhananjay Pal
President & COO

Principal amount of Pollution Control Notes: $ REDACTED

Principal amount of Unsecured Notes: $ REDACTED

Principal amount of Pass-Through Certificates: $ REDACTED

Other claims (specify type and amount): $_____

Notice Address: P. Schoenfeld Asset Management LP
1350 Avenue of the Americas, 21st Floor
New York, NY 10019

Attn: Legal Department

Fax:

Email: pbrown@psam.com

[Signature Page Restructuring Support Agreement]

Latigo Partners, LP

By: _____

Name: Ben Cohn

Title: Authorized Signatory

Principal amount of Pollution Control Notes: $ _____

Principal amount of Unsecured Notes: $ _____

Principal amount of Pass-Through Certificates: $ REDACTED

Other claims (specify type and amount): $ _____

Notice Address:	450 Park Avenue, 12th Floor
	New York, NY 10022
Attn:	Ben Cohn
Fax:	212-371-2949
Email:	bc@latigopartners.com

CVC CREDIT PARTNERS LLC

By: _____

Name: Caroline Benton

Title: Senior Managing Director

Principal amount of Pollution Control Notes: $REDACTED

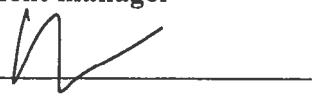
Principal amount of Unsecured Notes: $REDACTED

Principal amount of Pass-Through Certificates: $REDACTED

Other claims (specify type and amount): $REDACTED

Notice Address:	CVC Credit Partners LLC
	712 Fifth Avenue, 42nd Fl
	New York, NY 10019
Attn:	Caroline Benton
Fax:	1-212-761-0481
Email:	cbenton@cvc.com

Serengeti Asset Management, LP as investment manager

By: 

Name: Marc Baum

Title: Director

Principal amount of Pollution Control Notes: $REDACTED

Principal amount of Unsecured Notes: $REDACTED

Principal amount of Pass-Through Certificates: $REDACTED

Other claims (specify type and amount): $REDACTED

Notice Address:	632 Broadway New York, NY 10024
Attn:	Marc Baum
Fax:	
Email:	mbaum@serengeti-am.com

RIMROCK HIGH INCOME PLUS (MASTER) FUND, LTD
RIMROCK LOW VOLATILITY (MASTER) FUND, LTD

By: Rimrock Capital, as its investment manager

By: _____

Name: Chris Chester

Title: Managing Director

Principal amount of Pollution Control Notes: $ REDACTED

Principal amount of Unsecured Notes: $ REDACTED

Principal amount of Pass-Through Certificates: $ REDACTED

Other claims (specify type and amount): $ REDACTED

Notice Address: 100 Innovation Drive
Irvine, CA 92617

Attn: Andrew Gu
Fax:
Email: agu@rimrockcapital.com

VR Global Partners, L.P.

By: 

Name: Emile du Toit

Title: Authorized signatory

Principal amount of Pollution Control Notes: $ _____

Principal amount of Unsecured Notes: $ _____

Principal amount of Pass-Through Certificates: $ REDACTED

Other claims (specify type and amount): $ _____

Notice Address:	300 Park Avenue, Suite 1602, New York, NY 10022, USA
Attn:	Sina Toussi
Fax:	
Email:	stoussi@vr-capital.com

[Signature Page Restructuring Support Agreement]

[Consenting Creditor]

By: _____

Name: JOSEPH DARCONTE

Title: SENIOR VICE PRESIDENT

Principal amount of Pollution Control Notes: $ REDACTED

Principal amount of Unsecured Notes: $ REDACTED

Principal amount of Pass-Through Certificates: $ REDACTED

Other claims (specify type and amount): $ REDACTED

Notice Address: Jefferies LLC
520 MADISON AVE
NY NY 10022

Attn: ERIC GELLER

Fax:

Email: ERIC.GELLER@JEFFERIES.COM

LEGAL & GENERAL INVESTMENT MANAGEMENT AMERICA, INC. on behalf of certain holders of Pass-Through Certificates

By: Todd Bowker

Name: Todd Bowker

Title: Head of PM Operations

Principal amount of Pollution Control Notes: $ REDACTED

Principal amount of Unsecured Notes: $ REDACTED

Principal amount of Pass-Through Certificates: $ REDACTED

Other claims (specify type and amount): $ REDACTED

Notice Address:	Legal & General Investment Management America, Inc.
	71 South Wacker Drive, Suite 800
	Chicago, Illinois 60606
Attn:	Legal
Fax:	
Email:	legallgima@lgima.com

[Signature Page Restructuring Support Agreement]

CONSENTING CREDITOR

JPMorgan Chase Bank, N.A.[1], with respect to only its Credit Trading Group

By: _____

Name: Brian M. Ercolani

Title: Operations Manager

[redacted]

Notice Address

JPMorgan Chase Bank, N.A.
Mail Code: DE3-4127
500 Stanton Christiana Rd., NCC5, Floor 01
Newark, DE 19713
Attention: Brian M. Ercolani
Email: CLS_Notices@jpmchase.com

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[1] The Restructuring Support Agreement (the "Agreement") applies only to the Credit Trading Group of JPMorgan Chase Bank, N.A. ("CTG") and the Creditor Claims held by such group in the aggregate principal or face amount(s) set forth below the signature of JPMorgan Chase Bank, N.A. on behalf of, and with respect to, CTG. Accordingly, the terms "Consenting FES Creditor", "Consenting Creditor", "Party", and "Parties" for all purposes of the Agreement mean and refer only to CTG and such business unit's holdings of the Creditor Claims. For the avoidance of doubt, the Agreement does not apply to (i) Creditor Claims, claims, securities, notes, other obligations or any other interests in the Debtors that may be held, acquired or sold by, or any activities, services or businesses conducted or provided by, any other group or business unit within, or affiliate of, JPMorgan Chase Bank, N.A., (ii) any credit facilities to which JPMorgan Chase & Co. or any of its affiliates ("Morgan") is a party in effect as of the date hereof, (iii) any new credit facility, amendment to an existing credit facility, or debt or equity securities offering involving Morgan, (iv) any direct or indirect principal activities undertaken by any Morgan entity engaged in the venture capital, private equity or mezzanine businesses, or portfolio companies in which they have investments, (v) any ordinary course sales and trading activity undertaken by employees who are not a member of CTG, (vi) any Morgan entity or business engaged in providing private banking or investment management services, or (vii) any Creditor Claims, loans, notes, or related claims that may be beneficially owned by non-affiliated clients of JPMorgan Chase Bank, N.A. or any of its affiliates or for which JPMorgan acts in a fiduciary capacity.

CONSENTING CREDITOR

Canyon Distressed Opportunities Master Fund II, L.P.
By: Canyon Capital Advisors LLC, its Investment Advisor

By: _____
Name: Jonathan M. Kaplan
Title: Authorized Signatory

[redacted]

Canyon-EDOF (Master) L.P.
By: Canyon Capital Advisors LLC, its Investment Advisor

_____
Name: Jonathan M. Kaplan
Title: Authorized Signatory

[redacted]

Canyon-NZ-DOF Investing, L.P.
By: Canyon Capital Advisors LLC, its Investment Advisor

_____
Name: Jonathan M. Kaplan
Title: Authorized Signatory

[redacted]

Notice Address

Canyon Capital Advisors LLC
Attn: General Counsel
2000 Avenue of the Stars, 11th Floor
Los Angeles, CA 90067

Email: legal@canyonpartners.com; rviyer@canyonpartners.com; rteahen@canyonpartners.com

CONSENTING CREDITOR

Marble Ridge Capital LP, on behalf of funds or accounts managed by it

By: _____

Name: D. Kamensky

Title: Managing Partner

[redacted]

Notice Address

Marble Ridge Capital LP
111 West 33rd Street, Suite 2116
New York, NY 10120
Fax: _____
Attention: _____
Email: dkamensky@marbleridgecap.com; rjoshi@marbleridgecap.com

CONSENTING CREDITOR

LJH portfolio of Sunrise Partners Limited Partnership, solely in respect of itself and not any other affiliate thereof (or any other separately managed portfolio thereof)

By: _____

Name: Douglas W. Ambrose
Title: Executive Vice President of Paloma Partners Management Company, general partner of Sunrise Partners Limited Partnership

[redacted]

Notice Address

c/o Paloma Partners Management Company
Two American Lan
Greenwich, CT 06831
Fax: 203-861-3210
Attention: Douglas Ambrose
Email: dambrose@paloma.com

CONSENTING CREDITOR

Scoggin International Fund, Ltd., solely in respect of itself and not any other affiliate thereof (or any other separately managed portfolio thereof)

By: Scoggin Management LP its investment manager
By: Scoggin GP LLC its GP

_____
Name: Craig Effron
Title: Member

[redacted]

Scoggin Worldwide Fund, Ltd., solely in respect of itself and not any other affiliate thereof (or any other separately managed portfolio thereof)

By: Old Bellows Partners LP its investment manager
By: Old Bell Associates LLC its GP

_____
Name: Craig Effron
Title: Member

[redacted]

Notice Address

Scoggin Management LP
660 Madison Avenue, Floor 20
New York, NY 10065
Attention: Dev Chodry / Matt Ragsdale
Email: dchodry@scogcap.com / mragsdale@scogcap.com

THE COMMITTEE CO-CHAIRS, FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS

BNSF Railway Company

By: _____
Name: Munsoor Hussain
Title: Assistant General Tax Counsel

Wilmington Savings Fund Society, FSB,
in its capacity as the indenture trustee for the lessor notes issued under six indentures with Mansfield 2007 Trusts A-F and its capacity as pass through trustee under the pass through trust agreement with FirstEnergy Generation, LLC and FirstEnergy Solutions Corp. for the pass through certificates issued in connection with the sale-leaseback transaction for Unit 1 of the Bruce Mansfield Plant

By: _____
Name: Patrick J. Healy
Title: Senior Vice President and Director

THE COMMITTEE CO-CHAIRS, FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS

BNSF Railway Company

By: _____
Name: Munsoor Hussain
Title: Assistant General Tax Counsel

Wilmington Savings Fund Society, FSB,
in its capacity as the indenture trustee for the lessor notes issued under six indentures with Mansfield 2007 Trusts A-F and its capacity as pass through trustee under the pass through trust agreement with FirstEnergy Generation, LLC and FirstEnergy Solutions Corp. for the pass through certificates issued in connection with the sale-leaseback transaction for Unit 1 of the Bruce Mansfield Plant

By: _____
Name: Patrick J. Healy
Title: Senior Vice President and Director

EXHIBIT A

PLAN TERM SHEET

FirstEnergy Solutions Corp. Plan Term Sheet

January 23, 2019

This term sheet (the "**Term Sheet**") sets forth certain of the principal terms for the proposed restructuring (the "**Restructuring**") for FirstEnergy Solutions Corp. ("**FES**") and its subsidiaries, and FirstEnergy Nuclear Operating Company ("**FENOC**") (each a "**Debtor**" and, collectively, the "**Debtors**") that have commenced cases (the "**Chapter 11 Cases**") under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**") in the United States Bankruptcy Court for the Northern District of Ohio (the "**Bankruptcy Court**") on March 31, 2018 (the "**Petition Date**"). The Restructuring contemplated herein shall be implemented pursuant to a proposed joint chapter 11 plan of reorganization for the Debtors (the "**Plan**"). Consistent with the Debtors' exclusive right to file the Plan pursuant to section 1121 of the Bankruptcy Code, the Debtors shall be the proponents of the Plan.

This Term Sheet does not include a description of all of the terms, conditions and other provisions that are to be contained in the definitive documentation necessary for the consummation of the Plan and the transactions to be contemplated therein, which will remain subject to discussion and negotiation in good faith among the Debtors and the following parties: (i) members of the ad hoc group (the "**Ad Hoc Noteholder Group**") consisting of the holders of the majority in aggregate amount of (a) certain secured pollution control revenue bonds supported by notes (the claims arising under such notes, the "**Secured PCN Claims**") issued by Debtors FirstEnergy Generation, LLC ("**FG**") and FirstEnergy Nuclear Generation, LLC ("**NG**"), (b) certain unsecured pollution control revenue bonds supported by notes (the claims arising under such notes, the "**Unsecured PCN Claims**" and, together with the Secured PCN Claims, the "**PCN Claims**") issued by FG and NG, and (c) certain unsecured notes issued by FES (the claims arising under such notes, the "**FES Notes Claims**"); (ii) members of the ad hoc group (the "**Mansfield Certificateholders Group**") of certain holders of pass-through certificates issued in connection with the leveraged lease transaction for Unit 1 of the Bruce Mansfield Power Plant (the claims arising under such certificates, the "**Mansfield PTC Claims** and together with the Unsecured PCN Claims and FES Note Claims, the "**Unsecured Bond Claims**"); (iii) certain holders (or advisors or managers thereof) of (a) unsecured claims against FES arising from the rejection of certain power purchase agreements (the "**FES Claims**") and (b) unsecured claims against FENOC that are guaranteed by FES (the "**FENOC/FES Claims**") that are members of the ad hoc group represented by Davis Polk & Wardwell LLP (collectively, the "**FES Creditor Group**" and, together with the Mansfield Certificateholders Group and the Ad Hoc Noteholder Group, the "**Consenting Creditors**"); and (iv) the official committee of unsecured creditors appointed in the Chapter 11 Cases (the "**Committee**").

The transactions contemplated by this Term Sheet are subject to (i) entry into a Restructuring Support Agreement (the "**RSA**")[1] among the Debtors, the Consenting Creditors and the Committee (collectively, the "**RSA Parties**"), in form and substance acceptable to the Debtors and the RSA Parties, (ii) satisfaction of all of the conditions set forth in the RSA and in any definitive documentation evidencing the transactions comprising the Restructuring, (iii) the

[1] Capitalized terms not otherwise defined in this Term Sheet shall have the meanings ascribed to them in the RSA.

negotiation and execution of definitive documents evidencing and related to the Restructuring contemplated herein, (iv) approval of a disclosure statement in respect of the Plan pursuant to section 1125 of the Bankruptcy Code (the "**Disclosure Statement**"), and (v) entry of an order of the Bankruptcy Court confirming the Plan (the "**Confirmation Order**") and the satisfaction of any conditions to the effectiveness thereof (the date of such effectiveness, the "**Effective Date**").

This Term Sheet has been prepared for settlement discussion purposes only and shall not constitute an admission of liability by any party, nor be admissible in any action relating to any of the matters addressed herein. Nothing in this Term Sheet shall be deemed to be the solicitation of an acceptance or rejection of a Plan. Further, nothing herein shall be an admission of fact or liability or deemed binding on the Parties, except as provided by the RSA.

PLAN OVERVIEW	
Debtors	FES, FENOC, FE Aircraft Leasing Corp. ("**FEALC**"), FG, NG, FirstEnergy Generation Mansfield Unit 1 Corp. ("**FGMUC**"), and Norton Energy Storage L.L.C. ("**Norton**").
Transaction Overview	As set forth in greater detail herein, the Plan shall provide for: • The reorganization of each of the Debtor entities; • The distribution of cash or equity interests in either (i) reorganized FES ("**Reorganized FES**") or (ii) New FES (as defined below) (such election of either Reorganized FES or New FES to be made by Debtors and the Requisite Supporting Parties in the reasonable discretion of such parties and in consultation with the Committee)[2]; • The implementation of a Plan Settlement, as described further below, and the Mansfield Settlement; and • The reinstatement or payment in full of the Secured PCN Claims.
Plan Settlement	The Plan shall contain and effect a global and integrated compromise and settlement (the "**Plan Settlement**") of all disputes between and among the Debtors, the Independent Directors of the Debtors, the Committee, and the Consenting Creditors pursuant to section 1123(b)(3) of the Bankruptcy Code and Rule 9019 of the Federal Rules of Bankruptcy Procedure, including, without limitation, any and all issues relating to (i) the allowance and treatment of all Claims the Debtors may have against each other, whether arising prior to (the "**Prepetition Intercompany Claims**") or after the Petition Date (the

[2] It is contemplated that additional newly-formed corporate entities may be included in the corporate restructuring of the Debtors as determined by the Debtors and the Requisite Supporting Parties (in consultation with the Committee) and that the distribution of equity interests in Reorganized FES or New FES may in the form of equity interests in the ultimate parent entity of the reorganized Debtors which may be one such newly-formed entity.

	"**Postpetition Intercompany Claims**" and collectively with Prepetition Intercompany Claims, the "**Intercompany Claims**"), (ii) allocation of administrative expenses among the Debtors, (iii) the allocation among the Debtors of the FE Settlement Consideration (defined below) and (iv) the allocation of value of all other assets of the Debtors. *Allowance and Treatment of Intercompany Claims* The treatment of Intercompany Claims shall be as set forth below. Additionally, as part of the Plan Settlement, $45.75 million of the aggregate Unsecured Creditor Distributable Value otherwise available for distribution to holders of Unsecured Bond Claims shall be reallocated to holders of Single-Box Unsecured Claims[3] against the various Debtors ratably based on the allocation of FE Settlement consideration to such Debtors (the "**Reallocation Pool**"). For the avoidance of doubt, Prepetition Intercompany Claims shall not receive a recovery from the Reallocation Pool. The portion of the Reallocation Pool allocable to NG (the "**NG Reallocation Pool**") shall in turn be re-allocated ratably to Holders of Allowed Single-Box Unsecured Claims against FES. For the avoidance of doubt, Prepetition Intercompany Claims shall not receive any portion of the NG Reallocation Pool. In connection with the resolution of the FENOC Postpetition Claim Against FES, $12.5 million of the aggregate Unsecured Creditor Distributable Value (as defined below) otherwise available for distribution to the holders of Unsecured Bondholder Claims shall be re-allocated to holders of Single-Box Unsecured Claims against FES and holders of claims against both FENOC and FES (the "**FENOC/FES Claim Reallocation**"). For the avoidance of doubt, Prepetition Intercompany Claims shall not receive a recovery from the FENOC/FES Claim Reallocation. *Allocation of Administrative Expenses* For the purposes of the Plan Settlement, the payment of projected claims entitled to administrative expense or priority expense status under the Bankruptcy Code, including professional fees, ("**Administrative Expense Claims**") and Other Secured Claims (as defined below), was allocated among the Debtor entities on a ratable basis based on the estimated amount of Unsecured Claims[4] against each Debtor, taking into account any guarantee

[3] "**Single-Box Unsecured Claims**" means all Unsecured Claims (as defined below) other than Unsecured Claims which are allowed against multiple Debtors. "General Unsecured Claims" means all Unsecured Claims (as defined below) other than Unsecured Bondholder Claims.

[4] "**Unsecured Claims**" shall mean all unsecured claims against the Debtors other than Administrative Expense Claims, Priority Tax Claims and Priority Non-Tax Claims (including, without limitation, General Unsecured Claims and

	claims against such Debtor (the "**Allocated Administrative Expenses**"); *provided* that to the extent a projected Administrative Expense Claim or Other Secured Claim was directly attributable to a particular Debtor (*e.g.* a trade claim) such a claim was allocated to that particular Debtor and does constitute an Allocated Administrative Expense. For the avoidance of doubt, Intercompany Claims shall not be included in the calculation of Allocated Administrative Expenses. Notwithstanding the foregoing, to the extent aggregate allowed Administrative Expense Claims or Other Secured Claims differ from the projected amount of such claims set forth on **Exhibit A** hereto and incorporated into the calculation of Unsecured Creditor Distributable Value (as defined below) (the "**Estimated Administrative Expenses**"), the difference between such aggregate allowed amount of Administrative Expense Claims and Other Secured Claims and Estimated Administrative Expenses (positive or negative) shall be allocated among the Debtors ratably based on their respective Distributable Value Splits (the "**Administrative Expense Adjustment**"). "**Distributable Value Splits**" shall mean, with respect to each Debtor, the ratable share of aggregate Unsecured Creditor Distributable Value (as defined below) available for distribution to third-party Unsecured Claims of such Debtor (such third-party Unsecured Claims do not include Prepetition Intercompany Claims) taking into account the Reallocation Pool, the NG Reallocation Pool and the FENOC/FES Claim Reallocation as set forth on **Exhibit A**. Notwithstanding the foregoing, to the extent there are allowed Administrative Expense Claims arising from the long-term power purchase agreements between FES, on the one hand, and the Ohio Valley Electric Corporation and Maryland Solar LLC, on the other hand, any such claims shall be directly allocated to FES and shall not be deemed Allocated Administrative Expenses (the "**FES-Only Administrative Expenses**"). *Allocation of FE Settlement Consideration* The Plan shall allocate the direct consideration provided to the Debtors under the FE Settlement (specifically the New FE Notes, the $225 million settlement payment, the value of the Pleasants Power Plant and the $112.5 million credit provided with respect to shared services) which is estimated to be $1,046,500,000.00 (the "**FE Settlement Consideration**"). The FE Settlement Consideration shall be allocated among the Debtor entities as

Unsecured Bond Claims).

	follows: • FES: 57.5% • FG: 23.4% • NG: 15.1% • FGMUC: 1.3% • FENOC: 2.7% *Allocation of Inter-Company Revolver* The Plan Settlement shall provide for the allocation the prepetition inter-company revolver with FE as follows: • FES: $475 million • FG: $25 million
Intercompany Claim Settlement	Pursuant to the Plan Settlement (and solely in connection with consummation of the Plan Settlement), the Intercompany Claims shall be allowed under the Plan as follows: • FG Prepetition Intercompany Claims against FES – allowed as unsecured claims in the aggregate amount of $1,488,190,630 (representing a 15% discount to the aggregate asserted amount of such claims); • NG Prepetition Intercompany Claims against FES – allowed as unsecured claims in the aggregate amount of $1,670,896,976 (representing a 4.7% discount to the aggregate asserted amount of such claims); • FG Postpetition Intercompany Claims against FES – claims shall be allowed as super-priority administrative expense claims in an amount equal to $120,291,389; • NG Postpetition Intercompany Claims against FES - claims shall be allowed as super-priority administrative expense claims in an amount equal to $238,431,879; • FGMUC Prepetition Intercompany Claims against FG – allowed as unsecured claims in the aggregate amount of $901,881,812 (representing a 15% discount to the aggregate asserted amounts of such claims); • FGMUC Postpetition Intercompany Claims against FG - disallowed in full; • FENOC Postpetition Intercompany Claims against FES- claims shall be allowed (i) as super-priority administrative claims in the amount of $2,000,000 and (ii) as an unsecured claim in the aggregate amount of $28,000,000. • FENOC Postpetition Intercompany Claims against NG – claims shall be allowed as super-priority administrative claims in the amount of $69,929,041.

	All other Prepetition Intercompany Claims shall be treated as if allowed in the amounts set forth in accordance with the applicable intercompany agreements. That certain Second Revised Genco Power Supply Agreement, dated as of January 1, 2007, between FES and FG (the "**FG PPA**") is, upon the Agreement Effective Date, hereby automatically amended to allow either party thereto to terminate the FG PPA for the term beginning July 1, 2019, upon at least 30 days' notice prior to June 30, 2019.
FE Settlement	The Plan shall implement the Settlement Agreement, dated as of August 26, 2018, among the Debtors, the Debtors' non-Debtor affiliates (the "**FE Non-Debtor Parties**"), the Ad Hoc Noteholders Group, the Mansfield Certificateholders Group, and the Official Committee of Unsecured Creditors (the "**FE Settlement**"). The Plan shall authorize the Debtors, with the reasonable consent of the Committee and the Requisite Supporting Parties, to enter into one or more transactions to monetize the New FE Notes on or as soon as practicable following the Effective Date.
Mansfield Settlement	As part of the Plan Settlement, the Plan shall incorporate a compromise and settlement of the Claims held by Mansfield Indenture Trustee for the Mansfield Certificates and potential objections to the amount, priority and availability or applicability of any guarantees related to such Claims (the "**Mansfield Settlement**"). Specifically, the Mansfield Settlement shall include the following terms, among others: (i) Mansfield PTC Claims shall be allowed as unsecured claims in the amount of $786,763,400.00 (i.e., the outstanding amount of principal and accrued prepetition interest on the Mansfield PTC Claims) (the "**Allowed Mansfield PTC Claims**"); (ii) The Allowed Mansfield PTC Claims shall be allowed against FG, NG, FES, and FGMUC, *provided, however*, that any distribution on account of the Allowed Mansfield PTC Claims against FGMUC shall be shared on a ratable basis among the holders of the Allowed Mansfield PTC Claims and the holders of the Unsecured PCN Claims and the FES Notes Claims;[5] (iii) The following property shall be deemed and treated as unencumbered property of the Debtors' estates of (a) the 93.825% undivided interest in Unit 1 of the Mansfield Facility that is the subject to the leveraged

[5] Mansfield Settlement turnover mechanics shall be incorporated in the Plan.

	sale and leaseback transaction and (b) any and all insurance proceeds to which the Mansfield Indenture Trustee might otherwise be entitled; (iv) The transfer to NG of any insurance proceeds recovered on account of Bruce Mansfield Unit 1 and any additional value attributable Bruce Mansfield Unit 1; (v) The Confirmation Order shall serve as an order authorizing the rejection, *nunc pro tunc* to the Petition Date, of the Mansfield Facility Lease Agreements; and (vi) $10 million of the aggregate Unsecured Creditor Distributable Value otherwise available for distribution to the holders of Certificate Claims shall be reallocated to the holders of the Unsecured PCN Claims and the FES Notes Claims. [6]
Restructuring	The Plan will provide for the following Restructuring of the Debtors: • At the election of the Debtors and the Requisite Supporting Parties (such election to be made in the reasonable discretion of such parties) in consultation with the Committee, the Debtors shall either (i) reorganize FES, or (ii) form a new legal entity ("**New FES**") and/or (iii) transfer the assets of FES to New FES or another newly created legal entity, and cancel the equity of FES.[7] • Each of the other Debtors shall be reorganized. The equity of FENOC shall be cancelled and new common stock of Reorganized FENOC shall be issued to either Reorganized FES or New FES, as applicable. • Reorganized NG, Reorganized FG, and Reorganized FENOC, as applicable, shall each be wholly-owned subsidiaries of Reorganized FES or New FES, as applicable. • On the Effective Date, the Pleasants Power Plant shall be transferred to a subsidiary of Reorganized FG (subject to the satisfaction of the conditions to closing under the asset purchase agreement related to the Pleasants Power Plant). Notwithstanding such transfer to a subsidiary of Reorganized FG, for purposes of distributions under the Plan, the value of the Pleasants Power Plant shall be

[6] Mansfield Settlement turnover mechanics shall be incorporated in the Plan.

[7] It is contemplated that additional newly-formed corporate entities may be included in the corporate restructuring of the Debtors as determined by the Debtors and the Requisite Supporting Parties (in consultation with the Committee) and that the distribution of equity interests in Reorganized FES or New FES may in the form of equity interests in the ultimate parent entity of the reorganized Debtors which may be one such newly-formed entity.

	allocated pursuant to the Plan Settlement. • Reorganized FES or New FES (as applicable) shall issue [__] shares of common stock, par value $0.001 per share (the "**New FES Common Stock**"). The issuance of the New FES Common Stock shall be pursuant to the registration exemptions provided by section 1145 of the Bankruptcy Code. All distributions of the New FES Common Stock under the Plan shall be subject to dilution by the MIP (defined below).
RETAIL BUSINESS	
Continued Operation of the Retail Business	Upon execution of the RSA, the Debtors shall terminate the Asset Purchase Agreement with Exelon Generation Company, LLC ("**Exelon**") for the sale of the Retail Business (the "**Exelon APA**").
ALLOCATION OF DISTRIBUTABLE VALUE	
Secured PCN Claim Distributions	Pursuant to the Plan and the applicable governing indentures and mortgage indentures, the collateral trustee for the Secured PCN Claims against FG shall distribute to the holders of Secured PCN Claims against FG any cash being held by such collateral trustee under the mortgage indenture as of the Plan Effective Date on account of (i) FG's portion of the Bay Shore Plant sale proceeds, (ii) the West Lorain Power Plant sale proceeds, if any, (iii) sale proceeds from the RE Burger Power Plant sale, (iv) insurance proceeds with respect to the January 2018 fire at the Bruce Mansfield Plant to the extent allocable to Unit 2 or common facilities, if any, and (v) any proceeds from any other collateral securing mortgage bonds underlying the Secured PCN Claims against FG (the "**Secured PCN Cash Distribution**"). The Secured PCN Cash Distribution shall be allocated as follows: (i) *first*, to pay in full, including accrued and unpaid prepetition and postpetition interest, the Secured PCN Claims arising from any secured pollution control revenue bonds supported by notes that will have matured according to their stated maturity prior to the Effective Date; (ii) *second*, to pay in full, including accrued and unpaid prepetition and postpetition interest, the Secured PCN Claims arising from secured pollution control revenue bonds supported by notes listed as CUSIPs 074876HQ9 and 708686EE6; and (iii) *third*, ratably to Secured PCN Claims consisting of accrued and unpaid prepetition and postpetition interest, other than any such Secured PCN Claims that received a distribution pursuant to the foregoing clauses (i) or (ii). For the avoidance of doubt, in the event the Secured PCN Cash Distribution is insufficient to satisfy the foregoing claims in full, such claims will be paid in full in cash. The amount of any

	Holder's Secured PCN Claims against FG shall be reduced by the amount of Secured PCN Cash Distribution paid to such holder.
Distributable Value	The Plan shall allocate the value of the Debtors' estates to each Debtor entity in accordance with **Exhibit A** to this Term Sheet, subject only to adjustment based on the actual recoveries (to the extent different from estimated recoveries reflected in the Plan Settlement) on Prepetition Intercompany Claims due to changes in the estimated amount of Allowed Unsecured Claims by virtue of the settlement or adjudication of all other prepetition claims asserted against the various Debtors (to the extent different from projected allowed claims reflected in the Plan Settlement) (the "**Distributable Value**"). For the avoidance of doubt, each Debtor's Distributable Value Split shall be based on a fixed, assumed Allowed amount of Postpetition Intercompany Claims as of June 30, 2019 after taking into account the discounts embodied in the Plan Settlement, adjustments or disallowances set forth in the Plan Settlement. Any difference in the amount of aggregate Distributable Value as of the Plan Effective Date from that set forth on **Exhibit A** (positive or negative) shall be allocated to the Debtors in accordance with the Distributable Value Splits. The amount of distributions available to holders of allowed Unsecured Claims under the Plan shall be determined by calculating the Distributable Value as of the Plan Effective Date (*i.e.* after adjusting for actual recoveries on Prepetition Intercompany Claims and actual cash on hand) allocable to each such Debtor *less* (i) the payment of Allocated Administrative Expenses and any other Administrative Expense Claims (subject to the Administrative Expense Adjustment) and, solely with respect to FES, any FES-Only Administrative Expenses; (ii) Other Secured Claims of such Debtor (subject to the Administrative Expense Adjustment); and (iii) in the case of FG and NG, the value of the Secured PCN Claims being reinstated or paid in full pursuant to the Plan as further set forth on **Exhibit A** hereto (the "**Unsecured Creditor Distributable Value**").[8] For the avoidance of doubt, the calculation of Unsecured Creditor Distributable Value does not take into account the reallocation of the Reallocation Pool or the FENOC/FES Claim Reallocation to certain of the holders of General Unsecured Claims.

[8] The Requisite Supporting Parties and the Debtors, in consultation with the Committee, may agree to distribute cash, in addition to equity, to those creditors who will receive distributions of New FES Common Stock under the Plan, in which case such cash shall be distributed ratably based on such creditors' holdings of the New FES Common Stock. For the avoidance of doubt, such cash distribution shall be funded solely by cash that would otherwise be transferred to the Reorganized Debtors on the Effective Date and will not increase the value of recoveries to those creditors receiving such cash distributions.

	Any distributions that would have otherwise been made to Holders of Allowed Single-Box Unsecured Claims against NG as part of the Reallocation Pool shall in turn be re-allocated on a ratable basis to Holders of Allowed Single-Box Unsecured Claims against FES. For the avoidance of doubt, prepetition Intercompany Claims shall not receive any portion of this reallocation. In calculating the FENOC Unsecured Creditor Distributable Value, the FENOC cash balance at emergence shall be fixed at $38 million. Each of the Debtors or Reorganized Debtors shall make distributions of cash to holders of allowed Administrative Expense Claims allocable to their estate, claims afforded priority status under the Bankruptcy Code, including those employee claims entitled to priority status ("**Priority Claims**"), and secured claims other than Secured PCN Claims ("**Other Secured Claims**") allocable to their respective estates, as set forth below.
FEALC Cash Distribution Pool	To the extent there are any General Unsecured Claims against FEALC, the FE Aircraft Cash Distribution Pool shall be established with Cash in the amount of the proceeds from the sale of the aircraft belonging to FEALC.
Norton Cash Distribution Pool	To the extent there are any General Unsecured Claims against Norton, the Norton Cash Distribution Pool shall be established with Cash in the amount of the value of Norton's interest in the Norton mine.
Unsecured Bondholder Cash Pool	Holders of allowed Unsecured Bondholder Claims shall have the option to elect to receive, in lieu of New FES Common Stock, their ratable portion (based on the allowed principal amount of such claims) of cash (such electing holders, the "**Electing Bondholders**") equal to the aggregate value of New FES Common Stock distributed to Holders of Allowed General Unsecured Claims who have an election to receive New FES Common Stock and make such election (the "**Unsecured Bondholder Cash Pool**"); *provided*, that to the extent the Unsecured Bondholder Cash Pool is insufficient to provide each Electing Bondholder their allocable recovery of Unsecured Creditor Distributable Value in accordance with the Plan, Electing Bondholders shall receive the remainder of their distribution in New FES Common Stock in accordance with the Plan; *provided further*, that to the extent there is surplus cash in the Unsecured Bondholder Cash Pool after taking into account distributions to the Electing Bondholders on account of their Unsecured Bondholder Claims, such cash shall revert to the Reorganized Debtors. For the avoidance of doubt, the maximum amount of

	cash contributed to the Unsecured Bondholder Cash Pool shall be the amount of cash that is equal to the aggregate value of New FES Common Stock distributed to Holders of Allowed General Unsecured Claims who have an election to receive New FES Common Stock.
TREATMENT OF CLAIMS	
Administrative Expense Claims	Holders of allowed Administrative Expense Claims shall receive, from the applicable Debtor, on account of and in full and complete settlement, release and discharge of such claim, cash equal to the full unpaid amount of such allowed Administrative Expense Claim, which payments shall be made on either (a) the latest to occur of (i) the Effective Date (or as a soon as practicable thereafter), (ii) the date such claim becomes an allowed Administrative Expense Claim or as soon as practicable thereafter, and (iii) such other date as may be agreed upon by the Reorganized Debtors and the holder of such claim, or (b) on such other date as the Bankruptcy Court may order.
Priority Tax Claims	Holders of allowed Priority Tax Claims against any of the Debtors that are due and payable on or before the Effective Date shall receive, on account of and in full and complete settlement, release and discharge of such claim, cash equal to the amount of such allowed Priority Tax Claim on the later of (i) the Effective Date (or as soon as practicable thereafter), (ii) the date such Priority Tax Claim becomes an allowed claim, or as soon as practicable thereafter and (iii) on such other date in accordance with Section 1129(a)(9)(C) of the Bankruptcy Code. All allowed Priority Tax Claims against any of the Debtors which are not due and payable on or before the Effective Date shall be paid in the ordinary course of business by the Reorganized Debtors in accordance with the terms thereof.
Priority Non-Tax Claims	Holders of allowed Priority Non-Tax Claims against the Debtors shall receive on account of and in full and complete settlement, release and discharge of such claim, at the Reorganized Debtors' election, (i) cash in the amount of such allowed Priority Non-Tax Claim in accordance with section 1129(a)(9) of the Bankruptcy Code and/or (ii) such other treatment required to render such claim unimpaired pursuant to section 1124 of the Bankruptcy Code. All allowed Priority Non-Tax Claims against the Debtors which are not due and payable on or before the Effective Date shall be paid by the Reorganized Debtors when such claims become due and payable in the ordinary course of business in accordance with the terms thereof.

Other Secured Claims	On or as soon after the Effective Date as practicable, holders of Allowed Other Secured Claims shall receive the following treatment at the option of the Debtors or the Reorganized Debtors: (i) reinstatement of any such allowed Other Secured Claim pursuant to section 1124 of the Bankruptcy Code; (ii) payment in full, in cash, of any such allowed Other Secured Claims; (iii) satisfaction of any such allowed Other Secured Claim by delivering the collateral securing any such allowed other Secured Claims and paying any interest required to be paid under section 506(b) of the Bankruptcy Code; or (iv) providing such holders with such treatment in accordance with section 1129(b) of the Bankruptcy Code as may be determined by the Bankruptcy Court.
Secured PCN Claims	The Secured PCN Claims will be allowed in their full amount (including, for the avoidance of doubt, all accrued and unpaid prepetition and postpetition interest); *provided*, that the amount of the Secured PCN Claims against FG shall be reduced by the amount of the Secured PCN Cash Distribution. The remaining Secured PCN Claims shall be (i) reinstated and shall be secured by the same collateral as the prepetition Secured PCN Claims, to the extent such assets have not been sold prior to the Effective Date, or (ii) paid in full in Cash, at the election of the Debtors and the Requisite Supporting Parties. In the event that New FES is formed, the FES guarantee with respect to such Secured PCN Claims shall remain in place following the Plan Effective Date, and New FES shall provide an additional unsecured guarantee with respect to such Secured PCN Claims. Voting: To the extent the Debtors elect to form New FES and New FES provides an additional guarantee with respect to the Secured PCN Claims, the holders of Secured PCN Claims being reinstated shall be Impaired and entitled to vote to accept or reject the Plan. To the extent the Debtors do not elect to form New FES, the Secured PCN Claims shall be deemed unimpaired, deemed to have accepted the Plan and shall not be entitled to vote.
FES Unsecured Bondholder Claims	Classification: This Class consists of Unsecured Bondholder Claims against FES, which, for the avoidance of doubt, shall include guarantee claims (other than guarantees related to the Secured PCN Claims). Allowance: The Unsecured Bondholder Claims against FES shall be Allowed in the aggregate amount of $3,023,931,757, including the FES Notes Claims and any guarantee claims of the Holders of

	Unsecured FG PCN Claims and Unsecured NG PCN Claims and the Mansfield Certificate Claims in accordance with the terms of the Mansfield Settlement. Treatment: Except to the extent that a Holder of an Allowed Unsecured Bondholder Claim Against FES agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each Unsecured Bondholder Claim Against FES, each Holder of an Allowed Unsecured Bondholder Claim Against FES shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES Common Stock (or, in the case of an Electing Bondholder, the Electing Bondholder's allocable share of the Unsecured Bondholder Cash Pool), subject to dilution by the MIP, in an amount equal to its ratable share of the FES Unsecured Creditor Distributable Value, subject to the reallocation of (i) the Reallocation Pool to holders of Single Box Unsecured Claims and (ii) the FENOC/FES Claim Reallocation to holders of Single-Box Unsecured Claims against FES and FES/FENOC Unsecured Claims against FES. Voting: Holders of FES Unsecured Bondholder Claims are Impaired under the Plan. Holders of FES Unsecured Bondholder Claims are entitled to vote to accept or reject the Plan.
FENOC/FES Unsecured Claims against FES	Classification: This Class consists of Holders of unsecured claims against both FES and FENOC (but solely with respect to such Holder's claims at FES). Treatment: Except to the extent that a Holder of an Allowed FENOC/FES Unsecured Claim against FES agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each FENOC/FES Unsecured Claim against FES, each Holder of an Allowed FENOC/FES Unsecured Claim shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its ratable share of the FES Unsecured Creditor Distributable Value and the FENOC/FES Claim Reallocation, *provided* that such Holders shall have the option to elect to receive their ratable share of New FES Common Stock in equal amount, subject to the Equity Election Conditions, and subject to dilution by the MIP. Voting: Holders of FENOC/FES Unsecured Claims are Impaired under the Plan. Holders of FENOC/FES Unsecured Claims are entitled to vote to accept or reject the Plan.

FES Single-Box Unsecured Claims	Classification: This Class consists of Single-Box Unsecured Claims against FES. Treatment: Except to the extent that a Holder of an Allowed Single-Box Unsecured Claim against FES agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each Single-Box Unsecured Claim against FES, each Holder of an Allowed Single-Box Unsecured Claim Against FES shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its ratable share of (i) the FES Unsecured Creditor Distributable Value, (ii) the portion of the Reallocation Pool allocated to FES, (iii) the FENOC/FES Claim Reallocation, and (iv) the portion of the Reallocation Pool allocated to NG (the "**NG Reallocation Pool**"), *provided* that such Holders shall have the option to elect to receive their ratable share of New FES Common Stock in equal amount, subject to the Equity Election Conditions and subject to dilution by the MIP. Voting: Holders of Single-Box Unsecured Claims against FES are Impaired under the Plan. Holders of Single-Box Unsecured Claims against FES are entitled to vote to accept or reject the Plan.
FES Mansfield TIA Claim	Classification: This Class consists of claims of the Owner-Participants in the Bruce Mansfield Sale-Leaseback Transaction arising under the tax indemnification agreements and other lease documents (the "**Mansfield TIA Claims**") against FES. Treatment: Except to the extent that a Holder of an Allowed Mansfield TIA Claim against FES agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each Mansfield TIA Claims against FES, each Holder of an Allowed Mansfield TIA Claims against FES shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its ratable share of the FES Unsecured Creditor Distributable Value. Voting: Holders of the Mansfield TIA Claim against FES are Impaired under the Plan. Holders of the Mansfield TIA Claim is entitled to vote to accept or reject the Plan.
FG Unsecured Bondholder Claims	Classification: This Class consists of Unsecured Bondholder Claims against FG. Allowance: The Unsecured Bondholder Claims against FG shall be Allowed in the aggregate amount of $3,023,931,757, including

	the Unsecured FG PCN Claims and any guarantee claims of the Holders of FES Notes Claims and Unsecured NG PCN Claims and the Mansfield Certificate Claims in accordance with the terms of the Mansfield Settlement. Treatment: Except to the extent that a Holder of an Allowed Unsecured Bondholder Claim Against FG agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each Unsecured Bondholder Claim Against FG, each Holder of an Allowed Unsecured Bondholder Claim Against FG shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES Common Stock (or, in the case of an Electing Bondholder, the Electing Bondholder's allocable share of the Unsecured Bondholder Cash Pool), subject to dilution by the MIP, in an amount equal to its ratable share of the FG Unsecured Creditor Distributable Value, subject to the reallocation of the Reallocation Pool to holders of Single Box Unsecured Claims. Voting: Holders of FG Unsecured Bondholder Claims are Impaired under the Plan. Holders of FG Unsecured Bondholder Claims are entitled to vote to accept or reject the Plan.
FG Single-Box Unsecured Claims	Classification: This Class consists of Single-Box Unsecured Claims against FG. Treatment: Except to the extent that a Holder of an Allowed Single-Box Unsecured Claim Against FG agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each Single-Box Unsecured Claim against FG, each Holder of a Single-Box Unsecured Claim Against FG shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its ratable share of (i) the FG Unsecured Creditor Distributable Value and (ii) the portion of the Reallocation Pool allocable to FG, *provided* that such Holders shall have the option to elect to receive their ratable share of New FES Common Stock in equal amount, subject to the Equity Election Conditions and subject to dilution by the MIP. Voting: Holders of Single-Box Unsecured Claims against FG are Impaired under the Plan. Holders of Single-Box Unsecured Claims against FG are entitled to vote to accept or reject the Plan.
FG Mansfield TIA Claims	Classification: This Class consists of the Mansfield TIA Claims against FG.

	Treatment: Except to the extent that the Holder of an Allowed Mansfield TIA Claim against FG agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each Mansfield TIA Claim against FG, each Holder of an Allowed Mansfield TIA Claim against FG shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its ratable share of the FG Unsecured Creditor Distributable Value. Voting: Holders of the Mansfield TIA Claim against FG are Impaired under the Plan. Holders of the Mansfield TIA Claim against FG are entitled to vote to accept or reject the Plan.
NG Unsecured Bondholder Claims	Classification: This Class consists of Unsecured Bondholder Claims against NG. Allowance: The Unsecured Bondholder Claims against NG shall be Allowed in the aggregate amount of $3,023,931,757, including the Unsecured NG PCN Claims and any guarantee claims of the Holders of FES Notes Claims and Unsecured FG PCN Claims and the Mansfield Certificate Claims in accordance with the terms of the Mansfield Settlement. Treatment: Except to the extent that a Holder of an Allowed Unsecured Bondholder Claim Against NG agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each Unsecured Bondholder Claim Against NG, each Holder of an Allowed Unsecured Bondholder Claim Against NG shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES Common Stock (or, in the case of an Electing Bondholder, the Electing Bondholder's allocable share of the Unsecured Bondholder Cash Pool), subject to dilution by the MIP, in an amount equal to its ratable share of the NG Unsecured Creditor Distributable Value, subject to the reallocation of the Reallocation Pool to holders of Single Box Unsecured Claims. Voting: Holders of NG Unsecured Claims are Impaired under the Plan. Holders of NG Unsecured Claims are entitled to vote to accept or reject the Plan.
NG-FENOC Unsecured Claims against NG	Classification: This Class consists of Holders of General Unsecured Claims who have claims against both FENOC and NG (but solely with respect to such Holder's claims at NG). Treatment: Except to the extent that a Holder of an Allowed NG/FENOC Unsecured Claim against NG agrees to less

	favorable treatment, in exchange for full and final satisfaction, compromise, settlement, release and discharge of each NG/FENOC Unsecured Claim, each Holder of an Allowed NG/FENOC Unsecured Claim against NG shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its ratable share of the NG Unsecured Creditor Distributable Value, *provided* that such Holders shall have the option to elect to receive their ratable share of New FES Common Stock in equal amount, subject to the Equity Election Conditions, and subject to dilution by the MIP. Voting: Holders of NG/FENOC Claims against NG are Impaired under the Plan. Holders of NG/FENOC Claims against NG are entitled to vote to accept or reject the Plan.
NG Single-Box Unsecured Claims	Classification: This Class consists of Single-Box Unsecured Claims against NG. Treatment: Except to the extent that a Holder of an Allowed Single-Box Unsecured Claim against NG agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each Single-Box Unsecured Claim against NG, each Holder of an Allowed Single-Box Unsecured Claim against NG shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its ratable share of the NG Unsecured Creditor Distributable Value *provided* that such Holders shall have the option to elect to receive their ratable share of New FES Common Stock in equal amount, subject to the Equity Election Conditions and subject to dilution by the MIP. Voting: Holders of General Unsecured Claims against NG are Impaired under the Plan. Holders of General Unsecured Claims against NG are entitled to vote to accept or reject the Plan.
FENOC Single-Box Unsecured Claims	Classification: This Class consists of Single-Box Unsecured Claims against FENOC. Treatment: Except to the extent that a Holder of an Allowed Single-Box Unsecured Claim against FENOC agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each Single-Box Unsecured Claims against FENOC, each Holder of an Allowed Single-Box Unsecured Claim against FENOC shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its ratable share of (i) the FENOC Unsecured Creditor Distributable Value and (ii) the portion of the Reallocation Pool allocated to FENOC.

	Voting: Holders of FENOC Single-Box Unsecured Claims are Impaired under the Plan. Holders of FENOC Single-Box Unsecured Claims are entitled to vote to accept or reject the Plan.
FENOC/FES Unsecured Claims against FENOC	Classification: This Class consists of Holders of Claims against both FENOC and FES (but solely with respect to such Holder's claims at FENOC). Treatment: Except to the extent that a Holder of an Allowed FENOC/FES Unsecured Claim against FENOC agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each FENOC/FES Unsecured Claim against FENOC, each Holder of an Allowed FENOC/FES Unsecured Claim against FENOC shall receive, on the Effective Date or as soon as reasonably practicable thereafter cash equal to its ratable share of the FENOC Unsecured Creditor Distributable Value, *provided* that such Holders shall have the option to elect to receive their ratable share of New FES Common Stock in equal amount, subject to the Equity Election Conditions and subject to dilution by the MIP, *provided* however, that such election shall only be up to the portion of the Allowed FENOC/FES Unsecured Claim guaranteed by FES. Voting: Holders of FENOC/FES Unsecured Claims against FENOC are Impaired under the Plan. Holders of FENOC/FES Unsecured Claims are entitled to vote to accept or reject the Plan.
NG-FENOC Unsecured Claims against FENOC	Classification: This Class consists of Holders of Unsecured Claims against both NG and FENOC (but solely with respect to such Holder's claims at FENOC). Treatment: Except to the extent that a Holder of an Allowed NG/FENOC Unsecured Claim against FENOC agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each NG/FENOC Unsecured Claim against FENOC, each Holder of an Allowed NG/FENOC Unsecured Claim shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its ratable share of the FENOC Unsecured Creditor Distributable Value. Voting: Holders of NG/FENOC Unsecured Claims against FENOC are Impaired under the Plan. Holders of NG/FENOC Unsecured Claims are entitled to vote to accept or reject the Plan.
FGMUC Unsecured	Classification: This Class consists of Unsecured Bondholder

Bondholder Claims	Claims against FGMUC, which for the avoidance of doubt shall consist of the Mansfield Certificate Claims. Allowance: The Mansfield Certificate Claims shall be allowed in the amount of $786,763,400.00. Treatment: Except to the extent that a Holder of an Allowed Unsecured Bondholder Claim Against FGMUC agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each Unsecured Bondholder Claim Against FGMUC, each Holder of an Allowed Unsecured Bondholder Claim Against FGMUC shall receive, on the Effective Date or as soon as reasonably practicable thereafter, New FES Common Stock (or, in the case of an Electing Bondholder, the Electing Bondholder's allocable share of the Unsecured Bondholder Cash Pool), subject to dilution by the MIP, in an amount equal to its ratable share of the FGMUC Unsecured Creditor Distributable Value, subject to the reallocation of the Reallocation Pool to holders of Single Box Unsecured Claims. Voting: Holders of FGMUC Unsecured Bondholder Claims are Impaired under the Plan. Holders of FGMUC Unsecured Bondholder Claims are entitled to vote to accept or reject the Plan.
FGMUC Single-Box Unsecured Claims	Classification: This Class consists of Single-Box Unsecured Claims against FGMUC. Treatment: Except to the extent that a Holder of an FGMUC Single-Box Unsecured Claim agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each FGMUC Single-Box Unsecured Claims, the Holders of FGMUC Single-Box Claims shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its ratable share of (i) the FGMUC Unsecured Creditor Distributable Value and (ii) the portion of the Reallocation Pool allocated to FGMUC. Voting: Holders of FGMUC Single-Box Unsecured Claims are Impaired under the Plan. Holders of FGMUC Single-Box Unsecured Claims will be entitled to vote to accept or reject the Plan.
FGMUC TIA Claim	Classification: This Class consists of the Mansfield TIA Claims against FGMUC.

	Treatment: Except to the extent that a Holder of the Mansfield TIA Claims against FGMUC agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each Mansfield TIA Claim against FGMUC, each Holder of an Allowed Mansfield TIA Claim against FGMUC shall receive, on the Effective Date or as soon as reasonably practicable thereafter, cash equal to its ratable share of the FGMUC Unsecured Creditor Distributable Value. Voting: Holders of the Mansfield TIA Claim against FGMUC are Impaired under the Plan. Holders of the Mansfield TIA Claims against FGMUC are entitled to vote to accept or reject the Plan.
FEALC Unsecured Claims	Classification: This Class consists of General Unsecured Claims against FEALC, if any. Treatment: Except to the extent that a Holder of an Allowed General Unsecured Claim Against FEALC agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each General Unsecured Claim Against FEALC, each Holder of an Allowed General Unsecured Claim Against FEALC shall receive, on the Effective Date or as soon as reasonably practicable thereafter, its ratable share of the FEALC Cash Distribution Pool. Voting: Holders of General Unsecured Claims against FEALC are Impaired under the Plan. Holders of General Unsecured Claims against FEALC are entitled to vote to accept or reject the Plan.
Norton Unsecured Claims	Classification: This Class consists of General Unsecured Claims against Norton, if any. Treatment: Except to the extent that a Holder of an Allowed General Unsecured Claim Against Norton agrees to a less favorable treatment, in exchange for and in full and final satisfaction, compromise, settlement, release and discharge of each General Unsecured Claim Against Norton, each Holder of an Allowed General Unsecured Claim Against Norton shall receive, on the Effective Date or as soon as reasonably practicable thereafter, its ratable share of the Norton Cash Distribution Pool. Voting: Holders of General Unsecured Claims against Norton are Impaired under the Plan. Holders of General Unsecured Claims against Norton are entitled to vote to accept or reject the Plan.
Certain Employee Claims	Pursuant to the FE Settlement Agreement, FE Corp. will pay, or will cause to be paid, in the ordinary course of business, certain

	claims of the Debtors' current employees and/or applicable retirees (the "**Covered Employee Claims**"). The Covered Employee Claims will be disallowed under the Plan.
Convenience Class Claims	Holders of General Unsecured Claims (other than General Unsecured Claims against FEALC and Norton) that are either (i) in an amount that is equal to or less than $1,000,000 or (ii) in an amount that is greater than $1,000,000, but with respect to which the holder of such Unsecured Claim voluntarily and irrevocably reduces the aggregate amount of such Unsecured Claim to $1,000,000 pursuant to a valid election by the holder of such Unsecured Claim against the Debtors (the "**Convenience Class Claims**") shall receive on the Effective Date or as soon as reasonably practicable thereafter, cash in an amount equal to a premium of five (5) percentage points above the recovery the Holder of a Convenience Class Claim would have otherwise received against the applicable Debtor (*i.e.* if a Holder of a Convenience Class claim would have received a 20 percent recovery from the applicable Debtor, such Holder would receive a 25 percent recovery).
REGULATORY REQUIREMENTS	
FERC	Prior to the Effective Date, the Debtors and Reorganized Debtors shall receive a final order from the Federal Energy Regulatory Commission ("**FERC**") granting authorization under Section 203 of the Federal Power Act ("**FPA**") to transfer the Debtors' FERC-jurisdictional assets to the Reorganized Debtors. Prior to the Effective Date, Allegheny Energy Supply Company, LLC, and Reorganized FG shall have received a final order from FERC granting authorization under FPA Section 203 to transfer the Pleasants Power Plant to a subsidiary of Reorganized FG.
PJM	To the extent necessary based on the form of the Restructuring Transactions, at least 90 days prior to the Effective Date, the Debtors shall provide PJM with an informational filing notifying PJM of the transfer of any facilities currently receiving payment in accordance with a FERC-approved reactive power tariff (the same as the informational filing submitted to FERC).
NERC	Prior to the Effective Date, the Reorganized Debtors will register with ReliabilityFirst for the appropriate reliability functions.
NRC	Prior to the Effective Date, the Nuclear Regulatory Commission shall have approved the license transfer or new license application (as determined by the Debtors with the reasonable consent of the Committee and the Requisite Supporting Parties) filed by

	Reorganized FENOC and Reorganized NG with respect to the change in ownership pursuant to the Plan.
OTHER TERMS	
Releases	The Plan shall provide for customary releases of all Claims among (i) Debtors, (ii) the FE Non-Debtor Released Parties, (iii) the Consenting Creditors, (iv) the Committee, (v) the Indenture Trustees, (vi) the issuers of the PCNs, (vii) the Plan Administrator, and (viii) with respect to each of the foregoing entities in clauses (i) through (vii) such entity and its Related Persons (such entities in the foregoing clauses (i) through (viii), to the extent providing a release under the Plan, each a "Releasing Party", and to the extent being released under the Plan, each a "Released Party").[9] The releases to be set forth in the Plan shall include releases of each Released Party from any Claims or Causes of Action, including any derivative claims asserted or assertable on behalf of any of the Debtors, that the Debtors, the Reorganized Debtors, or their Estates or affiliates or that each other Releasing Party, as applicable, would have been legally entitled to assert in its own right (whether individually or collectively) or on behalf of the Holder of any Claims or Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' capital structure, the assertion or enforcement of rights and remedies against the Debtors, the Debtors' in- or out-of-court restructuring discussions, intercompany transactions between or among the Debtors and/or their Affiliates, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any released party (including any Released Party), the PCNs, the FES Notes, the Mansfield facility documents, the Chapter 11 Cases and related adversary proceedings, the formulation, preparation, dissemination, negotiation, filing, or consummation of the RSA, the Process Support Agreement, the Standstill Agreement, the FE Settlement Agreement, the Disclosure Statement, the Plan, the

[9] "**Related Persons**" with respect to an entity shall mean that entity's current and former affiliates, and such entities' and their current and former affiliates' current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors and assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such.

	Plan Settlement, or any restructuring transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the foregoing, or upon any act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date. The Plan shall provide for releases to the FE Non-Debtor Parties of all Claims and causes of action that could be asserted against, or in any way relating to, or arising out of (i) any Debtor, the Reorganized Debtors, their businesses, or their property; (ii) any causes of action against the FE Non-Debtor Parties arising in connection with any intercompany transactions or other matters arising in or related to the conduct of the Debtors' businesses; (iii) the Chapter 11 Cases; (iv) the formulation, preparation, negotiation, dissemination, implementation, administration, or consummation of the Plan; or (v) any other act or omission in connection with the Chapter 11 Cases.
Exculpation	The Plan shall provide certain customary exculpation provisions, which shall include a full exculpation from liability in favor of the Debtors, the Consenting Creditors, the Committee, the FE Non-Debtor Parties, and the Indenture Trustees, and the Related Persons of all of the foregoing parties from any and all claims and causes of action arising on or after the Petition Date and any and all claims and causes of action relating to any act taken or omitted to be taken in connection with, or related to, formulating, negotiating, preparing, disseminating, implementing, administering, soliciting, confirming or consummating the Plan, the Disclosure Statement, the Plan Settlement, or any contract, instrument, release or other agreement or document created or entered into in connection with the Plan or any other act taken or omitted to be taken in connection with or in contemplation of the Chapter 11 Cases or the restructuring of the Debtors, with the sole exception of willful misconduct or gross negligence.
Corporate Governance	The organizational documents and provisions related to the identification of the initial board of directors (the "**New Board**") for the Reorganized Debtors, including, without limitation, a stockholders agreement, shall reflect the terms set forth in the Corporate Governance Term Sheet attached hereto as **Exhibit B**, and shall be reasonably acceptable to the Debtors, the Committee, and the Requisite Supporting Parties.
Equity Election Conditions	The voting record date and record date for eligible creditors of FES, FG, NG, and FENOC, as applicable, shall be the date on which the RSA is publicly announced in a press release, or such later date as agreed to by the Debtors with the consent of the Requisite Supporting Parties and the Committee, which

	agreement and consent may be evidenced by an email acknowledgment from counsel to each of such Parties. If an eligible Holder of a General Unsecured Claim elects to receive equity rather than cash, such Holder shall exercise the Equity Election on their ballots to accept or reject the Plan, or by such other method acceptable to the Debtors with the consent of the Requisite Supporting Parties and the Committee. Holders of General Unsecured Claims that exercise such election will be required to certify that they were the beneficial holder of their claims as of the record date and have not sold, transferred, or provided a participation in, or directly or implicitly agreed to do so following the record date. On the date the RSA is publicly announced or as soon as practicable thereafter, the Debtors will file a notice on the docket informing creditors that (i) any holder of a General Unsecured Claim who is not a party to the RSA who sells their claim following the record date, will not be permitted to make an election for equity under the Plan, and (ii) any buyer of a General Unsecured Claim, which claim is not subject to the RSA as of the record date will only be permitted to receive cash on account of such claim. Notwithstanding the foregoing, no Holder of a General Unsecured Claim shall be prohibited from selling their General Unsecured Claim at any time after the record date, *provided* that the transferee of any such General Unsecured Claim will not be eligible to receive an equity distribution (unless such claim is subject to the RSA).
Employee Matters	Compensation-related agreements between any of the Debtors and any directors, officers and employees of the Debtors existing as of the Effective Date, including any indemnification and severance obligations, and all of the Debtors' Retention Plans, Voluntary Enhanced Retirement Option Plans, Short-Term Incentive Plans and Annual Incentive Plans existing as of the Effective Date, shall be assumed by the Reorganized Debtors.
Plan Administrator	The Plan shall provide for a Plan Administrator selected by the Debtors with the reasonable consent of the Committee, the Noteholder RSA Majority and the Mansfield RSA Majority to: • administer the Claims reconciliation process, *provided* that the settlement of any Allowed General Unsecured Claim in excess of $10 million or any administrative or priority claim in excess of $1 million shall require notice and a Court order; • supervise distributions to holders of Allowed Claims in accordance with the plan; and • prosecute certain claims and causes of action on behalf of

	the Debtors' estates and creditors to the extent set forth in the Plan Administrator Agreement (as defined below). A Plan Administrator agreement shall be included in the Plan Supplement (the "**Plan Administrator Agreement**"), which agreement shall provide for the reasonable and necessary reimbursement of fees and expenses of the Plan Administrator.
Executory Contracts and Unexpired Leases	All executory contracts and unexpired leases not expressly listed for rejection on an exhibit to the Plan or previously assumed or rejected by order of the Bankruptcy Court shall be deemed assumed as of the Effective Date. The Debtor or Reorganized Debtors, as applicable, may alter, amend, modify, or supplement the list of Assumed Executory Contracts and Unexpired Leases and the schedules of Executory Contracts and Unexpired Leases with respect to the Debtors or Reorganized Debtors, as applicable, at any time, through and including 45 days after the Effective Date. In no event shall either Reorganized FES or New FES, as applicable, assume the Inter-Company Power Agreement between the Debtors and members of the Ohio Valley Electric Corporation.
Disputed Claims Reserve	A Disputed Claims Reserve shall be established for distributions on account of disputed claims that are subsequently allowed after the Effective Date.
Tax Matters	The Debtors and the Consenting Creditors will work together in good faith and will use commercially reasonable efforts to structure and implement the Restructuring in a tax efficient and cost-effective manner for the Reorganized Debtors and the Consenting Creditors.
Payment of Certain Professional Fees	The Plan shall incorporate language providing for the payment of the reasonable and documented professional fees for the Indenture Trustees, the Ad Hoc Noteholder Group, the Mansfield Certificateholders Group and the FES Creditor Group, to the extent not already provided for under the Process Support Agreement or the RSA, including, for the avoidance of doubt, payment of transaction completion fees of GLC Advisors & Co. as financial advisor to the Ad Hoc Noteholder Group, Guggenheim Securities, LLC as financial advisor to the Mansfield Certificateholders Group, and Houlihan Lokey Capital, Inc., as financial advisor to the FES Creditor Group, with respect to the fees of the foregoing financial advisors in accordance with the terms set forth in **Exhibit C** to this Term Sheet (notwithstanding the terms of any existing engagement letters

<table>
<tr><td></td><td>entered into by such advisors). For the avoidance of doubt, the Debtors shall only pay transaction completion fees upon the consummation of the Plan as contemplated in this Plan Term Sheet or as may be modified or amended in accordance with the terms hereof or the RSA.</td></tr>
<tr><td>Other Agreements on Professional Fees</td><td>The Parties to the RSA agree to take reasonable action to support, on the record before the Bankruptcy Court or otherwise, (i) the payment of the restructuring fee of PJT Partners, LP, as financial advisor to the Committee, as contemplated in its retention order and (ii) that Lazard Freres & Co. LLC, investment banker to the Debtors, shall be entitled to an "M&A Fee", as contemplated in their retention order, in the event any transaction is effectuated to monetize the New FE Notes.</td></tr>
<tr><td>Management Incentive Plan</td><td>Upon the Effective Date, the New Board may adopt a management incentive plan (the "<u>MIP</u>") providing for the distribution of New FES Common Stock, which MIP shall not exceed 7.5% of the New FES Common Stock as of the Effective Date (on a fully diluted basis).

The MIP shall provide for the distribution of the New FES Common Stock, or options, warrants, or similar arrangements (the "<u>Incentive Securities</u>").

As part of the MIP, Mr. John Kiani, in connection with his service on the Board of the Reorganized Debtors, will receive the issuance of Incentive Securities based on recoveries to Unsecured Bondholder Claims utilizing the following thresholds (using linear interpolation when the unsecured note recovery is between 117% and 124%):

<table><tr><th>Recovery</th><th>Incentive Securities</th></tr><tr><td>110%</td><td>1.4% of New FES Common Stock</td></tr><tr><td>124%</td><td>2.15% of New FES Common Stock (aggregate total Incentive Securities, inclusive of Incentive Securities previously issued)</td></tr></table>
In addition, pursuant to the MIP and in connection with his service on the Board of the Reorganized Debtors, Mr. Kiani will receive a director fee of $900,000 in cash per annum. Other terms of the MIP will include vesting, apportionment, forfeiture and granting of the MIP shares. The terms of any MIP shall be disclosed in the Plan Supplement (or left to the determination by the New Board) and shall be reasonably acceptable to the Debtors, the Committee and the Requisite Supporting Parties.</td></tr>
<tr><td></td><td></td></tr>
</table>

Conditions to Confirmation	The conditions precedent to confirmation of the Plan shall be customary for a reorganization of this size and type, including, without limitation, the following: • the Bankruptcy Court shall have entered an order approving the Disclosure Statement in a manner consistent in all material respects with the Plan, this Term Sheet, and the FE Settlement Order and in form and substance reasonably satisfactory to the Debtors, the Committee, and the Requisite Supporting Parties • the Bankruptcy Court shall have entered the Confirmation Order in a manner consistent in all material respects with the Plan and the FE Settlement Order and in form and substance reasonably satisfactory to the Debtors, the Committee, and the Requisite Supporting Parties • the FE Settlement Order and Settlement Agreement shall remain in full force and effect Each of the foregoing may be waived by agreement of all of the following parties: (i) each of the Debtors, (ii) the Committee, and (iii) the Requisite Supporting Parties.
Conditions to the Effective Date	The conditions precedent to the occurrence of the Effective Date of the Plan shall be customary for a reorganization of this size and type, and shall include, without limitation, the Conditions to Confirmation set forth in this Term Sheet and the following: • the Confirmation Order shall become a Final Order; • the FE Settlement Order shall remain in full force and effect; • the FE Settlement Agreement shall have been consummated including (i) the issuance of the New FE Notes and (ii) the payment of the Settlement Cash; • all Allowed professional fee claims approved by the Bankruptcy Court shall have been paid in full; • the Disputed Claims Reserve shall have been established and funded; • the New FES Common Stock shall have been issued; • the RSA shall not have been terminated and shall remain in full force and effect; • all actions, documents, certificates, and agreements necessary to implement the Plan shall have been effected or executed and tendered for delivery to the required parties and, to the extent required, filed with the applicable Governmental entities in accordance with applicable laws, and all conditions precedent to the effectiveness of such documents and agreements shall have been satisfied or waived pursuant to the terms thereof (or will be satisfied or waived substantially

	concurrently with the occurrence of the Effective Date); • the Debtors shall have obtained all authorizations, consents, regulatory approvals, including from the FERC, and NRC, as applicable, rulings or documents that are necessary to the restructuring, and shall remain in full force and effect. Each of the foregoing may be waived by agreement of all of the following parties: (i) each of the Debtors, (ii) the Committee, and (iii) the Requisite Supporting Parties; *provided, however*, that with respect to the Condition to the Effective Date related to the termination of the RSA, such waiver shall not require the consent of any of the foregoing parties to the extent such parties have terminated their participation in the RSA and the RSA otherwise remains in effect.

EXHIBIT A

Distributable Value Schedule

Plan Term Sheet - Exhibit A

($ in millions)

The following table sets forth estimated Distributable Value allocated to each Debtor entity in accordance with the Plan Settlement, and the resulting estimated Unsecured Creditor Distributable Value. These figures are subject to adjustment based upon the recoveries on Prepetition Intercompany Claims and the allocation of the Reallocation Pool, the NG Reallocation Pool, and the FENOC/FES Claim Reallocation in accordance with the terms of the Plan Settlement.

	FES	FG	NG	FENOC	Aircraft	BM	Norton	Elimination	Total
Distributable Value	$2,029.2	$1,069.2	$1,362.0	$144.4	$0.5	$132.1	–	($1,449.7)	**$3,287.7**
Less:									
Secured Recovery	–	334.7	304.0	–	–	–	–	–	**638.8**
Postpetition Interco. Claim Recovery	360.7	–	69.9	–	–	–	–	(430.7)	**–**
Admin. / Priority Recovery	49.5	141.3	70.8	81.2	–	18.3	–	(144.3)	**216.9**
Unsecured Creditor Distributable Value	**$1,618.9**	**$593.1**	**$917.3**	**$63.2**	**$0.5**	**$113.8**	**–**	**($874.8)**	**$2,432.1**

The following table sets forth estimated Distributable Value Splits allocated to the third-party creditors of the respective Debtors in accordance with the Plan Settlement set forth in the Plan Term Sheet. The Distributable Value Splits take into account adjustments for the allocation of the Reallocation Pool, the NG Reallocation Pool, and the FENOC/FES Claim Reallocation. For the avoidance of doubt, the estimated Distributable Value Splits reflected in the schedule below are subject to adjustment based on actual allowed prepetition third-party claims.

Distributed Value Splits	FES	FG	NG	FENOC	Aircraft	BM	Norton	Total
General Unsecured Claims	10.7%	3.6%	1.0%	2.4%	-	0.8%	-	**18.6%**
Unsecured Bondholders Claims	28.0%	16.3%	37.1%	-	-	0.0%	-	**81.4%**
Total	**38.7%**	**19.9%**	**38.1%**	**2.4%**	**0.0%**	**0.8%**	**0.0%**	**100.0%**

Unsecured Distributable Value	Amount
Distributable Value	$3,287.7
Less: Secured Recovery	(638.8)
Less: Admin. / Priority Recovery	(216.9)
Unsecured Creditor Distributable Value	**$2,432.1**

The figures set forth in this exhibit do not represent estimated creditor recoveries. Estimated creditor recoveries will be incorporated into the Disclosure Statement.

EXHIBIT B

Corporate Governance Term Sheet

Draft Summary of Terms of Proposed Corporate Governance Terms for Reorganized FirstEnergy Solutions Corp. [1]

Common Stock:

The Amended and Restated Articles of Incorporation of reorganized FirstEnergy Solutions Corp. ("FES") or the Certificate of Incorporation of a newly formed Delaware corporation into which FES is merged or into which certain of FES's assets are transferred (in either event, the "Certificate of Incorporation") in connection with FES's Plan of Reorganization (the "Plan of Reorganization", and reorganized FES or such newly formed corporation, the "Company") will provide for the authorization of up to [500,000,000] shares of common stock, par value $0.001 per share ("Common Stock"), certain of which will be issued on the effective date of the Plan of Reorganization (the "Effective Date") to all holders of (i) pollution control revenue bonds supported by unsecured notes issued by FirstEnergy Generation, LLC and FirstEnergy Nuclear Generation, LLC; (ii) certain unsecured notes issued by FES; (iii) pass-through certificates issued in connection with the leveraged lease transaction for Unit 1 of the Bruce Mansfield Power Plant (the "PTCs"); and (iv) certain other unsecured claims. Only Common Stock will be issued and outstanding on, and immediately after, the Effective Date.

The Company will issue incentive securities to John Kiani, in accordance with the Equity Incentive Plan, the terms of which will be set forth in the Management Incentive Plan Term Sheet.

Following the Effective Date, the Company's new Board of Directors (the "Board") may make grants to members of the Company's senior management selected by the Compensation Committee of the Company (such members of senior management referred to as "Management Holders") under the terms of a management equity plan to be adopted by the Board after the Effective Date (the "Management Equity Plan"). The terms and conditions of the Management Equity Plan and the grants to be made thereunder will be determined by the Board after the Effective Date.

[1] Capitalized terms not defined herein have the meanings given to them in the Restructuring Support Agreement dated as of January 23, 2019 among FES and the other parties thereto (as the same may be amended from time to time, the "RSA").

	The Common Stock will be DTC eligible.[2] The Certificate of Incorporation will also provide for "blank check" preferred stock (no shares of which will be issued or outstanding on the Effective Date).
Governing Documents:	On the Effective Date, pursuant to the Plan of Reorganization, (i) the Company will adopt the Certificate of Incorporation, which will be filed with the Secretary of State of the State of Delaware, (ii) the Company will adopt the Amended and Restated Bylaws of the Company (the "Bylaws") and (iii) the Company and each holder of Common Stock (as a condition to receiving distributions of such Common Stock under the Plan of Reorganization) will enter into, or will have deemed to have entered into, a Stockholders Agreement (the "Stockholders Agreement"). The Certificate of Incorporation, Bylaws and Stockholders Agreement will collectively include the provisions described below, subject to the further negotiation of additional terms and provisions acceptable to the Ad Hoc Noteholder Group and the Mansfield RSA Majority. All shares of Common Stock at any time after the Effective Date will be subject to the applicable restrictions, and entitled to the applicable benefits, set forth in the Stockholders Agreement. Upon the Effective Date and subject to applicable securities laws, the Company shall be a non-reporting company (i.e., it will not be required to register the Common Stock or any other securities pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder unless the Board elects to register the Common Stock or the Company is required to register under the Exchange Act). The Common Stock will not initially be listed on a national securities exchange (NYSE/NASDAQ).
Transfer Agent:	Prior to the Effective Date, the Company will engage a qualified institution to serve as transfer agent for the Common Stock.
Board of Directors:	On the Effective Date and in accordance with the terms of the Certificate of Incorporation, Bylaws and Stockholders Agreement, as applicable (collectively, the "Organizational

[2] The provisions of this Term Sheet shall be reflected in the certificate of incorporation, bylaws and/or a shareholders agreement as necessary or desirable to give effect to such provisions in a manner that is both consistent with the Delaware General Corporation Law and permits the DTC eligibility of the Common Stock.

Documents"), the Board of the Company will consist of no fewer than seven members, who shall initially consist of :

- One (1) member who shall be the Chief Executive Officer of the Company,
- Mr. Kiani,
- Two (2) members designated by Nuveen Asset Management, LLC on behalf of the Nuveen noteholders; *provided*, that one such member (i) shall be independent of any stockholder with nomination rights, including Nuveen Asset Management, LLC, and (ii) shall be reasonably acceptable to the Mansfield RSA Majority (the "Nuveen Designees" and each, a "Nuveen Designee"),
- One (1) member designated by Avenue Capital Management II L.P. (the "Avenue Designee", and together with the Nuveen Designee, the "Noteholder Designees", and Nuveen Asset Management LLC and Avenue Capital Management II L.P. each, respectively, together with any affiliates, a "Designating Noteholder"),
- One (1) member who shall serve as Executive Chairman of the Board designated jointly by the Ad Hoc Noteholder Group and the Mansfield RSA Majority, subject to the reasonable consent of the Committee, and
- One (1) member (the "Independent Director") designated jointly by the Ad Hoc Noteholder Group, the Mansfield RSA Majority, and the Committee, who shall be independent of any stockholder with nomination rights, and shall be an individual with relevant industry or regulatory experience, provided, however, that the requirement of relevant industry or regulatory experience may be waived at the discretion of, and jointly by, the Ad Hoc Noteholder Group, the Mansfield RSA Majority, and the Committee.

If the New Board initially consists of more than seven (7) members, as may be determined on or prior to the Effective Date by the Ad Hoc Noteholder Group, such additional members may include members comprised of senior management of the Company or members designated by the Requisite Supporting Parties.

Directors not employed by the Company shall receive market rate compensation from the Company (to be determined by the Board); all directors shall be reimbursed for reasonable and documented expenses.

No party will have observation rights with respect to the Board.

The Board will, by majority vote, establish (i) an Audit Committee (ii) a Compensation Committee, (iii) a Finance and Strategy Committee, (iv) a Nomination and Governance Committee and (v) a Nuclear Committee and may, by majority vote, establish one or more additional Board committees to exercise such powers as may be determined by the Board (subject to the limitations described below). Mr. Kiani will initially serve as Chairman of the Finance and Strategy Committee. The Board will determine the other committee assignments following the Effective Date.

No Board committee will have the authority to: (a) declare a dividend; (b) authorize the issuance of Common Stock (or any other class or series of capital stock); (c) approve or propose to stockholders any action that Delaware law requires to be approved by stockholders; (d) fill vacancies on the Board or on any of its committees; (e) approve any amendment to the Certificate of Incorporation; (f) adopt, amend or repeal the Bylaws; or (g) or terminate the Company's chief executive officer or replace the Chairman of the Board.

Election of Directors: Each of the Noteholder Designees will continue to be appointed as set forth above so long as the Stockholder Agreement is in effect and so long as the relevant Designating Noteholder (i.e., Nuveen or Avenue), continues to hold at least 7.5% of the then issued and outstanding shares of Common Stock (subject to customary anti-dilution protections for the benefit of the Designating Noteholder).

A Designating Noteholder may transfer its respective right to designate a Noteholder Designee, as applicable, in the event it transfers at least 7.5% of the then issued and outstanding shares of Common Stock (subject to customary anti-dilution protections for the benefit of the Designating Noteholder) upon which the transferee shall have the right to appoint the Noteholder Designee so long as such transferee maintains ownership of at least 7.5% of the issued and outstanding shares of Common Stock (subject to customary anti-dilution protections for the benefit of the Designating Noteholder), provided that no such Noteholder Designee may be an individual employed, controlled by or otherwise affiliated with any competitors of the Company (as reasonably determined by a majority of the disinterested members of the Board).

Except as otherwise provided pursuant to the terms of the Stockholders Agreement, election of directors in uncontested

elections will require the affirmative vote of a majority of the votes cast. In any such election of directors, the candidates for election will be those candidates proposed by the Nominating Committee of the Board along with any nominees as may be proposed by holders of Common Stock subject to such advance notice required by the Bylaws or as the Board may adopt.

Subject to the terms of the Organizational Documents, the Board may, by majority vote, elect to establish the size of the Board from time to time at a number that is not less than five or more than nine directors.

Removal/Replacement of Directors: If a Noteholder Designee resigns, is removed for cause, dies or becomes incapacitated, or if there is a Noteholder Designee vacancy for any other reason, so long as such Designating Noteholder has the right to appoint such director, a replacement director will be designated by the applicable Designating Noteholder to fill such vacancy until the next annual meeting of stockholders.

Except as otherwise set forth in the Stockholders Agreement, if a director resigns, is removed by the stockholders, dies or becomes incapacitated, or if there is a vacancy on the Board for any other reason, a replacement director will be elected, to serve until the next annual meeting of stockholders, within 90 days by a majority of the Board members then in office, including, for the avoidance of doubt, with respect to the Independent Director. Except as otherwise set forth in the Stockholders Agreement, the holders of a majority of the then-issued and outstanding Common Stock may remove any director, with or without cause (as determined by such stockholders); *provided*, *however*, that the Stockholders Agreement shall provide that the Independent Director only may be removed for cause. If any officer of the Company is a director, and the employment of such officer is terminated, the terminated officer will automatically cease to be a director. If the Independent Director is removed, dies, becomes incapacitated, or if his or her board seat is vacant for any other reason, his or her replacement must be an individual who is independent (in accordance with NYSE or NASDAQ standards) from the Company and independent from each of the stockholders with Board nomination rights.

Board Meetings: The Board shall meet at least once per quarterly period. In addition, the Chairman of the Board or any 2 directors may call a special meeting of the Board.

Affiliate Transactions:	If the Board seeks to enter into, modify or terminate a transaction or agreement between the Company or any of its subsidiaries on the one hand, and any holder of at least 5% of the Common Stock, director, officer, or affiliate thereof, on the other hand, such transaction or agreement must be approved by a majority of the disinterested members of the Board; provided, that if such transaction or agreement involves the aggregate payment of more than $25 million, then in addition either: (1) a majority of disinterested stockholders must approve such transaction or agreement, or (2) an independent, nationally recognized investment banking firm (to be selected by the disinterested directors and paid for by the Company) must deliver an opinion that the proposed transaction or agreement is fair to the Company from a financial point of view. The Affiliate Transaction provisions shall contain customary exceptions (e.g., with respect to indemnification).
Special Meetings of Stockholders/Action by Written Consent:	Special meetings of the stockholders may be called at the written request of the holders of then-issued and outstanding Common Stock representing at least 25% of all votes entitled to be cast on any issues proposed to be considered at such meeting. The Bylaws shall contain customary advance notice provisions in respect of stockholder meetings. Action by written consent of the stockholders without a meeting shall be permitted. Action by written consent shall require the same percentage of stockholders that would be required to take the same action at a meeting of stockholders in which all shares are represented and voting.
Amendments:	Any amendments to the Certificate of Incorporation or Bylaws will require approval of holders of at least a majority of the then-issued and outstanding Common Stock. The approval of holders of at least 66-2/3% of the outstanding Common Stock party to the Stockholders Agreement will be required to amend the Stockholders Agreement; provided that any amendment or waiver that adversely affects the rights granted to an identified stockholder or group of stockholders (e.g., the right to designate a Director) requires the consent of such stockholder(s) and any amendments to the tag-along rights, pre-emptive rights or other similar minority protections will require the approval of holders of at least 80% of the outstanding Common Stock party to the Stockholders Agreement (including to the extent such right is in the Certificate of Incorporation and/or Bylaws).

Transfers:	It will be a condition to transfer that any transferee of Common Stock deliver to the Company an executed joinder to the Stockholders Agreement. Until the Common Stock is listed on the NYSE or NASDAQ, shares of Common Stock will be subject to the drag-along and tag-along rights described below. [3] Any transfer, or series of transfers, that (i) will result in the Company being required to register the Common Stock under the Exchange Act or (ii) otherwise violates the terms of the Organizational Documents or, to the extent applicable, the MEP, will be prohibited and any purported such transfer will be void and will not be recognized by the Company. Other than as set forth above, the Organizational Documents will not contain any other restrictions on the transfers of shares of Common Stock.
Preemptive Rights:	The Stockholders Agreement will provide that if, other than pursuant to the Equity Incentive Plan and the Management Incentive Plan, the Board decides to issue additional shares of Common Stock (or Preferred Stock or other equity interests or securities convertible into equity interests of the Company and its Subsidiaries) to any party (including any then-current stockholder), other than in a pro rata distribution to all holders of Common Stock and other customary exceptions as set forth in the Stockholders Agreement, the Company must make an offer to permit each holder (or group of affiliated parties) party to the Stockholders Agreement holding in the aggregate 0.5% or more of the Company's Common Stock (on a fully diluted basis) to purchase its *pro rata* portion of such additional shares on the same terms and conditions. The Stockholders Agreement will further provide that the Company and its Subsidiaries may issue additional shares of Common Stock (or Preferred Stock or other equity interests or securities convertible into equity interests) without first complying with the foregoing preemptive rights provisions if following the proposed issuance, the Company provides all applicable holders with the right to purchase its *pro rata* portion of any additional shares it may otherwise be entitled to purchase in accordance with the preemptive rights procedures as set forth in the Stockholders Agreement.
Tag-Along Rights:	The Stockholders Agreement will provide that if one or more holders of Common Stock (such selling holders, the "Initiating

[3] The provisions of this Term Sheet shall be reflected in the certificate of incorporation, bylaws and/or a shareholders agreement as necessary or desirable to give effect to such provisions in a manner that is both consistent with the Delaware General Corporation Law and permits the DTC eligibility of the Common Stock.

Holders") agree to sell shares of Common Stock representing at least 20% of the then- issued and outstanding shares of Common Stock (on a fully diluted basis) in any transaction (or series of related transactions), the Initiating Holders must arrange for each other stockholder of the Company party to the Stockholders Agreement holding at least 1% of the then-issued and outstanding shares of Common Stock (on a fully diluted basis) to have the opportunity to include in such sale a corresponding percentage of the shares of Common Stock owned by such other stockholder at the same price per share and on the same terms as the Initiating Holders. However, this tag-along right will not apply to any transfer of shares of Common Stock by such a stockholder to its affiliates. The tag-along right may be exercised by any stockholder delivering a written notice to the Company or a designated representative of the Initiating Holders within seven (7) business days following receipt of written notice of the proposed sale by the Initiating Holders.

Drag-Along Rights: The Stockholders Agreement will provide that if one or more holders of Common Stock holding at least 66-2/3% of the then-issued and outstanding shares of all Common Stock (on a fully diluted basis) (the "Selling Holders") desires to effect a Sale of the Company (as defined below), the Company or the Selling Holders will have the right to require all other stockholders of the Company (the "Dragged Stockholders") to (i) sell to such third party, for the same type and amount of per share consideration and on the same terms, a percentage of their shares corresponding to the aggregate percentage of the shares held by the Selling Holders that are proposed to be included in such Sale of the Company; (ii) vote such stockholder's shares, whether by proxy, voting agreement or otherwise, in favor of the Sale of the Company; (iii) enter into agreements with the purchaser on terms substantially identical to those applicable to the Selling Holders (subject to customary exceptions), and obtain any required consents; (iv) waive appraisal or dissenters rights; and (v) fully cooperate with the Company and Selling Holders and take any and all reasonably necessary action in furtherance of the foregoing.

A "Sale of the Company" means the bona fide sale, lease or transfer in one or a series of related transactions of (i) all or substantially all of the consolidated assets of the Company and its subsidiaries or (ii) at least 66-2/3% of the Common Stock (on a fully diluted basis), to any person or group of related persons (other than the Selling Holders or any affiliate thereof), whether directly or indirectly or by way of any merger, statutory share exchange, recapitalization, sale of equity, reclassification,

consolidation or other business combination transaction or purchase of beneficial ownership.

Additionally, if a merger, consolidation, recapitalization, sale of all or substantially all the consolidated assets of the Company and its subsidiaries or any other Sale of the Company is approved in accordance with the organizational documents of the Company, the stockholders shall consent to and cooperate fully with respect thereto and, without limiting the generality of the foregoing, shall not in any way object to or exercise any appraisal rights in connection with such merger, consolidation, recapitalization, sale of assets or Sale of the Company.

The Company or the Selling Holders must promptly deliver written notice to the Dragged Stockholders, setting forth the amount and form of consideration, the identity of the third party purchaser and the other material terms and conditions of the Sale of the Company.

The Selling Holders will determine in their sole discretion whether to effect or consummate a Sale of the Company pursuant to the foregoing and there will be no liability on the part of the Company or the Selling Holders if such Sale of the Company is not consummated for any reason.

Registration Rights: Subject to the terms of the Stockholders Agreement, once the Company is eligible to file a short-form shelf registration statement under the Securities Act of 1933, as amended, each affiliate and/or holder of restricted Common Stock issued on the Effective Date may require the Company to register their shares for resale on a shelf registration statement.

In addition, following the registration of the Common Stock under the Exchange Act (a "Registration Event"), holders that received at least 10% of the issued and outstanding Common Stock on the Effective Date that continue to hold at least 5% of the then issued and outstanding Common Stock will have demand rights, subject to certain customary qualifications and limitations.

Piggyback Registration Rights: If at any time following the closing of the first underwritten public offering of Common Stock with an aggregate offering price of at least $100 million, the Company undertakes an underwritten public offering of its Common Stock, all holders of Common Stock on the Effective Date party to the Stockholders Agreement will have piggyback rights to include their shares of Common Stock received on the Effective Date in the public

offering, subject to the right of the Company to sell shares first in any such public offering and other customary cutback provisions.

Confidentiality: Subject to certain customary permitted disclosures and exceptions, each stockholder will covenant to hold in strict confidence any proprietary and financial information such stockholder receives regarding the Company or any proprietary and financial information regarding the business or affairs of any other stockholder in respect of the Company ("Confidential Information"), whether such Confidential Information is received from the Company, another stockholder or affiliate or partner of a stockholder for the period commencing on the Effective Date and ending on the Registration Event (except to the extent any Confidential Information is not made public in connection with such Registration Event).

In the event that any stockholder proposes to sell any shares of Common Stock to any potential transferee in compliance with the transfer restrictions described above prior to a Registration Event, such stockholder may make available to such potential transferee Confidential Information, subject to such potential transferee entering into an agreement with the Company to comply with the foregoing confidentiality provisions, including through entry into a customary "Click Through" non-disclosure agreement as described in "Reporting" below.

No such information may be shared with a potential transferee that is determined by the Board and disclosed to the stockholders to be a material customer, supplier or competitor of the Company (a "Restricted Person"). In furtherance of the foregoing, the Stockholders Agreement will include a list of Restricted Persons, which may be updated in good faith by the Board from time to time.

Reporting: Subject to the "Confidentiality" section above and other customary exceptions and until a Registration Event, the Company shall make available to each holder of Common Stock (i) unaudited quarterly and audited annual financial statements of the Company and its consolidated subsidiaries (which financial statements shall be prepared on a basis substantially consistent with then-applicable SEC requirements, including segment reporting (retail and generation) and footnotes, and include an MD&A substantially equivalent to that required in SEC-compliant quarterly and annual reports, as applicable (provided, however, that no such MD&A disclosures will be required solely to the extent the Board reasonably determines, after taking into

account confidentiality, regulatory and market considerations, that such disclosures would cause material harm to the Company's business) within (A) 60 and 90 days after the end of the applicable period, respectively, for any quarterly or annual period which ends on or prior to the 6-month anniversary of the Effective Date and (B) 45 and 75 days after the end of the applicable period, respectively, with respect to any subsequent period; provided that, for any period ending prior to the 6 month anniversary of the Effective Date, if the Board reasonably determines that despite the Company's reasonable best efforts it is unable to comply with one or more then-applicable SEC requirements with respect to such financial statements, the Company shall make available financial statements that are prepared on a basis substantially consistent with the above other than such then-applicable SEC requirements that the Company is unable to comply with (so long as in all cases such financial statements include a balance sheet, statement of income and statement of cash flows prepared in accordance with GAAP), (ii) current reports containing substantially the same information required to be contained in a Current Report on Form 8-K with respect to events requiring disclosure under Items 1.01, 1.02, 1.03, 2.01 (which, for the avoidance of doubt, will not require financial information under Item 9.01), 2.03, 2.04, 3.03, 4.02, 5.01, 5.02 (other than compensation-related information required thereunder, including vesting metrics and valuation methodologies; provided that total cash compensation and total current stockholdings shall be disclosed for senior executives and directors to the extent required thereunder as if the Company were a 1934 Act reporting company) and 5.03 of Form 8-K, which current reports shall be made available (A) from the day following the Effective Date through the 6-month anniversary of the Effective Date, within fifteen (15) business days of the occurrence of the applicable triggering event described above (but, for the avoidance of doubt, only with respect to events occurring after the Effective Date) and (B) after the 6-month anniversary of the Effective Date, within ten (10) business days after the occurrence of the applicable triggering event described above; provided, however, that no such current report will be required to include information solely to the extent that the Board reasonably determines, after taking into account confidentiality, regulatory and market considerations, that such disclosure would cause material harm to the Company's business, (iii) notice of the sale of any additional shares of Common Stock or equity securities convertible into Common Stock to a third-party that generates in excess of $10 million of proceeds (subject to customary carve-outs), which notice shall be made available

within the time period applicable to current reports set forth in clause (ii) above and (iv) promptly upon the written request of any foreign holder (or any domestic holder that is taxable as a partnership for United States federal income tax purposes and has at least one beneficial owner that is a foreign person), a statement satisfying the requirements of the applicable Treasury regulations under Section 1445 of the Code signed by an authorized representative of the Company (and the Company shall duly file a corresponding notice with the Internal Revenue Service pursuant to the applicable Treasury regulations under Section 897 of the Code) setting forth the Company's determination of whether the Company is a U.S. Real Property Holding Corporation for the purposes of the Foreign Investment in Real Property Tax Act of 1980 at any time during the period such foreign holder held their Common Stock, provided that no such statement shall be required to be delivered to any person that is not described in Treasury Regulation Section 1.897-1(c)(2)(iii)(A) at any time that the Company is regularly traded on an established securities market within the meaning of Section 897(c)(3) of the Internal Revenue Code, in the case of clauses (i), (ii) and (iii) via a secured website (the "Data Room") requiring entry into a customary "Click Through" non-disclosure agreement consistent with the "Confidentiality" section above and in the case of clause (iv) by e-mail to the requesting holder. Potential transferees of the Common Stock shall also be granted access to the Data Room (subject to the "Confidentiality" section above). Additionally, as promptly as practicable (but no earlier than 3 business days) following the quarterly and annual financial statements described in clause (i) above being posted to the Data Room, the Company will hold a conference call to discuss the results of operations and to answer questions posed by stockholders.

Termination: In the event that the Common Stock becomes registered on the NYSE or NASDAQ, the affiliate transactions, transfer, tag-along, drag-along and preemptive rights provisions of the Stockholders Agreement will terminate. In addition, any party to the Stockholders Agreement will cease to be a party to the Stockholders Agreement from and after the time such party, together with its affiliates, ceases to own Common Stock, in all instances subject to the confidentiality provision described above.

Governing Law: Delaware

Transactions with Interested Stockholders:	The Certificate of Incorporation shall contain a provision in which the Company elects not to be subject to the restrictions on transactions with interested stockholders set forth in Section 203 of the Delaware General Corporation Law (the "DGCL").
Corporate Opportunities:	The Company's Organizational Documents will provide, to the fullest extent permitted by applicable law, for the renunciation of the Company's interest in business opportunities that are presented to directors or the stockholders, in each case, other than opportunities (a) presented to directors, employees, consultants or officers of the Company in their capacity as such or (b) identified through disclosure by or on behalf of the Company.
Management Equity Plan:	The terms and conditions of the Management Equity Plan, including without limitation vesting requirements, will be determined by the Board following the Effective Date.
Employment Agreements/Other Compensation:	Employees will be subject to appropriate confidentiality arrangements. Employment terms of any key employees to be addressed on an individual basis with applicable employee.

This Draft Summary is not intended to be all-inclusive. Any terms and conditions that are not specifically addressed in this Draft Summary are subject to future negotiations among the parties.

EXHIBIT C

Financial Advisor Transaction Fee Terms

Exhibit C

Financial Advisor Professional Fees

Professional	Fee Terms
GLC Advisors & Co.	Monthly Fee: $175,000 Transaction Fee (as defined in the GLC Engagement Letter dated as of March 1, 2017): $5,200,000 Pleasants M&A Fee: $1,000,000 Crediting: 50% of Monthly Fees credited against the Transaction Fee beginning on the date that a confirmation order is entered by the Bankruptcy Court. Fee Cap: None Treatment of Accrued Fees: Accrued and unpaid prepetition fees in the amount of $700,000 will be waived. Transaction Fees shall only be paid upon the Debtors' consummation of the Plan as set forth in the Plan Term Sheet and RSA or as may be modified or amended in accordance with the terms thereof
Guggenheim Securities, LLC	Monthly Fee: $150,000 Transaction Fee (as defined in the Guggenheim Engagement Letter dated as of July 1, 2017): $3,250,000 Crediting: 50% of Monthly Fees credited against the Transaction Fee beginning on the date the RSA is signed. On the date that a confirmation order is entered, crediting of Monthly Fees against the Transaction Fee will increase to 75% Fee Cap: None Treatment of Accrued Fees: No prepetition fees are owed. Transaction Fees shall only be paid upon the Debtors' consummation of the Plan as set forth in the Plan Term Sheet and RSA or as may be modified or amended in accordance with the terms thereof

Houlihan Lokey Capital, Inc.	Monthly Fee: $150,000 beginning as of August 13, 2018 Initial Deferred Fee (as defined in the Houlihan Lokey Engagement Letter dated as of October 23, 2018): $2,000,000 Discretionary Fee (as defined in the Houlihan Lokey Engagement Letter dated as of October 23, 2018): $1,000,000 Crediting: 50% of Monthly Fees credited against the Initial Deferred Fee and Discretionary Fee beginning on the date the RSA is signed. On the date that a confirmation order is entered, crediting of Monthly Fees against the Initial Deferred Fee and Discretionary Fee will increase to 75% Fee Cap: None Treatment of Accrued Fees: Accrued Monthly Fees and expenses in the amount of $933,419.44 will be paid as promptly as practicable following entry of an order approving the RSA. Initial Deferred Fees and Discretionary Fees shall only be paid upon the Debtors' consummation of the Plan as set forth in the Plan Term Sheet and RSA or as may be modified or amended in accordance with the terms thereof

EXHIBIT B

TRANSFER AGREEMENT

FORM OF TRANSFER AGREEMENT

This TRANSFER AGREEMENT (this "**Transfer Agreement**") to (a) the Process Support Agreement, dated as of March 30, 2018, by and among (i) the Company, (ii) the Supporting Parties, (iii) solely for purposes of the Mansfield Issues Protocol and Sections 1, 2, 3 (solely with respect to the Mansfield Issues Protocol and the Term Sheet), 4, 5, 7.01, 8, 9, 10.02, 10.03, and 11 of the Agreement, MetLife and the Owner Trustee, and (iv) solely for purposes of the Mansfield Issues Protocol, the official committee of unsecured creditors and Wilmington Savings Fund Society, FSB, (as amended, supplemented or otherwise modified, the "**Support Agreement**"); (b) the Amended and Restated Standstill Agreement, dated May 7, 2018, by and among the Company, the Independent Creditors, and FirstEnergy Corp. (as amended, supplemented or otherwise modified, the "**Standstill Agreement**"); (c) the Settlement Agreement, dated as of August 26, 2018, among the Debtors, the FE Non-Debtor Parties, the Ad Hoc Noteholders Group, the Bruce Mansfield Certificateholders Group, and the Committee (the "**Settlement Agreement**"); and (d) the Restructuring Support Agreement, dated as of _____ __, 2019, among the Debtors, the Committee and the Consenting Creditors(the "**RSA**"), is executed and delivered by _____ (the "**Transferee**") as of _____ __, 201__, as contemplated under Section 6(a)(ii) of the Support Agreement, Section 3(a)(ii) of the Standstill Agreement, Section 8.1(a) of the Settlement Agreement, and Section 6(a)(ii) of the RSA. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Support Agreement, the Standstill Agreement, the Settlement Agreement, or the RSA, as applicable.

1. Agreement to be Bound. The Transferee hereby agrees to be bound, soley to the same extent as the transferor of the Creditor Claims being acquired by the Transferee in connection herewith, by all of the terms of, as applicable, (a) the Support Agreement, in the form attached to this Transfer Agreement as **Annex I** (as the same may be hereafter amended, restated or otherwise modified from time to time), including the commitments of the Parties set forth in Section 5; (b) the Standstill Agreement, in the form attached to this Transfer Agreement as **Annex II** (as the same may be hereafter amended, restated or otherwise modified from time to time); (c) the Settlement Agreement, in the form attached to this Transfer Agreement as **Annex III** (as the same may be hereafter amended, restated or otherwise modified from time to time); and (d) the RSA, in the form attached to this Transfer Agreement as **Annex IV** (as the same may be hereafter amended, restated or otherwise modified from time to time), including the commitments of the Consenting Creditors set forth in Section 5.01. The Transferee shall hereafter be deemed to be a "Supporting Party," a "Consenting Creditor" and a "Party" for all purposes under the Support Agreement, the Standstill Agreement, the Settlement Agreement, or the RSA, as applicable.

2. Representations and Warranties. Subject to the limitations set forth in Section 1 of this Transfer Agreement, as of the effective date of this Transfer Agreement, the Transferee hereby makes the representations and warranties to the other Parties as set forth in Sections 7.01 and 7.02 of the Support Agreement and as set forth in Sections 7.01 and 7.02 of the RSA, as well as the following representations and warranties:

(i) The Transferee is duly organized, validly existing, and in good standing under the laws of its jurisdiction of formation; and

(ii) The Transferee possesses all requisite power and authority necessary to carry out the transactions contemplated by this Agreement, the Support Agreement, the Standstill Agreement, the Settlement Agreement, and the RSA.

3. Effectiveness. Subject to the limitations set forth in Section 1 of this Transfer Agreement, this Transfer Agreement shall become effective upon delivery by the Transferee of this Transfer Agreement, executed by the Transferee, to counsel to each Supporting Party, Consenting Creditor, and Party, as applicable, in accordance with Section 11.12 of the Support Agreement, Section 6(i) of the Standstill Agreement, Section 13.9 of the Settlement Agreement, and Section 6(a) of the RSA, and this Transfer Agreement shall terminate in accordance with Section 10 of the Support Agreement, Section 4 of the Standstill Agreement, Article XII of the Settlement Agreement, or Section 9 of the RSA, as applicable.

4. Governing Law. This Transfer Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed in such state, without giving effect to the conflict of law principles thereof.

* * * * *

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IN WITNESS WHEREOF, the Transferee has caused this Transfer Agreement to be executed as of the date first written above.

[NAME OF INSTITUTION]

By: _____
Name: _____
Title: _____

Principal amount of Pollution Control Notes: $ _____

Principal amount of Unsecured Notes: $ _____

Principal amount of Pass-Through Certificates: $ _____

Other claims (specify type and amount): $ _____

Notice Address:

_____

_____

_____

Attn: _____

Fax: _____

Email: _____

Annex I

Form of Process Support Agreement

[Attached.]

Annex II

Form of Standstill Agreement

[Attached.]

Annex III

Form of Settlement Agreement

[Attached.]

Annex IV

Form of RSA

[Attached.]

EXHIBIT C

JOINDER AGREEMENT

FORM OF JOINDER AGREEMENT

This Joinder Agreement to, as applicable, (a) the Process Support Agreement, dated as of March 30, 2018, by and among (i) the Company, (ii) the Supporting Parties, (iii) solely for purposes of the Mansfield Issues Protocol and Sections 1, 2, 3 (solely with respect to the Mansfield Issues Protocol and the Term Sheet), 4, 5, 7.01, 8, 9, 10.02, 10.03, and 11 of the Agreement, MetLife and the Owner Trustee, and (iv) solely for purposes of the Mansfield Issues Protocol, the official committee of unsecured creditors and Wilmington Savings Fund Society, FSB, (as amended, supplemented or otherwise modified, the "**Support Agreement**"); (b) the Amended and Restated Standstill Agreement, dated May 7, 2018, by and among the Company, the Independent Creditors, and FirstEnergy Corp. (as amended, supplemented or otherwise modified, the "**Standstill Agreement**"); (c) the Settlement Agreement, dated as of August 26, 2018, among the Debtors, the FE Non-Debtor Parties, the Ad Hoc Noteholders Group, the Bruce Mansfield Certificateholders Group, and the Committee (the "**Settlement Agreement**"); and (d) the Restructuring Support Agreement, dated as of _____ __, 2019, among the Debtors, the Committee, and the Consenting Creditors (the "**RSA**"), is executed and delivered by _____ (the "**Joining Party**") as of _____ __, 201[9]. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Support Agreement, the Standstill Agreement, the Settlement Agreement, or the RSA, as applicable.

1. Agreement to be Bound. The Joining Party hereby agrees to be bound, solely to the extent as the Joining Party was previously bound, by all of the terms of, as applicable, (a) the Support Agreement, in the form attached to this Joinder Agreement as **Annex I** (as the same may be hereafter amended, restated or otherwise modified from time to time), including the commitments of the Parties set forth in Section 5, (b) the Standstill Agreement, in the form attached to this Joinder Agreement as **Annex II** (as the same may be hereafter amended, restated or otherwise modified from time to time), (c) the Settlement Agreement, in the form attached to this Joinder Agreement as **Annex III** (as the same may be hereafter amended, restated or otherwise modified from time to time), and (d) the RSA, in the form attached to this Joinder Agreement as **Annex IV** (as the same may be hereafter amended, restated or otherwise modified from time to time), including the commitments of the Consenting Creditors set forth in Section 5.01. The Joining Party shall hereafter be deemed to be a "Supporting Party," a "Consenting Creditor," and a "Party" for all purposes under the Support Agreement, the Standstill Agreement, the Settlement Agreement, or the RSA, as applicable.

2. Representations and Warranties. Subject to the limitations set forth in Section 1 of this Joinder Agreement, as of the effective date of this Joinder Agreement, the Joining Party hereby makes the representations and warranties to the other Parties as set forth in Sections 7.01 and 7.02 of the Support Agreement and/or as set forth in Section 7.01 and 7.02 of the RSA, as well as the following representations and warranties:

(i) The Joining Party is duly organized, validly existing, and in good standing under the laws of its jurisdiction of formation; and

(ii) The Joining Party possesses all requisite power and authority necessary to carry out the transactions contemplated by this Agreement, the Support Agreement, the Standstill Agreement, the Settlement Agreement, and the RSA.

3. Effectiveness. This Joinder Agreement shall become effective upon, as applicable, (i) delivery by the Joining Party of this Joinder Agreement, executed by the Joining Party and countersigned by the Company, solely to reflect its acknowledgement of the Joining Party becoming a Party to the Support Agreement and the Standstill Agreement, and to reflect its agreement that the Joining Party is reasonably acceptable to the Company prior to the Joining Party becoming a Party to the RSA and (ii) delivery of the executed and countersigned Joinder Agreement to counsel to all Parties, Consenting Creditors, and Supporting Parties by counsel to the Company and FE Corp. This Joinder Agreement shall terminate in accordance with relevant sections of the Support Agreement, the Standstill Agreement, the Settlement Agreement, and the RSA, as applicable.

4. Governing Law. This Joinder Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed in such state, without giving effect to the conflict of law principles thereof.

* * * * *

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IN WITNESS WHEREOF, the Joining Party has caused this Joinder Agreement to be executed as of the date first written above.

[NAME OF INSTITUTION]

By: _____
Name: _____

Title: _____

Principal amount of Pollution Control Notes: $ _____

Principal amount of Unsecured Notes: $ _____

Principal amount of Pass-Through Certificates: $ _____

Other claims (specify type and amount): $ _____

Notice Address:

_____

_____

_____

Attn: _____

Fax: _____

Email: _____

ACKNOWLEDGED AND AGREED:

FIRSTENERGY SOLUTIONS CORP., on behalf of itself and its affiliated Debtors

By: _____
Name:
Title:

Annex I

Form of Process Support Agreement

[Attached.]

Annex II

Form of Standstill Agreement

[Attached.]

Annex III

Form of Settlement Agreement

[Attached.]

Annex IV

Form of RSA

[Attached.]