

FIRSTENERGY CORP  
Form DEF 14A  
April 01, 2005

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**SCHEDULE 14A INFORMATION**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**FirstEnergy**

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(Name of Registrant as Specified In Its Charter)

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(4) Date Filed:

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***NOTICE OF  
ANNUAL MEETING  
OF SHAREHOLDERS  
AND  
PROXY STATEMENT***

***ANNUAL MEETING OF SHAREHOLDERS  
MAY 17, 2005***

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David W. Whitehead  
Corporate Secretary

April 1, 2005

Dear Shareholder:

You are invited to attend FirstEnergy's 2005 Annual Meeting of Shareholders at 10:30 a.m., Eastern time, on Tuesday, May 17, 2005, at the John S. Knight Center, 77 E. Mill Street, Akron, Ohio.

As part of the agenda, business to be voted on includes five items which are explained in this proxy statement. The first two items are the election of five members to your Board of Directors and the ratification of our independent registered public accounting firm. **Your Board of Directors recommends that you vote FOR Items 1 and 2.** In addition, there are three shareholder proposals. **Your Board of Directors recommends that you vote AGAINST these shareholder proposals, which are Items 3-5.**

First, please carefully review the notice of meeting and proxy statement. Then, to ensure that your shares are represented at the Annual Meeting, appoint your proxy and vote your shares. Voting instructions are provided in the proxy statement and on your proxy card. We encourage you to take advantage of our telephone or Internet voting options. Please note that submitting a proxy using any one of these methods will not prevent you from attending the meeting and voting in person.

As you vote, you may choose, if you have not done so already, to stop future mailings of paper copies of the annual report and proxy statement and view these materials through the Internet. If you make this choice, for future meetings we will send you a proxy card along with instructions to access the annual report and proxy statement using the Internet.

Your vote and support are important to us. We hope you can join us.

Sincerely,

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**To the Holders of Shares of Common Stock:**

The 2005 FirstEnergy Corp. Annual Meeting of Shareholders will be held at 10:30 a.m., Eastern time, on May 17, 2005, at the John S. Knight Center, 77 E. Mill Street, Akron, Ohio. The purpose of the Annual Meeting will be to:

Elect five members to the Board of Directors to hold office until the next Annual Meeting;

Ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the 2005 fiscal year;

Vote on three shareholder proposals, if properly presented at the Annual Meeting; and

Take action on such other business that may properly come before the Annual Meeting and any adjournment or postponement thereof.

Please read the accompanying proxy statement. Then vote your shares by following the instructions on your proxy card to ensure your representation at the Annual Meeting.

Only shareholders of record at the close of business on March 22, 2005, or their proxy holders, may vote at the meeting.

On behalf of the Board of Directors,

David W. Whitehead  
*Corporate Secretary*

This notice and proxy statement are being mailed to shareholders on or about April 1, 2005.

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**PROXY STATEMENT  
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## PROXY STATEMENT

### ANNUAL MEETING AND VOTING INFORMATION

#### Why am I receiving this proxy statement and proxy card?

You are receiving this proxy statement and a proxy card, which are being mailed beginning on or about April 1, 2005, because you were the owner of shares of common stock of FirstEnergy Corp. (later referred to as the Company) at the close of business on March 22, 2005 (later referred to as the record date). The Board of Directors (later referred to as the Board) set the record date to determine shareholders entitled to vote at the Annual Meeting of Shareholders to be held at 10:30 a.m., Eastern time, on May 17, 2005 (later referred to as the Meeting). This proxy statement describes issues expected to be voted upon and gives you information about the Meeting and the Company. The Company's address is 76 South Main Street, Akron, Ohio 44308-1890.

#### How do I vote?

If your shares are held in "Street Name" by a broker or bank, you will receive specific voting instructions for voting those shares.

If you are a registered shareholder, you may vote your shares through a proxy appointed by telephone, Internet, or mail, or you may vote your shares in person at the Meeting. To appoint a proxy and vote:

1.  
**By telephone (do not return your proxy card)**
  - a.  
Call the toll-free number indicated on your proxy card using a touch-tone telephone. Telephone voting is available at any time until 10:30 a.m., Eastern time, on Tuesday, May 17, 2005.
  - b.  
Have your proxy card in hand and follow the simple recorded instructions.
2.  
**By Internet (do not return your proxy card)**
  - a.  
Go to the Web site indicated on your proxy card. Internet voting is available at any time until 10:30 a.m., Eastern time, on Tuesday, May 17, 2005.
  - b.  
Have your proxy card in hand and follow the simple instructions on the Web site.
3.  
**By mail**
  - a.  
Mark your choices on your proxy card. If you properly execute your proxy card but do not specify your choices, your shares will be voted as recommended by your Board of Directors.
  - b.  
Date and sign your proxy card.
  - c.  
Mail your proxy card in the enclosed postage-paid envelope. If your envelope is misplaced, send your proxy card to IVS Associates, the Company's independent proxy tabulator and Inspector of Election. The address is FirstEnergy Corp., c/o IVS Associates, 111 Continental Drive, Suite 210, Newark, Delaware 19713.
- 4.

**At the Meeting**

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

You may revoke your appointment of a proxy or change your voting instructions one or more times before the Meeting commences by:

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



appointing a proxy and voting by telephone or Internet after the date of your previous appointment;

voting in person at the Meeting; or

notifying the Corporate Secretary of the Company in writing prior to the Meeting.

The proxy tabulator will treat as final the instructions it receives from you last. For example, if a proxy card is received by the proxy tabulator after the date that a telephone or Internet appointment is made, the tabulator will treat the proxy card as your final instruction. For that reason, it is important to allow sufficient time for your voting instructions on a mailed proxy card to reach the tabulator before changing them by telephone or Internet.

**How does the Board of Directors recommend that I vote?**

Your Board recommends that you vote as follows:

"For" the five nominees to the Board who are listed in this proxy statement (Item 1);

"For" the ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2005 (Item 2);

"Against" all three shareholder proposals (Items 3-5).

**What is a quorum and what other voting information should I be aware of?**

As of the record date, 329,836,276 shares of common stock were outstanding. A majority of these shares, represented at the Meeting either in person or by proxy, constitutes a quorum. A quorum is required to conduct business at the Meeting. All shares represented at the Meeting are counted for the purpose of determining a quorum, without regard to abstentions or broker non-votes. You are entitled to one vote for each share that you owned on the record date. You do not have rights of appraisal in regard to any item presented if you are a dissenting shareholder.

If your shares are held by a broker or bank in "Street Name," we encourage you to provide instructions to your broker or bank by executing the voting form supplied to you. We expect that your broker will be permitted to vote your shares on Items 1 and 2 without your instructions. However, your broker cannot vote your shares on Items 3-5 unless you provide instructions; therefore, your failure to give voting instructions means that your shares will not be voted on these items, and your unvoted shares will be referred to as broker non-votes.

An item to be voted on may require a percent of votes cast, rather than a percent of shares outstanding, to determine passage or failure. Votes cast is defined to include both for and against votes, and excludes abstentions and broker non-votes. Abstentions and broker non-votes are the equivalent of negative votes when passage or failure is measured by a percent of shares outstanding. If your proxy card is not voted properly, such as marking more than one box for an item, your vote for that particular item will be treated as an abstention.

**What is the vote required for each item to be voted on?**

For the election of directors under Item 1, the five nominees receiving the most "For" votes (among votes properly cast in person or by proxy) will be elected. Abstentions and broker non-votes will have no effect.

With respect to Item 2, our Code of Regulations does not require that the shareholders ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm. However, we are submitting the proposal for ratification as a matter of good corporate practice. If our shareholders do not ratify the selection, the Audit Committee and the Board will reconsider whether or not to retain PricewaterhouseCoopers LLP. Even if the selection is ratified, the Audit Committee and the Board, in their discretion, may change the appointment at any time during the year if the Company determines that such a change would be in the best interests of FirstEnergy and its shareholders. Shareholder ratification of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm requires the affirmative vote of a majority of the shares present and entitled to vote, either in person or by proxy, that are voted for or against the proposal. Abstentions and broker non-votes will have no effect.

To be approved, Item 3, the shareholder proposal requesting that FirstEnergy publish semi-annual reports regarding its political contributions, must receive a "For" vote from a majority of shares present and entitled to vote, either in person or by proxy, that are voted for or against the proposal. Abstentions and broker non-votes will have no effect.

To be approved, Item 4, the shareholder proposal recommending that directors take each step reasonably needed for adoption of simple majority vote to apply to the greatest extent possible on each issue that can be subject to shareholder vote, must receive a "For" vote from a majority of shares present and entitled to vote, either in person or by proxy, that are voted for or against the proposal. Abstentions and broker non-votes will have no effect.

To be approved, Item 5, the shareholder proposal recommending that any future executive deferred compensation plan that allows senior executives to take deferred compensation in the form of FirstEnergy common stock and to receive additional or matching awards of common stock if they do so, shall award any additional or matching compensation in the form of performance-based stock options, must receive a "For" vote from a majority of shares present and entitled to vote, either in person or by proxy, that are voted for or against the proposal. Abstentions and broker non-votes will have no effect.

**How are proxy cards being solicited, and what is the cost?**

The Board is soliciting your vote. We have arranged for the services of Innisfree M&A Incorporated to solicit votes personally or by telephone, mail, or other electronic means for a fee not expected to exceed \$12,500 plus reimbursement of expenses. Votes also may be solicited in a similar manner, without additional compensation, by officers and employees of the Company. The Company will pay all solicitation costs and will reimburse brokers and banks for postage and expenses incurred by them for sending proxy material to beneficial owners.

**Will any other matters be voted on other than those described in this proxy statement?**

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

**Do I need an admission ticket to attend the Annual Meeting?**

An admission ticket is not necessary, but you will be asked to register upon arrival at the Meeting. Only shareholders or their proxies and the Company's guests may attend the Meeting. If your shares are held in "Street Name" by a broker or bank, upon arrival at the Meeting, you will need to present a letter or account statement from your broker or bank indicating your ownership of FirstEnergy common stock on the record date of March 22, 2005. You should contact your broker or bank to obtain such a letter or account statement.

**Where can I find the voting results of the Meeting?**

We will announce preliminary voting results at the Meeting. Final voting results will be posted on our Internet site at [www.firstenergycorp.com/ir](http://www.firstenergycorp.com/ir) and also will be published in our quarterly report on Form 10-Q for the second quarter of the 2005 fiscal year which is expected to be filed with the Securities and Exchange Commission (later referred to as the SEC) in August 2005.

**Can I view the FirstEnergy proxy statement and annual report on the Internet instead of receiving paper copies?**

Yes. If you are a registered shareholder, you can elect to view future proxy statements and annual reports on the Internet by marking the designated box on your proxy card or by following the instructions when voting by Internet or by telephone. If you choose this option, prior to the next annual meeting you will be mailed a

proxy card along with instructions on how to access the proxy statement and annual report using the Internet. Your choice will remain in effect until you notify us that you wish to resume mail delivery of these documents. If you hold your stock through a broker or bank, refer to the information provided by that entity for instructions on how to elect this option.

**Why did we receive just one copy of the proxy statement and annual report when we have more than one stock account in our household?**

We are following an SEC rule that permits us to send a single copy of the proxy statement and annual report to a household if the shareholders provide written or implied consent. We previously mailed a notice to eligible registered shareholders stating our intent to utilize this rule unless the shareholder provided an objection. Shareholders continue to receive a separate proxy card for each stock account. If you are a registered shareholder and received only one copy of the proxy statement and annual report in your household, we will deliver multiple copies for some or all accounts upon your request, either by calling FirstEnergy Shareholder Services at 1-800-736-3402 or by writing to FirstEnergy Corp., Shareholder Services, 76 South Main Street, Akron, Ohio 44308-1890. You also may contact us in the same manner if you are receiving multiple copies of the proxy statement and annual report in your household and desire to receive a single copy. If you are not a registered shareholder and your shares are held by a broker or bank, you will need to call that entity to revoke your election and receive multiple copies of these documents.

**When are shareholder proposals for the 2006 Annual Meeting due?**

A shareholder who wishes to offer a proposal for inclusion in the Company's proxy statement and proxy card for the 2006 Annual Meeting must submit the proposal and any supporting statement by December 2, 2005 to the Corporate Secretary, FirstEnergy Corp., 76 South Main Street, Akron, Ohio 44308-1890. Any proposal received after that date will not be eligible for inclusion in the 2006 proxy statement and proxy card.

A shareholder who wishes to offer a proposal for consideration at the 2006 Annual Meeting after December 2, 2005, and who wants the proposal referenced in our proxy statement (although such proposal would not be included on the proxy card), must submit the proposal by February 15, 2006, to the Corporate Secretary, FirstEnergy Corp., 76 South Main Street, Akron, Ohio 44308-1890. However, in order to raise the matter at the meeting, the shareholder also will need to comply with the notice provisions contained in the Company's Code of Regulations.

**How can I learn more about FirstEnergy's operations?**

You can learn more about our operations by reviewing the annual report to shareholders for the year ended December 31, 2004, which is included with the mailing of this proxy statement. You also can view the annual report and other information by visiting our Web site at [www.firstenergycorp.com/ir](http://www.firstenergycorp.com/ir).

We have a Code of Business Conduct that applies equally to all employees, including the Chief Executive Officer, Chief Financial Officer, and Chief Accounting Officer. In addition, the Board of Directors has a Code of Ethics and Business Conduct. These Codes can be viewed on our Web site provided in the previous paragraph, or copies are available upon written request to the Corporate Secretary.

**A copy of our latest Annual Report on Form 10-K filed with the SEC, including the financial statements and the financial statement schedules, will be sent to you, without charge, upon written request to David W. Whitehead, Corporate Secretary, FirstEnergy Corp., 76 South Main Street, Akron, Ohio 44308-1890. You can also view the Form 10-K by visiting the Company's Internet site at [www.firstenergycorp.com/ir](http://www.firstenergycorp.com/ir).**

**BOARD OF DIRECTORS INFORMATION**

**What function does the FirstEnergy Board of Directors perform?**

Your Board of Directors has the responsibility for establishing broad corporate policies and for our overall performance; however, the Board is not involved in day-to-day operations. We keep the directors informed of

our business and operations with various reports and documents that we send to them each month. We also make operating and financial presentations at Board and committee meetings. The Board has established the committees described below to assist in performing its responsibilities.

The Board believes that FirstEnergy's policies and practices should enhance the Board's ability to represent your interests as shareholders. In support of this philosophy, the Board has established Corporate Governance Policies which, along with charters of the Board committees, serve as a framework for meeting its duties and responsibilities with respect to the governance of FirstEnergy. Our Corporate Governance Policies and Board committee charters can be viewed by visiting our Web site at [www.firstenergycorp.com/ir](http://www.firstenergycorp.com/ir), and copies are available upon written request to the Corporate Secretary.

The Board recognizes the importance of its members keeping current on FirstEnergy and industry issues and their responsibilities as directors. All new directors attend orientation training (either provided or approved by the Corporate Governance Committee) soon after being elected to the Board. Also, the Board encourages continuing education programs for Board members which may include internal meetings, third-party presentations, and externally offered programs. In addition, all directors are required to participate and have participated in an accredited eight-hour director training program.

**How many meetings did the Board hold in 2004?**

Your Board held 12 regularly scheduled or special meetings during 2004. In 2004, during the period of their membership, all directors attended 75 percent or more of the meetings of the Board and of the committees on which they served.

An executive session of non-management directors is scheduled in conjunction with each regularly scheduled meeting of the Board. George M. Smart, the non-executive chairman of the Board, presides over all executive sessions. During 2004, nine executive sessions were held.

**What action has the Board taken to determine the independence of directors?**

The Board annually reviews the independence of each of its members to make the affirmative determination of independence that is called for pursuant to our Corporate Governance Policies and the listing standards of the New York Stock Exchange (later referred to as the NYSE). Based on its most recent review, the Board determined that all directors are independent, except Anthony J. Alexander who is our President and Chief Executive Officer.

The Board, in its Corporate Governance Policies, has adopted a policy of adhering to the definition of an "independent" director as promulgated from time to time by the NYSE and the SEC. As currently defined by such organizations, an independent director is one for whom the Board has determined affirmatively that, individually or through a member of his or her immediate family, he or she does not or has not had management responsibility with FirstEnergy or otherwise been affiliated with FirstEnergy for three years prior to his or her directorship and who has no material relationship with FirstEnergy, either directly or as a partner, shareholder or officer of an organization with such a relationship with FirstEnergy. Additionally, the Board will adhere to a definition of independent director as one who is not, and in the past three years has not been, affiliated with or employed by a present or former independent auditor of FirstEnergy or an affiliate thereof; is not a member of the immediate family of a person who is, or in the past three years has been, employed by FirstEnergy in an officer capacity; or who otherwise has not been barred from being independent as described above. This definition generally leaves to the Board the discretion to determine, on a case by case basis and consistent with applicable SEC and NYSE rules and regulations, what constitutes a "material relationship" with FirstEnergy. The following relationships are reviewed to determine if such relationships are material and, if a director has one or more of the relationships listed below, that director is not an independent director, unless the Board affirmatively determines that such relationship or relationships are not material:

the director is an officer, director, or owner of a business enterprise that is a consultant or advisor to FirstEnergy;

the director is an officer, director or owner of a significant supplier to FirstEnergy;

the director is a person with any business relationship with FirstEnergy that is required to be disclosed under Item 404 of the SEC's Regulation S-K;

the director is a person who has any other significant commercial, industrial, banking, consulting, legal, accounting, or charitable relationship with FirstEnergy; and

the director is a member of the immediate family of a person with any of the relationships described in the foregoing.

**What committees has the Board of Directors established?**

The Board has established the standing committees listed below. All committees are comprised solely of independent directors as determined by the Board in accordance with our Corporate Governance Policies which incorporate the NYSE listing standards.

*Audit Committee*

The Audit Committee meets with management, internal auditors, and the independent registered public accounting firm to review the adequacy of our internal controls and the objectivity of financial reporting. The Audit Committee periodically meets separately with management, the internal auditors, the independent registered public accounting firm, and the general counsel.

This committee is directly responsible for the appointment, compensation, retention, and oversight of the work of our independent registered public accounting firm (with appointment subject to shareholder ratification, as noted on page 2 of this proxy statement) and is charged with reviewing and approving all services performed for us by the independent registered public accounting firm and for reviewing and approving the related fees. The committee reviews the independent registered public accounting firm's internal quality control procedures, reviews all relationships between us and the independent registered public accounting firm in order to assess their independence, and monitors compliance with our policy regarding non-audit services, if any, rendered by the independent registered public accounting firm. In addition, the committee ensures the regular rotation of the lead audit partner and concurring partner every five years and considers whether it would be appropriate to implement a regular rotation of the independent registered public accounting firm. The committee reviews and discusses the annual audited financial statements and quarterly financial statements with management and the independent registered public accounting firm, and reviews any certification, report, opinion, or review rendered by the independent registered public accounting firm in connection with those financial statements. The committee reviews the scope and plan of the work to be done by the Company's internal audit function and the results of such work. The committee periodically reviews with the Director of the Internal Auditing Department the adequacy of the Company's internal controls and corporate compliance structures, including computerized information system controls and security. The committee also reviews management's programs to monitor compliance with the Company's policies on business ethics and risk management. The committee establishes procedures to receive and respond to complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and allows for the confidential, anonymous submission of concerns by employees. Refer to the Audit Committee Charter on our Web site at [www.firstenergycorp.com/ir](http://www.firstenergycorp.com/ir), or which is attached to this proxy statement as Appendix A or is available upon written request to the Corporate Secretary, for a complete list of responsibilities and other information.

This committee is comprised of five members and met six times in 2004. The current members of this committee are George M. Smart (Chair), Paul T. Addison, Ernest J. Novak, Jr., Robert N. Pokelwaldt, and Catherine A. Rein. All members of this committee are financially literate. The Board appoints at least one member of the Audit Committee who, in the Board's business judgment, is an "Audit Committee Financial Expert," as such term is defined by the SEC. The Board has determined that Ernest J. Novak, Jr. meets this definition. See the Board Audit Committee Report in this proxy statement for additional information regarding the committee.

*Compensation Committee*

The Compensation Committee is responsible for determining and recommending to the Board the compensation of certain of our senior-level officers, including the Chief Executive Officer and the Chairman, if the Chairman is not the Chief Executive Officer, for reviewing and endorsing a compensation philosophy that supports competitive pay for performance and is consistent with the corporate strategy, and for assisting the Board in establishing appropriate incentive compensation and equity-based plans. This committee also is responsible for administering such plans in order to attract, retain and motivate skilled and talented executives, for aligning such plans with overall FirstEnergy and business unit performance, business strategies, and growth in shareholder value, and for recommending to the Board corporate goals and objectives relevant to the compensation of, and the evaluation of the performance of, the Chief Executive Officer. Refer to the Compensation Committee Charter on our Web site at [www.firstenergycorp.com/ir](http://www.firstenergycorp.com/ir), or which is available upon written request to the Corporate Secretary, for a complete list of responsibilities and other information. In addition, refer to the Board Compensation Committee Report On Executive Compensation that can be found later in this proxy statement. This committee is comprised of four members and met four times in 2004. The current members of this committee are Catherine A. Rein (Chair), Dr. Carol A. Cartwright, Russell W. Maier, and Paul J. Powers.

*Corporate Governance Committee*

The Corporate Governance Committee develops and recommends corporate governance principles to the Board and performs the functions of a nominating committee by making recommendations to the Board concerning possible candidates to fill vacancies on the Board. This committee is responsible for assessing the size, composition, and current makeup of the Board in light of our operating requirements and for developing, monitoring, and recommending membership qualifications for the Board and all Board committees, including assessing director independence in light of our Corporate Governance Policies. Also, the committee oversees the evaluation of the Board and management.

In consultation with the Chief Executive Officer, the Chairman and the full Board, the committee searches for, recruits, screens, interviews and recommends prospective directors, as required, to provide an appropriate balance of knowledge, experience, and capability on the Board. The committee is guided by its charter, the Corporate Governance Policies, and other applicable laws and regulations in recruiting and selecting director candidates and develops membership qualifications for the Board and all Board committees. Assessments of prospective Board or committee candidates include, at a minimum, issues of diversity, age, background and training, business or administrative experience and skills, dedication and commitment, business judgment, analytical skills, problem-solving abilities and familiarity with the Company's regulatory environment. In addition, the committee may consider such other attributes as it deems appropriate, all in the context of the perceived needs of the Board or applicable committee at that point in time. A prospective Board candidate also shall possess experience in one or more of the following: management or senior leadership position which demonstrates significant business or administrative experience and skills; accounting or finance; the electric utilities or nuclear power industry; or other significant and relevant areas deemed by the committee to be valuable to FirstEnergy.

The committee investigates and considers suggestions for candidates for membership on the Board, including shareholder nominations for the Board. So long as shareholders nominating director candidates have complied with the procedural requirements set forth in the Corporate Governance Committee Charter, the committee applies the same criteria and employs substantially similar procedures for evaluating shareholder nominees for the Board as it would for evaluating any other Board nominee. The charter requires that shareholder recommendations be submitted in writing to the committee, in care of our Corporate Secretary, at least 120 days before the publication of our annual proxy statement by a shareholder or group of shareholders owning one half of one percent (0.5%) or more of the voting stock for at least one year, and such shareholder recommendations should be accompanied by a description of the proposed nominee's qualifications and other relevant biographical information, together with the written consent of the proposed nominee to be named in the proxy statement and to serve on the Board.

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Refer to the Corporate Governance Committee Charter on our Web site at [www.firstenergycorp.com/ir](http://www.firstenergycorp.com/ir), or which is available upon written request to the Corporate Secretary, for a complete list of responsibilities and other information. This committee is comprised of four members and met five times in 2004. The current members of this committee are Dr. Carol A. Cartwright (Chair), William T. Cottle, Jesse T. Williams, Sr., and Dr. Patricia K. Woolf.

### *Finance Committee*

The Finance Committee is responsible for monitoring and overseeing our financial resources and strategies, reviewing dividend policy, capital structure policies, long- and short-term debt levels, the issuance of securities and other appropriate financial matters, and approving terms of sales of our securities when the Board does not exercise such powers. This committee also reviews our financial forecasts, operating budgets, capital budgets, pension fund investments and employee savings plans, and our corporate insurance coverage. Refer to the Finance Committee Charter on our Web site at [www.firstenergycorp.com/ir](http://www.firstenergycorp.com/ir), or which is available upon written request to the Corporate Secretary, for a complete list of responsibilities and other information. This committee is comprised of five members and met four times in 2004. The current members of this committee are Paul J. Powers (Chair), Paul T. Addison, Ernest J. Novak, Jr., Robert N. Pokelwaldt, and Robert C. Savage.

### *Nuclear Committee*

The Nuclear Committee monitors and oversees our nuclear program and the operation of all nuclear units in which we or any of our subsidiaries has an ownership or leasehold interest. This committee reviews the safety, reliability, and quality of nuclear operations and the effectiveness of management systems for the self-identification of problems and potential problems for corrective actions. Refer to the Nuclear Committee Charter on our Web site at [www.firstenergycorp.com/ir](http://www.firstenergycorp.com/ir), or which is available upon written request to the Corporate Secretary, for a complete list of responsibilities and other information. The Nuclear Committee is comprised of six members and met 10 times in 2004. The current members of this committee are William T. Cottle (Chair), Russell W. Maier, Robert C. Savage, Wes M. Taylor, Jesse T. Williams, Sr., and Dr. Patricia K. Woolf.

### **What is the current compensation of directors?**

A director who is also a FirstEnergy employee receives no additional compensation for serving as a director. Directors who are not FirstEnergy employees receive an annual retainer consisting of \$30,000 in cash, which a director may elect to receive in common stock or to defer into either cash or stock, and \$45,000 in equity in the form of common stock, which may be deferred; \$1,500 for each Board and committee meeting which he or she attends; a fee of up to \$1,500 for each day that he or she visits a FirstEnergy office or facility, other than an office or facility at which a meeting of the Board or committee of which he or she is a member is held on such day, or attendance at an industry meeting at our request in connection with fulfilling his or her responsibilities as a director or member of a committee; and reimbursement for expenses related to attending meetings. In addition, the chair of each committee receives an additional annual retainer of \$5,000, except the chair of the Audit Committee who receives an additional annual retainer of \$15,000. The non-executive chairman of the Board receives additional compensation, above that paid to regular Board members, in the amount of \$100,000 annually, which may be deferred. The non-executive chairman has available for chairman duties the use of an office and administrative support.

Under our Director Deferred Compensation Plan, directors can elect to allocate all or a portion of their cash retainers, meeting fees and chair fees to deferred stock or deferred cash accounts. If a director elects the deferred stock option, at the time of deferral a 20 percent match is added to the funds allocated. Funds deferred into the stock account are used to purchase FirstEnergy common stock, and dividends on shares in this account are reinvested. Payouts are made in FirstEnergy common stock. The 20 percent match and any appreciation on it are forfeited if the director leaves the Board within three years from the date of deferral for any reason other than retirement, disability, death, upon an actual or potential change of control, or in situations where the director is ineligible to stand for re-election due to circumstances unrelated to his or her performance as a

director. Directors may elect to defer their equity retainers to deferred stock accounts; however, directors do not receive a 20 percent match on the portion of their equity retainers allocated to deferred stock accounts.

Based on programs in effect at GPU, Inc. at the time of our merger on November 7, 2001, directors who served on the GPU Board of Directors were eligible to receive benefits in the form of personal excess liability insurance, personal accident insurance and medical insurance. As of November 7, 2001, no new participants could receive these benefits. In aggregate, the Company paid a total of \$4,904 in 2004 for the insurance coverages for Robert N. Pokelwaldt, Catherine A. Rein, and Dr. Patricia K. Woolf. In addition, in 1997, GPU discontinued a board of directors pension program. Directors who served prior to the discontinuation are entitled to receive benefits under the program. Dr. Woolf is the only current director receiving pension payments, which amounted to \$30,931 in 2004. Ms. Rein elected to defer receiving her pension until she retires from the Board.

**Do the directors have share ownership guidelines?**

Yes. The Board has share ownership guidelines for directors that recommend the ownership of shares in an amount equal to five times their annual equity retainer. A majority of the directors is currently at the recommended ownership level.

**Does the Board have a policy in regard to the number of boards that a director can serve on?**

Yes. Our Corporate Governance Policies provide that directors will not, without the Board's approval, serve on the board of directors of more than three other non-affiliated companies having securities registered under the Securities Exchange Act of 1934.

**What is the Board's policy regarding Board members' attendance at the annual shareholders' meeting?**

The Board believes that regular attendance by all directors and all nominees for directors at our annual shareholders' meeting is appropriate and desirable and that all such persons should make diligent efforts to attend the meeting. All Board members at the time of the 2004 Annual Meeting on May 18, 2004 attended the meeting, except one director who could not attend for medical reasons.

**How can shareholders communicate to the Board?**

The Board provides a process for shareholders to send communications to the Board and non-management directors. Shareholders may send written communications to the Board by mailing any such communications to the FirstEnergy Board of Directors, c/o Corporate Secretary, FirstEnergy Corp., 76 South Main Street, Akron, Ohio 44308-1890.

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

**ITEMS TO BE VOTED ON**

**Item 1 Election of Directors**

You are being asked to vote for **Anthony J. Alexander, Russell W. Maier, Robert N. Pokelwaldt, Wes M. Taylor, and Jesse T. Williams, Sr.** to serve on the Board of Directors until the next annual meeting of shareholders and until their successors shall have been elected.



The Board of Directors currently consists of 14 members. At the 2004 Annual Meeting, shareholders approved amendments to the Company's Amended Code of Regulations to declassify the Board of Directors. This amendment was subject to the completion, by each director, of any term to which that director had been previously elected. Consequently, the first class of directors to be elected to one-year terms are the five directors being elected at the 2005 Annual Meeting. The five directors scheduled to stand for election in 2006, and the four directors scheduled to stand for election in 2007, likewise will be elected to one-year terms so that upon conclusion of the Annual Meeting in 2007, the declassification of the Board will be complete and all directors will be subject to annual election. The section of this proxy statement entitled "Biographical Information On Nominees And Directors" lists the nominees for election at the 2005 Annual Meeting and the remaining directors with terms expiring in 2006 and 2007.

Under the Company's Amended Code of Regulations, at any election of directors, the persons receiving the greatest number of votes are elected to the vacancies to be filled. Your Board has no reason to believe that the persons nominated will not be available to serve after being elected. If any of these nominees would not be available to serve for any reason, shares represented by the appointed proxies will be voted either for a lesser number of directors or for another person selected by the Board. However, if the inability to serve is believed to be temporary in nature, the shares represented by the appointed proxies will be voted for that person who, if elected, will serve when able to do so.

**YOUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" ITEM 1.**

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

You are being asked to ratify the Board's appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm to examine the books and accounts of the Company for the 2005 fiscal year. A representative is expected to attend the meeting and will have an opportunity to make a statement and respond to appropriate questions. Refer to the Board Audit Committee Report found later in this proxy statement for information regarding services performed by, and fees paid to, PricewaterhouseCoopers LLP during the years 2003 and 2004.

**YOUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" ITEM 2.**

**Item 3 Shareholder Proposal**

For the second consecutive year, a shareholder has indicated an intention to present at the Annual Meeting a proposal requesting that the Company publish semi-annual reports disclosing detailed information regarding the Company's political contributions. This would require the listing of all Company donations to registered political candidates and organizations and publication of the business rationale of and names of individuals involved in each of the Company's political contribution decisions. Approval of this proposal requires the affirmative vote of a majority of votes cast. **YOUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "AGAINST" THIS PROPOSAL.**

This identical proposal was presented to shareholders at the 2004 Annual Meeting and received an affirmative vote of only 9.7% of the votes cast. As we noted previously, the Public Utility Holding Company Act generally prohibits the Company and its subsidiaries from making any contribution in support of the candidacy or election of any person to any federal, state or local office, or in support of any political party or committee. Other federal laws prohibit corporate contributions to political parties for federal offices as well.

Interested shareholders may already obtain information regarding permissible political contributions and the Company should not be required to incur the additional expense of preparing and distributing a separate report to shareholders. **YOUR BOARD OF DIRECTORS ENCOURAGES YOU TO VOTE "AGAINST" THIS PROPOSAL.**

The following is the substance of the proposal as submitted. The proponent's name, address, and number of shares held will be furnished upon written or oral request to the Company.

Beginning of Shareholder Proposal

**Resolved**, that the shareholders of FirstEnergy Corporation ("Company") hereby request that the Company provide a report, updated semi-annually, disclosing the Company's:

1. Policies and procedures for political contributions (both direct and indirect) made with corporate funds.
2. Monetary and non-monetary contributions to political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code including the following:
  - a. An accounting of the Company's funds contributed to any of the persons or organizations described above;
  - b. The business rationale for each of the Company's political contributions; and
  - c. Identification of the person or persons in the Company who participated in making the decisions to contribute.

This report shall be presented to the board of directors' audit committee or other relevant oversight committee, and posted on the company's website to reduce costs to shareholders.

**Statement of Support:** As long-term shareholders of FirstEnergy, we support policies that apply transparency and accountability to corporate political giving. In our view, such disclosure is consistent with public policy in regard to public company disclosure.

Company executives exercise wide discretion over the use of corporate resources for political purposes. They make decisions without a stated business rationale for such donations. In the 2001-02, the last fully reported election cycle, FirstEnergy contributed at least \$705,150. (The Center for Responsive Politics, Soft Money Donors: <http://www.opensecrets.org/softmoney/softcomp2.asp?txtName=FirstEnergy+Corp&txtUltOrg=y&txtSort=name&txtCycle=2002>).

Relying only on the limited data available from the Federal Election Commission and the Internal Revenue Service, the Center for Responsive Politics, a leading campaign finance watchdog organization, provides an incomplete picture of the Company's political donations. Complete disclosure by the company is necessary for the company's Board and its shareholders to be able to fully evaluate the political use of corporate assets.

Although the Bi-Partisan Campaign Reform Act (BCRA) enacted in 2002 prohibits corporate contributions to political parties at the federal level, it allows companies to contribute to independent political committees, also known as 527s.

Absent a system of accountability, corporate executives will be free to use the Company's assets for political objectives that are not shared by and may be inimical to the interests of the Company and its shareholders. There is currently no single source of information that provides the information sought by this resolution. That is why we urge your support for this critical governance reform.

End of Shareholder Proposal

**YOUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "AGAINST" ITEM 3.**

**Item 4 Shareholder Proposal**

A shareholder has indicated an intention to present at the Annual Meeting a proposal that would recommend that the Board of Directors take steps in furtherance of the elimination of the supermajority voting provisions in the Company's Amended Articles of Incorporation and Amended Code of Regulations. **YOUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "AGAINST" THIS PROPOSAL.**



At the Company's 2004 Annual Shareholders Meeting, the Board of Directors presented and recommended for approval a proposal that would have amended or repealed certain provisions in the Company's Amended Code of Regulations and Amended Articles of Incorporation (together the "Governing Documents") in order to reduce the 80 percent supermajority provisions in the Company's Governing Documents to a two-thirds majority. This proposal was in response to the support received at previous Annual Meetings to similar shareholder proposals. However, the Board's proposal was not successful.

Apparently dissatisfied with this vote, the shareholder submitting this proposal believes the Board should undertake, at the expense of all shareholders, various other actions to ensure the success of a similar proposal that would reduce the 80 percent supermajority provisions in the Company's Governing Documents to a simple majority. The successful outcome of such efforts cannot be guaranteed, despite the implication of the proposal. More basically, however, your Board does not believe that engaging in the activities suggested by this proposal or spending the significant amount of money that would be necessary to conduct a special solicitation for votes to reduce the supermajority voting requirements would be a prudent use of funds.

As this Board has stated previously in response to proposals in past years, adoption by the shareholders of the Company and those of many other public corporations of supermajority voting requirements reflects the desire that decisions affecting the most important aspects of the Company's existence and operation be fair to all shareholders. The requirement of such broad consensus applies only to provisions that are very significant to the Company. In addition, supermajority voting requirements encourage potential acquirers to negotiate with the Board of Directors rather than just a few large shareholders, thereby enhancing the ability of the Board of Directors to maximize value for all shareholders. Furthermore, while supermajority voting provisions do not preclude an unsolicited takeover offer, they can make it more likely that all shareholders will be treated fairly in the takeover process. While the Board supported and urged passage of its proposal to reduce the 80 percent supermajority voting requirements, it believes that the shareholders have spoken on this issue and no further purpose is served by the current proposal.

Shareholders should be aware that adoption of the current proposal by itself would not eliminate supermajority provisions. It recommends only that the Board again pursue measures to repeal the supermajority voting requirements which, as previously noted, would still require the affirmative vote of at least 80 percent of the stock outstanding and entitled to vote at any regular or special meeting of stockholders. The Board has little reason to believe that the additional efforts contemplated by the current proposal would sufficiently change the outcome of last year's vote. **YOUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "AGAINST" THIS PROPOSAL.**

The following is the substance of the proposal as submitted. The proponent's name, address, and number of shares held will be furnished upon written or oral request to the Company.

\_\_\_\_\_ **Beginning of Shareholder Proposal** \_\_\_\_\_

**4 Adopt Simple Majority Vote**

RESOLVED: Make Full Use of our Directors' Power to Adopt Simple Majority Vote. Recommend that our Directors take each step reasonably needed for adoption of simple majority vote to apply to the greatest extent possible on each issue that can be subject to shareholder vote. This includes making full use of our Directors' power such as corresponding special company solicitations and one-on-one management contacts with major shareholders and brokers to obtain the 80% vote of all outstanding shares required for formal adoption of this proposal topic.

**75% Yes-Vote**

This topic won a 75% yes-vote average at 7 major companies in 2004. The Council of Institutional Investors [www.cii.org](http://www.cii.org) formally recommends adoption of this proposal topic.

**Our Overwhelming 96% Response to our Directors' 2004 Recommendation**

We responded overwhelmingly (96% yes-vote) to our Directors' 2004 recommendation to vote yes on a version of this topic. Our 96% yes-vote was based on yes and no votes. The shares that our Directors did not

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reach kept us from obtaining the required 80% approval of all shares outstanding. This 2005 proposal includes provisions to reach the shares that our Directors did not reach in 2004. We were robbed of victory in spite of our 96% response to our Directors' recommendation.

Our Directors should recommend a yes-vote for this proposal. It simply encourages our Directors to take reasonable steps to adopt the 2004 proposal topic which our Directors proposed.

### **Progress Begins with a First Step**

The reason to take the above RESOLVED step is reinforced by our company's vulnerability to notices of improvement-needed regarding our corporate governance. For instance in 2004 it was reported:

Our Chairman George Smart was designated a "problem director" by The Corporate Library, an independent investment research firm in Portland, Maine. Reason: In 2004, FirstEnergy settled a lawsuit that alleged accounting misrepresentation in 2002 and 2003. Mr. Smart then chaired our Audit Committee.

FirstEnergy to pay a \$90 million securities lawsuit settlement.

FirstEnergy announced an SEC formal order of investigation.

Our directors had special protection with an overwhelming 80%-vote needed to oust any director for good cause.

Our Directors are taking 3-years to transition to annual election of each director when other companies accomplish this in one year.

Four directors were allowed to hold from 4 to 7 director seats each over-extension concern.

2003 CEO pay of \$4 million including stock option grants.

Plus \$5 million in unexercised stock options from previous years.

Source: <http://www.aflcio.org/corporateamerica/paywatch/ceou/database.cfm>

Our company's vulnerability to these notices of under-achievement reinforces the reason to adopt the above RESOLVED statement.

### **Terminate Potential Frustration of the Shareholder Majority**

Our current rule allows a small minority to frustrate the will of the vast shareholder majority. For example, under our current 80% vote requirement, if 79% vote yes and only 1% vote no only 1% of shares could force their will on the overwhelming 79% majority.

**Adopt Simple Majority Vote**  
**Yes of 4**

\_\_\_\_\_ **End of Shareholder Proposal** \_\_\_\_\_

**YOUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "AGAINST" ITEM 4.**

### **Item 5 Shareholder Proposal**

A shareholder has indicated an intention to present at the Annual Meeting a proposal which recommends that any future executive deferred compensation plan that allows senior executives to (i) take deferred compensation in the form of FirstEnergy common stock and (ii) receive additional or matching awards of common stock if they do so, contain provisions that award any additional or matching compensation in the form of performance-based stock options. **YOUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "AGAINST" THIS PROPOSAL.**

The Board of Directors has considered this proposal and considers it unnecessary and not in the best interests of the Company and its shareholders.

The Company's Executive Deferred Compensation Plan (the "Plan") is overseen by the Board of Directors and the Compensation Committee of the Board and was overwhelmingly approved by the Company's shareholders at the 2004 Annual Meeting.

The Plan, as approved, provides eligible employees the opportunity to elect to defer salary or incentive payments. Participants can defer between 1 percent and 50 percent of base salary and any amount of their annual incentive award and/or long-term incentive award. Salary deferrals are credited only to a "Retirement Account" which returns a specified level of interest. Incentive awards, however, may be deferred and credited instead to a FirstEnergy common stock account. These deferrals are deemed invested in FirstEnergy stock and are credited with a 20 percent match; that is, an additional amount equal to 20 percent of their cash deferral is treated as invested in FirstEnergy common stock. In addition, dividend equivalents are credited to all deferral amounts deemed invested in FirstEnergy common stock. The 20 percent match vests and becomes payable only if it remains in the account for three years following the date it was credited and, at the end of those three years, the participant either remains employed with FirstEnergy (or one of its subsidiaries or affiliates) or the participant has retired after reaching age 60. If the participant dies, becomes disabled or is involuntarily terminated under circumstances qualifying him or her for severance benefits and such benefits are elected, or there is a change in control, then the 20 percent match becomes immediately vested. Payments from the FirstEnergy stock account are made in the form of FirstEnergy common stock. It is this feature that appears to be the subject of the shareholder proposal.

The proponent suggests that shareholders are concerned that the current Plan is not adequately structured to provide challenging performance objectives and motivate senior executives to achieve long-term goals. Not only does the proponent fail to provide any support for this suggestion, it also ignores the fact that this is not the underlying purpose of the Plan. As currently structured, the primary purpose of the Plan is to facilitate the deferral of current income on a before-tax basis into retirement. But, as structured, the Plan does facilitate the ability of participants to further invest in the long-term success of the Company by providing an option to defer payouts from the annual and long-term incentive programs into a FirstEnergy common stock account. Participants not only have an opportunity to increase their ownership in the Company but also have the incentive to maximize the value of that account, which can only occur through maximizing the value of FirstEnergy stock in the long-term. The annual and long-term incentive programs, as described elsewhere in this proxy, serve as the primary compensation programs designed to challenge and motivate employees to achieve long-term performance goals. These incentive programs contain broad-based performance objectives that put a substantial portion of an executive's compensation at risk by establishing threshold achievement levels below which no payments are made and potentially greater payouts for successively higher levels of achievement.

The two programs, while having differing purposes, are nevertheless complementary and, in combination, align the participating employees with the interests of other shareholders by motivating them to achieve long-term shareholder value and to invest that success back into the Company. By approving the terms of the Plan at the 2004 Annual Meeting, shareholders have endorsed the Board's view that the Plan properly aligns the interests of executives with those of shareholders.

Having the Company overhaul these programs in favor of grants of indexed options, which unnecessarily restrict the flexibility inherent in the current plans, not only could place the Company at a disadvantage in recruiting and retaining executives in competition with other companies not burdened with similar requirements, but also is contrary to the overwhelming view of the shareholders who approved the Plan just last year.

**YOUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "AGAINST" THIS PROPOSAL.**

The following is the substance of the proposal as submitted. The proponent's name, address, and number of shares held will be furnished upon written or oral request to the Company.

**Beginning of Shareholder Proposal**

RESOLVED: The shareholders of FirstEnergy Corp. ("FirstEnergy" or the "Company") hereby recommend that any future executive deferred compensation plan that allows senior executives to take deferred compensation in the form of FirstEnergy common stock and to receive additional or matching awards of common stock if they do so shall award any additional or matching compensation in the form of performance-based stock options. For purposes of this resolution, "performance-based" shall mean:

- (1) indexed options, whose exercise price is linked to an industry index;
- (2) premium-priced stock options, whose exercise price is above the market price on the grant date; or
- (3) performance-vesting options, which vest when the market price of the stock exceeds a specific target.

**SUPPORTING STATEMENT**

As shareholders, we support compensation policies that provide challenging performance objectives and motivate senior executives to achieve long-term shareholder value. We are concerned, however, that the current FirstEnergy Corp. Executive Deferred Compensation Plan (the "Plan") is not adequately structured to achieve that goal.

Under the Plan, key officials at FirstEnergy and a subsidiary or affiliate, as designated by the Chief Executive Officer, may elect to defer certain portions of their salary, bonus and long-term incentive award for future payment. If eligible officials opt to defer payment of their annual or long-term incentive awards by investing those awards into a fund consisting of FirstEnergy common stock, they receive an additional award of common stock equal to 20 percent of the deferral. That additional award will (with limited exceptions) vest and become payable if it remains in the fund for at least three years.

We are concerned by this practice, which in effect pays a bonus on top of a bonus. If FirstEnergy executives wish to invest a portion of their compensation in company stock, there are ways for them to do so now without the Company having to pay additional, unearned bonus compensation.

Moreover, the award of this additional bonus is not geared to the Company's performance. The matching shares will have a present cash value to the eligible executives as soon as they vest, regardless of whether FirstEnergy's share price has gone up or down since the date of the grant.

For these reasons, we believe that any award of additional or matching shares under the Plan should be in the form of performance-based stock options, which we believe tie compensation more closely to company performance.

We urge shareholders to vote FOR this proposal.

**End of Shareholder Proposal**

**YOUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "AGAINST" ITEM 5.**

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's executive officers and directors to file initial reports of ownership and reports of changes in ownership of the Company's common stock with the SEC and the NYSE. The Company makes these filings for the convenience of the executive officers and directors. To the Company's knowledge, for the fiscal year ended December 31, 2004, all Section 16(a) filing requirements applicable to its executive officers and directors were satisfied, with the exception of three filings for Mr. Stephen E. Morgan. Mr. Morgan was elected President of Jersey Central Power & Light Company, a subsidiary of the Company, on January 5, 2004. FirstEnergy subsequently determined to treat him as an insider of FirstEnergy as of such date. Due to an oversight by the Company, a Form 3 was not filed until March 17, 2004. Additionally, two Forms 4 were filed on March 17, 2004 on behalf of Mr. Morgan indicating the receipt of a FirstEnergy stock option grant as of March 1, 2004 and the payout of FirstEnergy performance shares on March 12, 2004.





**BIOGRAPHICAL INFORMATION ON NOMINEES AND DIRECTORS**

**Nominees for Election as Directors**

*Terms expiring in the Year 2006:*

**Anthony J. Alexander** President and Chief Executive Officer since January 2004 of the Company. He also is President of various subsidiaries of the Company. President and Chief Operating Officer from 2001-2004, President from 2000-2001, and Executive Vice President and General Counsel from 1997-2000 of the Company. Age 53. He also is a Director of Ohio Edison Company, Pennsylvania Power Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company, Metropolitan Edison Company, Pennsylvania Electric Company, and many other subsidiaries of the Company. Director of the Company since 2002.

**Russell W. Maier** President and Chief Executive Officer since 2002 of Michigan Seamless Tube LLC, a specialized manufacturer of seamless mechanical and pressure tubes for industrial applications. Retired in 1998 as Chairman of the Board and Chief Executive Officer of Republic Engineered Steels, Inc. Age 68. He is also a Director of Unizan Financial Corp. and Unizan Bank, National Association. Director of the Company since 1997 and Director of Ohio Edison Company from 1995-1997.  
Committees: Compensation, Nuclear

**Robert N. Pokelwaldt** Retired in 1999 as Chairman of the Board and Chief Executive Officer of YORK International Corporation, a supplier of heating, ventilating, air conditioning, and refrigeration equipment. Age 68. He is also a Director of Intersil Corporation and Mohawk Industries, Inc. Director of the Company since 2001 and Director of GPU, Inc. from 2000-2001.  
Committees: Audit, Finance

**Wes M. Taylor** Retired in 2004 as President (a position held since 1991) of TXU Generation, an owner and operator of electric generation and coal mines in Texas. Age 62. Director of the Company since 2004.  
Committee: Nuclear

**Jesse T. Williams, Sr.** Retired in 1998 as Vice President of Human Resources Policy, Employment Practices and Systems of The Goodyear Tire & Rubber Company, a manufacturer of tires and rubber-related products. Age 65. Director of the Company since 1997 and Director of Ohio Edison Company from 1992-1997.  
Committees: Corporate Governance, Nuclear

**Other Members of the Board**

*Terms expiring in the Year 2006:*

**Dr. Carol A. Cartwright** President since 1991 of Kent State University. Age 63. She is also a Director of the Davey Tree Expert Company, KeyCorp., and PolyOne Corporation. Director of the Company since 1997 and Director of Ohio Edison Company from 1992-1997.  
Committees: Compensation, Corporate Governance (Chair)

**William T. Cottle** Retired in 2003 as Chairman of the Board, President and Chief Executive Officer (a position held since 2000) of STP Nuclear Operating Company (STPNOC), a nuclear operating company for the South Texas Project. President and Chief Executive Officer of STPNOC from 1997-2000. Age 59. Director of the Company since 2003.  
Committees: Corporate Governance, Nuclear (Chair)

**Paul J. Powers** Retired in 2000 as Chairman of the Board and Chief Executive Officer (a position held since 1987) of Commercial Intertech Corp., a hydraulic components and metal components manufacturer. Age 70. He is also a Director of GlobalSantaFe Corp. and YORK International Corporation. Director of the Company since 1997 and Director of Ohio Edison Company from 1992-1997.  
Committees: Compensation, Finance (Chair)

**George M. Smart** Non-executive chairman of the FirstEnergy Board of Directors since 2004. Retired in 2003 as President (a position held since 2001) of Sonoco-Phoenix, Inc., a manufacturer of easy-opening lids. Chairman of the Board and President of Phoenix Packaging Corporation from 1993-2001. Age 59. He is also a Director of Ball Corporation, Unizan Financial Corp. and Unizan Bank, National Association. Director of the Company since 1997 and Director of Ohio Edison Company from 1988-1997.  
Committee: Audit (Chair)

**Dr. Patricia K. Woolf** Consultant, author, and former Lecturer in the Department of Molecular Biology at Princeton University since 1991. Age 70. She is also a Director of Crompton Corporation and holds directorships at six mutual funds forming part of the "American Funds" fund complex. Director of the Company since 2001 and Director of GPU, Inc. from 1983-2001.  
Committees: Corporate Governance, Nuclear



*Terms expiring in the Year 2007:*

**Paul T. Addison** Retired in 2002 as Managing Director in the Utilities Department (a position held since 1997) of Salomon Smith Barney (Citigroup), an investment banking and financial services firm. Age 58. Director of the Company since 2003.  
Committees: Audit, Finance

**Ernest J. Novak, Jr.** Retired in 2003 as Managing Partner (a position held since 1998) of the Cleveland office of Ernst & Young LLP, a public accounting firm. Age 60. He is also a Director of BorgWarner, Inc. and A. Schulman Inc. Director of the Company since 2004.  
Committees: Audit, Finance

**Catherine A. Rein** Senior Executive Vice President since 1997, Chief Administrative Officer since January 2005 and a Director of Metropolitan Life Insurance Company, a provider of insurance and other financial services to individual and institutional customers. President and Chief Executive Officer from 1999-2004 of Metropolitan Property and Casualty Insurance Company. Age 62. She is also a Director of The Bank of New York, Inc. Director of the Company since 2001 and Director of GPU, Inc. from 1989-2001.  
Committees: Audit, Compensation (Chair)

**Robert C. Savage** Chairman of the Board since 2003 and President and Chief Executive Officer from 1973-2003 of Savage & Associates, Inc., an insurance, financial planning and estate planning firm. Age 67. Director of the Company since 1997 and Director of Centerior Energy Corporation from 1990-1997.  
Committees: Finance, Nuclear

## SECURITY OWNERSHIP OF MANAGEMENT

The following table shows shares of stock beneficially owned as of March 1, 2005, by each director and nominee; the executive officers named in the Summary Executive Compensation Table; and all directors and executive officers as a group. Also listed, as of March 1, 2005, are common stock equivalents credited to executive officers as a result of participation in incentive compensation plans.

Name	Class of Stock	Shares Beneficially Owned(1)	Common Stock Equivalents(2)
Paul T. Addison	Common	2,779	
Anthony J. Alexander	Common	396,805	101,952
Dr. Carol A. Cartwright	Common	17,693	
Mark T. Clark	Common	102,324	20,836
William T. Cottle	Common	2,087	
Russell W. Maier	Common	16,332	
Richard H. Marsh	Common	78,560	38,234
Ernest J. Novak, Jr.	Common	2,071	
Guy L. Pipitone	Common	130,723	17,860
Robert N. Pokelwaldt	Common	10,219	
Paul J. Powers	Common	20,562	
Catherine A. Rein	Common	15,577	
Robert C. Savage	Common	33,538	
George M. Smart	Common	13,670	
Wes M. Taylor	Common	3,967	
Leila L. Vespoli	Common	119,308	31,488
Jesse T. Williams, Sr.	Common	11,274	
Dr. Patricia K. Woolf	Common	17,396	
All Directors and Executive Officers as a Group	Common	1,707,612	457,551

(1) Shares beneficially owned include (a) any shares with respect to which the person has a direct or indirect pecuniary interest, and (b) shares that the person has the right to acquire beneficial ownership within 60 days of February 28, 2005 (Alexander - 314,725 shares; Clark - 96,115 shares; Maier - 5,110 shares; Marsh - 72,825 shares; Pipitone - 88,975 shares; Savage - 18,790 shares; Vespoli - 110,950 shares; and all directors and executive officers as a group - 1,339,223 shares). The percentage of shares beneficially owned by any director or nominee, or by all directors and executive officers as a group, does not exceed one percent of the class owned.

(2) Common stock equivalents represent the cumulative number of shares deferred under the Executive Deferred Compensation Plan, performance shares, and restricted stock units credited to each executive officer. The value of these shares is measured in part by the market price of the Company's common stock. Final payments for performance shares may vary due to performance factors, as discussed in the narrative under the Long-Term Incentive Plan Table. In regard to performance restricted stock units, at the end of the restriction period, the actual number of shares issuable may be adjusted upward or downward by 25 percent based on FirstEnergy's performance against three predetermined metrics. In addition, the common stock equivalents reflected for "All Directors and Executive Officers as a Group" includes discretionary restricted stock units awarded to certain executive officers that will be issuable five years after the date awarded, except for specified provisions if the executive dies, is terminated due to disability, or there is a change in control. Common stock equivalents do not have voting rights or other rights