

FIRSTENERGY CORP
Form 8-K
February 08, 2012

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

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) February 7, 2012

| Commission File Number | Registrant; State of Incorporation; Address; and Telephone Number | I.R.S. Employer Identification No. |
|---------------------------|--|---|
| 333-21011 | FIRSTENERGY CORP. (An Ohio Corporation) 76 South Main Street Akron, OH 44308 Telephone (800)736-3402 | 34-1843785 |

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition

Impairment charges associated with the event reported in Item 2.05 below, aggregating approximately \$87 million (\$52 million after-tax) are expected to reduce FirstEnergy Corp.'s earnings per basic share of common stock by \$0.13 for the year ended December 31, 2011. FirstEnergy has updated its estimate of earnings computed under U. S. generally accepted accounting principles (GAAP) for the year ended December 31, 2011, to be \$2.31 to \$2.33 per basic share of common stock. FirstEnergy's estimate of non-GAAP earnings per basic share of common stock for the year ended December 31, 2011, remains unchanged from the information included on Exhibit 99.1 to the Form 8-K filed by FirstEnergy Corp. on January 26, 2012.

Item 2.05 Costs Associated with Exit or Disposal Activities

On February 7, 2012, officers of FirstEnergy Corp. and Monongahela Power Company, a wholly owned indirect subsidiary, committed to retiring the following fossil generating units by September 1, 2012:

| Generating Units | Megawatt Capacity | Location |
|-----------------------------|-------------------|------------------------------|
| Albright Power Station | 292 | Albright, West Virginia |
| Willow Island Power Station | 242 | Willow Island, West Virginia |
| Rivesville Power Station | 126 | Rivesville, West Virginia |

The decision to retire these generating units was based on the new U. S. Environmental Protection Agency Mercury and Air Toxics Standards, which were recently finalized, and other environmental regulations. These closures are subject to review for reliability impacts by PJM Interconnection LLC, the regional transmission organization that controls the area where these power plants are located. As a result of this decision, impairment charges associated with these assets will be recognized by FirstEnergy Corp. aggregating approximately \$87 million (\$52 million after-tax).

In total, 105 employees will be directly affected. Existing severance benefits will apply to eligible, affected employees. However, the final number of affected employees could be less as some are considered for open positions at other FirstEnergy facilities and work locations, and eligible employees take advantage of an additional benefit being offered to those 55 years and older. Affected employees will be eligible for severance payments in 2012 that are currently estimated to be \$5 million. It is also estimated that additional costs to prepare the plants for closing of approximately \$2 million will be incurred in 2012.

The generating units have other obligations that could be affected by the plant closings and are currently unable to reasonably estimate potential costs, or a range thereof, that could be incurred. There are no other estimated future year cash impacts related to this decision other than the avoidance of additional capital expenditures to make these plants comply with the recently finalized environmental regulations.

Item 2.06 Material Impairments

The information contained in Item 2.05 relating to the asset impairments is incorporated into this Item 2.06 by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

| Exhibit | Description |
|---------|-------------|
|---------|-------------|

| | |
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| No. | |
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| 99.1 | News Release, issued by FirstEnergy Corp., dated February 8, 2012 |
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Forward-Looking Statements: This Form 8-K includes forward-looking statements based on information currently available to management. Such statements are subject to certain risks and uncertainties. These statements include declarations regarding management's intents, beliefs and current expectations. These statements typically contain, but are not limited to, the terms "anticipate," "potential," "expect," "believe," "estimate" and similar words. Forward-looking statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Actual results may differ materially due to: the speed and nature of increased competition in the electric utility industry, the impact of the regulatory process on the pending matters in the various states in which we do business including, but not limited to, matters related to rates, the status of the PATH project in light of the PJM Interconnection, L.L.C. (PJM) direction to suspend work on the project pending review of its planning process, its re-evaluation of the need for the project and the uncertainty of the timing and amounts of any related capital expenditures, business and regulatory impacts from ATSI's realignment into PJM, economic or weather conditions affecting future sales and margins, changes in markets for energy services, changing energy and commodity market prices and availability, financial derivative reforms that could increase our liquidity needs and collateral costs, the continued ability of FirstEnergy's regulated utilities to collect transition and other costs, operation and maintenance costs being higher than anticipated, other legislative and regulatory changes, and revised environmental requirements, including possible GHG emission, water intake and coal combustion residual regulations, the potential impacts of any laws, rules or regulations that ultimately replace the Clean Air Interstate Rule (CAIR) including the Cross-State Air Pollution Rule (CSAPR), which was stayed by the courts on December 30, 2011, and the effects of the EPA's recently released Mercury and Air Toxics Standards (MATS) rules, the uncertainty of the timing and amounts of the capital expenditures that may arise in connection with any NSR litigation or potential regulatory initiatives or rulemakings (including that such expenditures could result in our decision to shut down or idle certain generating units), the uncertainty associated with PJM's review of FirstEnergy's plan to retire its older unscrubbed regulated and competitive fossil units, adverse regulatory or legal decisions and outcomes with respect to our nuclear operations (including, but not limited to, the revocation or non-renewal of necessary licenses, approvals or operating permits by the NRC, including as a result of the incident at Japan's Fukushima Daiichi Nuclear Plant), issues that could result from our continuing investigation and analysis of the indications of cracking in the plant shield building at Davis-Besse, adverse legal decisions and outcomes related to Met-Ed's and Penelec's ability to recover certain transmission costs through their transmission service charge riders, the continuing availability of generating units and changes in their ability to operate at or near full capacity, replacement power costs being higher than anticipated or inadequately hedged, the ability to comply with applicable state and federal reliability standards and energy efficiency mandates, changes in customers' demand for power, including but not limited to, changes resulting from the implementation of state and federal energy efficiency mandates, the ability to accomplish or realize anticipated benefits from strategic goals and our ability to improve electric commodity margins and the impact of, among other factors, the increased cost of fuel and fuel transportation on such margins, the ability to experience growth in the distribution business, the changing market conditions that could affect the value of assets held in FirstEnergy's nuclear decommissioning trusts, pension trusts and other trust funds, and cause FirstEnergy to make additional contributions sooner, or in amounts that are larger than currently anticipated, the impact of changes to material accounting policies, the ability to access the public securities and other capital and credit markets in accordance with FirstEnergy's financing plan, the cost of such capital and overall condition of the capital and credit markets affecting FirstEnergy and its subsidiaries, changes in general economic conditions affecting FirstEnergy and its subsidiaries, interest rates and any actions taken by credit rating agencies that could negatively affect FirstEnergy's and its subsidiaries' access to financing or their costs and increase requirements to post additional collateral to support outstanding commodity positions, LOCs and other financial guarantees, the continuing uncertainty of the national and regional economy and its impact on the major industrial and commercial customers of FirstEnergy's subsidiaries, issues concerning the soundness of financial institutions and counterparties with which FirstEnergy and its subsidiaries do business, issues arising from the completed merger of FirstEnergy and Allegheny Energy, Inc. and the ongoing coordination of their combined operations including FirstEnergy's ability to maintain relationships with customers, employees or suppliers, as well as the ability to continue to successfully

integrate the businesses and realize cost savings and any other synergies, the risks and other factors discussed from time to time in FirstEnergy's and its applicable subsidiaries' SEC filings, and other similar factors. The foregoing review of factors should not be construed as exhaustive. New factors emerge from time to time, and it is not possible for management to predict all such factors, nor assess the impact of any such factor on FirstEnergy's business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements. FirstEnergy expressly disclaims any current intention to update, except as required by law, any forward-looking statements contained herein as a result of new information, future events or otherwise.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

February 8, 2012

FIRSTENERGY CORP.
Registrant

By:

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

