FIRSTENERGY CORP
Form 11-K
June 24, 2010

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

FORM 11-K

ANNUAL REPORT

Pursuant to Section 15(d) of the
Securities Exchange Act of 1934

(Mark One)

{X} ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal years ended December 31, 2009 and 2008

OR

{ } TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _________ to __________.

Commission file number 333-21011

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

FIRSTENERGY CORP. SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

FIRSTENERGY CORP.
76 SOUTH MAIN STREET
AKRON, OH 44308

FirstEnergy Corp. Savings Plan
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All other schedules of additional financial information are omitted as they are not applicable or are not required based on the disclosure requirements of the Employee Retirement Income Security Act of 1974 and applicable regulations issued by the United States Department of Labor.

Report of Independent Registered Public Accounting Firm

To the Participants and Savings Plan Committee of the
FirstEnergy Corp. Savings Plan
Akron, Ohio

We have audited the accompanying statements of net assets available for benefits of FirstEnergy Corp. Savings Plan as of December 31, 2009 and 2008 and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of FirstEnergy Corp. Savings Plan as of December 31, 2009 and 2008 and the changes in its net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2009, is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ BOBER, MARKEY, FEDOROVICH & COMPANY
Akron, Ohio

June 24, 2010

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FirstEnergy Corp. Savings Plan

Statements of Net Assets Available for Benefits
As of December 31, 2009 and 2008

Assets	December 31, 2009	December 31, 2008
Investments, at fair value	$2,199,542,510	$1,931,654,151
Receivables:		
Accrued interest and dividends	450,764	2,191,379
Employer contributions	25,398,963	25,983,672
Employee contributions	455,901	-
Total receivables	26,305,628	28,175,051
Total assets	2,225,848,138	1,959,829,202
Liabilities		
Administrative expenses payable	577,345	295,315
Due to broker for securities purchased	81,123	2,310,266
Total liabilities	658,468	2,605,581
Net assets available for benefits, at fair value	2,225,189,670	1,957,223,621
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(7,181,946)	8,046,389
Net assets available for benefits	$2,218,007,724	$1,965,270,010

The accompanying notes are an integral part of these financial statements.

FirstEnergy Corp. Savings Plan

Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2009 and 2008

	Year Ended December 31, 2009	Year Ended December 31, 2008
Additions:		
Contributions		
Employee	$ 101,221,145	$ 103,080,692
Employer	53,982,221	52,006,062
Total contributions	155,203,366	155,086,754
Investment income:		
Interest and dividends	54,821,802	68,037,475
Total additions	210,025,168	223,124,229
Deductions:		
Distributions to participants	(179,525,418)	(139,194,952)
ESOP interest	-	(77,241)
Fees	(1,446,217)	(1,742,755)
Total deductions	(180,971,635)	(141,014,948)
Net appreciation (depreciation) in fair value of investments	223,684,181	(698,316,131)
Increase (decrease) in net assets available for benefits	252,737,714	(616,206,850)
Net assets available for benefits, beginning of year	1,965,270,010	2,581,476,860
Net assets available for benefits, end of year	$ 2,218,007,724	$ 1,965,270,010

The accompanying notes are an integral part of these financial statements.

FirstEnergy Corp. Savings Plan

Notes to Financial Statements
December 31, 2009 and 2008

1. Description of the Plan

The FirstEnergy Corp. Savings Plan (Plan) provides eligible employees (Participants) of FirstEnergy Corp. and its subsidiaries, collectively referred to as the Companies, a mechanism through which they can save and invest part of their income on a tax-deferred basis at regular intervals. Through April 2008, the Companies matched employee contributions primarily with shares of FirstEnergy common stock (see Note 7) held in the Employee Stock Ownership Plan (ESOP). Most union Participants of the former GPU, Inc. were matched in cash. In May 2008, the Companies began making cash contributions to the Plan to meet the Companies' matching contribution obligation. Cash contributions are made to the FirstEnergy Contributions Stock Fund (Stock Fund) and units of the Stock Fund are then used to satisfy the matching contribution obligation. Certain GPU union Participants continued to receive their matching contributions in cash. Participants may invest their contributions in any investment options provided under the Plan. Contributions made to Participants' accounts are fully and immediately vested in the Plan. The purpose of the Plan is to encourage employees to adopt a regular savings program and to provide additional security for retirement. The following is a brief description of the Plan and is provided for general information purposes only. Employees should refer to the Plan documents for more complete information.

The Plan is a qualified profit-sharing plan and bonus plan under Section 401(a) of the Internal Revenue Code of 1986, as amended (Code), and provides for salary reduction contributions under Section 401(k) of the Code. In general, plans established pursuant to Section 401(k) of the Code permit eligible employees to defer current federal and, subject to applicable laws, state and local income taxes on the portion of their current compensation represented by the amount of the salary reduction elected. The amounts, as elected by the employees, are contributed to the Plan by the Companies through payroll deductions.

The Plan is subject to Title I of the Employee Retirement Income Security Act of 1974 (ERISA), but not Title IV as it is an individual account plan. Title I establishes reporting and disclosure requirements, minimum standards for participation, vesting and benefit accrual, prohibitions governing the conduct of fiduciaries and provides that ERISA pre-empts other federal, state and local statutes relating to employee benefits. The protective benefits of Title IV which relate to insuring pension benefits by the Pension Benefit Guaranty Corporation are not applicable to individual account plans.

Employees may participate in one or more of the Funds through deferral of compensation. The choice of Participants' investments into the funds (except the Companies' matching contributions in the form of FirstEnergy common stock) is the responsibility of the individual Participant. Transfers between funds are the responsibility of the Participant and may be made on a daily basis subject to Plan provisions, Internal Revenue Service (IRS) and ERISA regulations. Participants are also permitted to direct investment holdings into a self-managed brokerage account option. The Participant has full investment responsibility over the amounts held in this option.

Generally, every regular FirstEnergy employee is eligible to become a participant in the Plan immediately upon employment.

Under the automatic enrollment feature for newly-hired, eligible employees of the Companies, contributions are set at 3% with a graduated increase of 1% per year up to 6% over time when no election out of the automatic enrollment is made by the employee. Certain GPU union Participants are automatically enrolled at 2%, without escalation. Non-spousal beneficiaries may rollover their account to another qualified plan without penalty.

Securities in the ESOP Account

The ESOP purchased a total of 10,654,114 shares of Ohio Edison Company (OE) common stock from November 1990 to December 1991 for the purpose of funding the Companies' matching contribution to the Plan. On November 8, 1997, pursuant to the merger of OE and Centerior Energy Corporation (Merger) that created

FirstEnergy Corp. Savings Plan

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FirstEnergy, shares of OE common stock were converted into shares of FirstEnergy common stock on a one-for-one basis.

The Plan borrowed $200 million (ESOP Loan) at a rate of 10% from OE to fund the purchase of the stock. In October 2005, the ESOP Loan was refinanced at a rate of 4.4%. The Plan recognized and capitalized interest expense of $5,070,830 on the original ESOP loan obligation for the period December 31, 2004 through October 31, 2005. Principal payments of $16,480,208 were due each December 31 through 2008, with interest payable annually. Principal payments could be made sooner if additional shares of FirstEnergy common stock were needed for distributions to Participants. The ESOP Loan was paid in full on April 30, 2008.

On June 20, 2008 the Plan received notification from the United States Department of Labor (DOL) that it had concluded its audit of the Plan for years 2001 through 2004. The DOL concluded that FirstEnergy, in its capacity as the lender, committed a prohibited transaction as part of the 2005 refinancing of the ESOP loan with the borrower, State Street Bank and Trust Company (State Street), acting in its capacity as trustee of the Plan. The DOL noted that this alleged prohibited transaction was corrected by FirstEnergy and State Street with the execution of the Amended and Restated Promissory Note and the Amended and Restated Loan Agreement, and that it would take no action on the matter. Furthermore, FirstEnergy and State Street do not believe a prohibited transaction occurred and will dispute any contention by the IRS that they engaged in a prohibited transaction. Therefore, no estimated potential liability has been recorded related to this matter.

The DOL also declared it would not pursue any action against the Plan with regard to its assertion that all the shares released from the ESOP Loan Suspense Account for the Plan were not allocated to Participants in accordance with the provisions of the Plan document. The DOL noted that the Plan provided evidence that it was being operated in accordance with the fiduciaries' interpretation of the Plan.

ESOP Allocation
As principal and interest payments were made on the ESOP Loan, shares of FirstEnergy common stock were released from the ESOP Unallocated Fund to the ESOP Allocated Fund where they were made available for contribution to Participants’ accounts. On April 30, 2008, the final principal payment of $5,310,675 and interest payment of $77,241 released the remaining 135,067 shares, which were allocated to Participants.

The Companies’ matching contribution to each Participant's account is computed each pay period based on the Companies' matching contribution percentages (see Note 7). The number of shares of FirstEnergy Common Stock Fund contributed to each Participant is based on the market price of the Stock Fund as determined at the end of each pay period.

As of December 31, 2009 and 2008 there were 5,613,734 and 5,162,700 shares, respectively, held in the ESOP Allocated Fund having market values of $260,757,956 and $250,803,979, respectively. The market value of the ESOP common stock is measured by the quoted market price.

All unallocated shares held by the ESOP as of December 31, 2007, were allocated to Participant accounts by May 2008. Since then, shares of FirstEnergy common stock are being purchased on the market and contributed to

Participants' accounts as described above. The fair value of the FirstEnergy common stock shares contributed are valued at the closing price as reported by the New York Stock Exchange as of the date the contributions are credited to the Participants account. The contributions receivable in 2009 and 2008, included in the Statement of Net Assets Available for Benefits, represent funds provided by FirstEnergy to the ESOP in early 2010 and 2009, respectively, to purchase shares of FirstEnergy common stock for the respective 2009 and 2008 matching requirements.

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PAYSOP
A component of the Plan consists of a qualified payroll-based tax credit employee stock ownership plan (PAYSOP) under Section 401(a) and Section 501(a) of the Code.

Under the Economic Recovery Tax Act of 1981, effective January 1, 1983, tax credits were based upon eligible employee compensation. The regulation permitted the Companies to contribute to the Plan a maximum of one-half of one percent of the aggregate compensation of eligible employees and claim a tax credit on their consolidated federal income tax return equal to that amount. The amounts allocated to eligible employees were based upon the proportion of their wages and salaries (to a maximum of $100,000) to the wages and salaries of all employees for the year. The Tax Reform Act of 1986 eliminated the PAYSOP tax credit with respect to compensation earned in 1987 and later years. As a result, the Companies have not contributed to the PAYSOP since the 1986 contribution except for the reimbursement of PAYSOP administrative expenses.

Dividends are payable quarterly to Participants and Participants have the option to either reinvest dividends into the PAYSOP Fund or elect to have the dividends distributed quarterly through the Dividend Pass-Through feature of the Plan. The market value of the FirstEnergy common stock in the PAYSOP Fund was $3,826,939 as of December 31, 2009 and $4,216,472 as of December 31, 2008.

Participant Loan Fund
Generally, the Plan allows Participants to borrow from their before-tax, after-tax and rollover accounts. When loans are made, they are recorded as interfund transfers. The repayments of principal and interest are credited to the Participants' account balances within the respective funds. The employee repays the loan and all related interest through payroll deductions.

Participants may borrow up to 50% of their total account balance, excluding their Roth 401(k) balance, not exceeding $50,000 including loans outstanding and the highest unpaid loan balance over the previous 12 months. The interest rate for new loan issuances is adjusted each quarter to the prime rate plus 1% based on the prime rate on approximately the 15th day of the last month of the preceding quarter. Interest rates on outstanding loan balances as of December 31, 2009 range from 4.25% to 10.5%. Participants may have up to two loans outstanding at one time. The minimum loan amount is $1,000 and must be repaid within 6 to 60 months. If the loan is for the purchase of a principal residence, the loan repayment period can be extended up to 30 years.

2. Summary of Accounting Policies

The financial statements have been prepared on the accrual basis of accounting. Benefits are recorded when paid. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and accompanying notes. Actual results may differ from these estimates.

Investment income consists of interest and dividend income. The net appreciation (depreciation) in the fair value of investments consists of realized gains or losses and the unrealized appreciation (depreciation) on those investments. Dividend income is accrued on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported based on historical cost.

The fair value of the Funds is measured at the market value per share determined by the investment manager except for the FirstEnergy Common Stock Fund, the Capital Preservation Fund and the Loan Fund. The market value of the FirstEnergy Common Stock Fund is measured by the quoted market price. See Note 10 for the

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methodology used to determine fair value for the Capital Preservation Fund and Note 1 for a description of the Participant Loan Fund.

Expenses for the administration of the Plan are paid for by the Plan unless otherwise paid by the Companies.

In 2009, the Plan adopted amended subsequent event guidance issued by the Financial Accounting Standards Board (FASB). In accordance with this guidance, the Plan has evaluated subsequent events through the date the financial st