#### SUPPLEMENT D

# SUPPLEMENT TO 1999 FIRSTENERGY CORP. PENSION PLAN RELATING TO CERTAIN NON-BARGAINING UNIT EMPLOYEES PREVIOUSLY COVERED UNDER THE DUQUESNE PENSION PLANS

This Supplement hereby sets forth certain provisions of the 1999 FirstEnergy Corp. Pension Plan (the "1999 FirstEnergy Constituent Plan") which shall apply solely to the Covered Employees (as hereinafter defined).

#### **ARTICLE SD-1**

# **SUPPLEMENT DEFINITIONS**

Unless the context otherwise indicates, the following terms used herein shall have the following meanings whenever used in this Supplement (including in specific Sections of the 1999 FirstEnergy Constituent Plan which are modified by this Supplement) and, to the extent that an identical term is defined in the 1999 FirstEnergy Constituent Plan or the Plan, the term as defined in this Supplement shall supersede the term as defined in the 1999 FirstEnergy Constituent Plan or the Plan with respect to any Covered Employee:

SD1.1 <u>Annual Rate of Past Service Compensation</u>. The words "Annual Rate of Past Service Compensation" of a Covered Employee retiring or terminating during a specific period set forth in Column 1 below shall mean the average obtained by taking the Covered Employee's Earnings during his period of Eligibility Service in the corresponding applicable period of calendar years set forth in Column 2 below, dividing the total by the number of months worked in said years and then multiplying the result by twelve (12) to obtain the annual rate. For

a Covered Employee who had no Earnings, or less than a full month's Earnings, in the applicable period of calendar years set forth in Column 2 below, both inclusive, the Annual Rate of Past Service Compensation shall be the weighted average annual rate of pay during the applicable period set forth in Column 2 below for the first job classification in which he worked after the expiration of the applicable period set forth in Column 2 below:

Column 1 Column 2

On or after 10/1/01

1991 through 1995

A Covered Employee's Annual Rate of Past Service Compensation shall be frozen at the level in effect on December 31, 2001 and shall not thereafter increase.

SD1.2 <u>Covered Compensation (Duquesne Supplemental Plan)</u>. The words "Covered Compensation (Duquesne Supplemental Plan)" shall mean for a Covered Employee the amount of Five Year Average Compensation which does not exceed the maximum average annual unadjusted "wage" (i.e., not indexed) for benefit determination purposes under the Federal Social Security Act for a person reaching his normal Social Security retirement age in the year of the Covered Employee's termination of employment.

SD1.3 <u>Covered Employee</u>. The words "Covered Employee" shall mean any Non-Union Transferred Employee who became a participant in the 1999/2005 FirstEnergy Plan on his Transfer Date.

SD1.4 <u>Credited Past Service (Duquesne Retirement Plan)</u>. The words "Credited Past Service (Duquesne Retirement Plan)" shall mean, for Covered Employees retiring or terminating during a specific period set forth in Column 1 below, the Years of Past Benefit Service prior to the corresponding applicable date set forth in Column 2 below:

<u>Column 1</u> <u>Column 2</u>

On or after 10/1/01

January 1, 1996

A Covered Employee's Credited Past Service (Duquesne Retirement Plan) shall be frozen as of December 31, 2001 and shall not thereafter increase.

- SD1.5 <u>Duquesne Pension Plans</u>. The words "Duquesne Pension Plans" shall mean the Duquesne Retirement Plan and the Duquesne Supplemental Plan.
- SD1.6 <u>Duquesne Retirement Plan</u>. The words "Duquesne Retirement Plan" shall mean the Retirement Plan for Employees of Duquesne Light Company.
- SD1.7 <u>Duquesne Supplemental Plan</u>. The words "Duquesne Supplemental Plan" shall mean the Supplemental Retirement Plan for Non-Represented Employees of Duquesne Light Company.
- SD1.8 Excess Compensation. The words "Excess Compensation" shall mean the excess, if any, of the Covered Employee's Five Year Average Compensation over his Covered Compensation (Duquesne Supplemental Plan).
- SD1.9 <u>Five Year Average Compensation</u>. The words "Five Year Average Compensation" shall mean for a Covered Employee the highest average annual Earnings for any five (5) consecutive calendar years after 1971 and ending with the earlier of the year in which his Benefit Service ceases or the year ending December 31, 2001. Subject to both the preceding and the last sentences of this Section, in determining Five Year Average Compensation for a Covered Employee who incurs a break in employment or who is granted a leave of absence and resumes earning Benefit Service after such break or leave ceases, the calendar years during which such break or leave occurred (and any Earnings during such years) shall be disregarded and the years

immediately before and after such period shall be deemed to be consecutive years; provided, however, if Five Year Average Compensation would be higher if any or all of the otherwise disregarded years were included, then such year or years shall nevertheless be included. The average annual Earnings for any particular five (5) consecutive calendar years shall be determined by taking the aggregate Earnings during such period and dividing the result by five (5), unless there is no five (5) consecutive calendar year period during which the Covered Employee received Earnings in each month, in which case the aggregate Earnings during the five (5) consecutive years (or total period of employment if the Covered Employee did not receive Earnings in five (5) consecutive years) shall be divided by the number of years (and fraction) during such period in which the Covered Employee received Earnings (counting 1/12th of a year for each calendar month that the Covered Employee received Earnings in fifteen (15) or more days). A Covered Employee's Five Year Average Compensation shall be frozen at the level in effect on December 31, 2001 and shall not thereafter increase.

SD1.10 <u>Frozen Duquesne Accrued Pension</u>. The words "Frozen Duquesne Accrued Pension" shall mean for a Covered Employee, as of any determination date, the sum of (a) plus (b) below:

- (a) The annual amount of his Accrued Pension under the Duquesne Retirement Plan (without taking into account his cash balance pension, if any, under the Duquesne Retirement Plan) computed as if he terminated employment on his Transfer Date under the terms of the Duquesne Retirement Plan then in effect and without regard to any changes made to the Duquesne Retirement Plan, either retroactively or prospectively, after his Transfer Date (the "Frozen Basic Benefit").
- (b) The excess of the annual amount of his Accrued Supplemental Pension under the Duquesne Supplemental Plan computed as if he terminated employment on his Transfer Date under the terms of the Duquesne Supplemental Plan then in effect and without regard to any changes made

to the Duquesne Supplemental Plan, either retroactively or prospectively, after his Transfer Date over his Frozen Basic Benefit.

SD1.11 <u>Future Service Compensation</u>. The words "Future Service Compensation" shall mean the Covered Employee's aggregate Earnings during his period of Benefit Service but, for Covered Employees retiring or terminating during a specific period set forth in Column 1 below, the Earnings for Benefit Service subsequent to the corresponding applicable date set forth in Column 2 below and prior to January 1, 2002:

Column 1 Column 2

On or after 10/1/01 December 31, 1995

A Covered Employee's Future Service Compensation shall be frozen at the level in effect on December 31, 2001 and shall not thereafter increase.

SD1.12 <u>Non-Union Transferred Employee</u>. The words "Non-Union Transferred Employee" shall mean any person, other than a person whose terms and conditions of employment were covered under the collective bargaining agreement between the Company (or its wholly owned subsidiary, First Energy Nuclear Operating Co.) and Local Union 29 of the International Brotherhood of Electrical Workers, A.F.L. C.I.O. on or after December 26, 1999, and prior to January 10, 2000, who:

- (a) terminated employment with Duquesne Light Company as a result of a certain asset swap and was immediately reemployed on or before January 10, 2000 by the Company pursuant to the Conveyance Agreement dated March 25, 1999 between the Company and Duquesne Light Company (the "Conveyance Agreement"); and
- (b) was a participant in the Duquesne Pension Plans prior to his Transfer Date.

SD1.13 <u>Transfer Date</u>. The words "Transfer Date" shall mean with respect to a Non-Union Transferred Employee the earliest date he was employed by the Company pursuant to the Conveyance Agreement; provided, however, that such date was not later than January 10, 2000.

### **ARTICLE SD-2**

#### **EARNINGS**

- SD2.1 Section B2.8 of the 1999 FirstEnergy Constituent Plan shall be modified to read as follows with respect to each Covered Employee:
  - "B2.8 <u>Credited Career Earnings</u>. The words 'Credited Career Earnings' shall mean for an Eligible Employee his Earnings after his date of hire. Credited Career Earnings shall be subject to the Compensation Limit."
- SD2.2 Section B2.12 of the 1999 FirstEnergy Constituent Plan shall be modified to read as follows with respect to each Covered Employee:
  - "B2.12 <u>Earnings</u>. The word 'Earnings' shall mean the Base Earnings plus the following amounts which are paid (or deferred as described in subparagraph (c) below) by a Participating Employer to an Eligible Employee within any specified period commencing on or after his Transfer Date:
    - (a) overtime pay (to the extent not already included in Base Earnings under Section B2.3 hereof);
    - (b) bonuses paid based upon achieving specified skills or performance goals pursuant to a formal bonus program established by a Participating Employer with general application to a classification of Eligible Employees;

- (c) annual incentives or cash sales incentive awards paid prior to a termination of Service and annual incentives that were earned and vested after December 31, 2004, but deferred under any non-qualified plan;
- (d) sales commissions;
- (e) lump sum merit awards; and
- (f) amounts paid in lieu of vacation entitlement at the time an Eligible Employee terminates employment.

Earnings shall not include any other special or additional remuneration and reimbursements, including but not limited to long-term incentives, stock options, stock awards, phantom stock awards, ad hoc awards or bonuses, meal allowances or other expense allowances, fringe benefits (cash and non-cash), severance pay, safety, suggestion or attendance awards, recruiting or retention bonuses, moving expenses, welfare benefits, and employer contributions to the FirstEnergy Corp. Flexible Benefit Plan.

For any specified period ending prior to an Eligible Employee's Transfer Date, his Earnings shall mean his 'Compensation' as calculated under the terms of the Duquesne Pension Plans as in effect for any specified period prior to his Transfer Date. Earnings for periods prior to an Eligible Employee's Transfer Date shall be frozen at the levels in effect on his Transfer Date and shall not thereafter increase.

Earnings shall be subject to the Compensation Limit."

- SD2.3 Section B2.16 of the 1999 FirstEnergy Constituent Plan shall be modified to read as follows with respect to each Covered Employee:
  - "B2.16 <u>Highest Average Monthly Base Earnings</u>. The words 'Highest Average Monthly Base Earnings' shall mean the monthly Base Earnings of a 1999 FE Participant

averaged over the 1999 FE Participant's forty-eight (48) consecutive months of Service with one or more Participating Employers during the last one hundred twenty (120) months of Service which results in the highest average. Except for months in which Base Earnings are imputed to an Eligible Employee pursuant to a collective bargaining agreement or as a result of Military Service as provided in Sections B2.3(c) and B2.3(d) hereof, any full month during which an Eligible Employee is on approved leave and has no Base Earnings shall not be counted in the forty-eight (48) months used in this calculation. If a 1999 FE Participant has fewer than forty-eight (48) months of Service, then the 1999 FE Participant's Highest Average Monthly Base Earnings shall be determined by averaging, on a monthly basis, the 1999 FE Participant's Base Earnings during the 1999 FE Participant's entire Service; provided, however, effective January 1, 2014, months during which he has no Base Earnings shall not be included in determining Highest Average Monthly Base Earnings. For a period prior to his Transfer Date, a 1999 FE Participant will be deemed to have Service with a Participating Employer and Base Earnings if 'Compensation' was being taken into account for such period under the Duquesne Pension Plans."

#### ARTICLE SD-3

# PAST SERVICE

- SD3.1 <u>Years of Past Benefit Service</u>. The words "Years of Past Benefit Service" shall mean the following for a Covered Employee:
  - (a) solely with respect to calculating Years of Eligibility Service under the 1999 FirstEnergy Constituent Plan for periods prior to his Transfer Date,

- the sum of each year and fractional year of "Eligibility Service" credited to him as of his Transfer Date, computed for such purposes under the terms of the Duquesne Plans in effect on his Transfer Date; and
- (b) in all other situations, the sum of each year and fractional year of "Benefit Service" credited to him as of his Transfer Date, computed for such purposes under the terms of the Duquesne Pension Plans in effect on his Transfer Date.

Prior to January 1, 2007, "Eligibility Service" was referred to as "Vesting Service," "Benefit Service" was referred to as "Credited Service" and "Years of Past Benefit Service" were referred to as "Years of Credited Past Service."

#### **ARTICLE SD-4**

# RETIREMENT INCOME OR VESTED PENSION

- SD4.1 Section B6.1 of the 1999 FirstEnergy Constituent Plan shall be modified to read as follows with respect to each Covered Employee:
  - "B6.1 Normal Retirement Income. Subject to the applicable provisions of Article B8 hereof, the amount of monthly Retirement Income, payable to a 1999 FE Participant commencing on his Normal Retirement Date, shall be the greatest of the amount determined under subparagraph (a), (b) or (c) below, and minus the amount determined under subparagraph (d) below, as follows:
    - (a) [Provisions as they appear in Section B6.1(a) of the 1999 FirstEnergy Constituent Plan.]
    - (b) [Provisions as they appear in Section B6.1(b) of the 1999 FirstEnergy Constituent Plan.]
    - (c) <u>Duquesne Benefit Formula</u>. An amount equal to one-twelfth (1/12th) of the greater of (i) or (ii) below:

- (i) <u>Basic Accrued Benefit</u>. The amount determined under (A) below, subject to any adjustments that may be required by (B), (C), (D) and (E) below:
  - (A) The greater of (I) or (II):
    - (I) The sum of a. and b.:
      - a. 1.4% of the 1999 FE Participant's Annual Rate of Past Service Compensation, multiplied by the number (including fractions) of years of Credited Past Service (Duquesne Retirement Plan).
      - b. 1.4% of the 1999 FE Participant's Future Service Compensation.
    - (II) \$51 multiplied by the number (including fractions) of years of Benefit Service prior to January, 1, 2002 (up to a maximum of \$1,020).
  - (B) The amount determined under this Section B6.1(c)(i) shall not be less than the sum of (I) and (II):
    - (I) the amount determined under (A) above as if the 1999 FE Participant's employment had been terminated on December 31, 1993 under the terms of the Duquesne Retirement Plan then in effect.
    - (II) 1.4% of the 1999 FE Participant's aggregate Earnings with respect to the periods of Benefit Service after December 31, 1993 and prior to January 1, 2002.
  - (C) The amount determined under this Section B6.1(c)(i) shall not be less than the amount determined by applying the provisions of the Duquesne Retirement Plan relating to Future Service Compensation, Annual Rate of Past Service Compensation and Credited Past Service (Duquesne Retirement Plan) that were previously in effect and calculated on his Transfer Date, utilizing the prior five (5) year period.

- (D) The amount determined under this Section B6.1(c)(i) shall be subject to the reduction provided on his Transfer Date under Section 5.030(c) of the Duquesne Retirement Plan then in effect for the Pre-Retirement Survivor Option or the Pre-Retirement Ten Year Certain Option, if applicable.
- (E) The amount determined under this Section B6.1(c)(i) shall be frozen as of December 31, 2001 and shall not thereafter increase.
- (ii) <u>Supplemental Accrued Benefit</u>. The amount determined under (A) below, subject to any adjustments that may be required by (B) and (C) below:
  - (A) The greater of (I) or (II):
    - (I) The sum of a. and b.:
      - a. 1.0% of the 1999 FE Participant's Five Year Average Compensation, multiplied by the number (including fractions) of years of Benefit Service prior to January 1, 2002.
      - b. 0.8% of the 1999 FE Participant's Excess Compensation, multiplied by the number (including fractions) of years of Benefit Service prior to January 1, 2002 (up to a maximum of 27 years).
    - (II) The greater of a. or b., plus c.:
      - a. The sum of 1) and 2).:
        - 1) The Accrued Supplemental Pension as of December 31, 1988, determined under the terms of the Duquesne Supplemental Plan then in effect.
        - 2) The amount determined under (A)(I) above as if the 1999 FE Participant's employment had terminated as of December 31, 1993, but disregarding Benefit Service before January 1,

1989 (except for purposes of the 27 year maximum applicable to the amount determined under (A)(I)b. above) under the terms of the Duquesne Supplemental Plan then in effect.

- b. The amount determined under (A)(I) above as if the 1999 FE Participant's employment had terminated on December 31, 1993 under the terms of the Duquesne Supplemental Plan then in effect.
- c. The amount determined under (A)(I) above as of the earlier of the 1999 FE Participant's Retirement Date (or date of termination of employment) or December 31, 2001 but disregarding Benefit Service before January 1, 1994 (except for purposes of the 27 year maximum applicable to the amount determined under (A)(I)b. above) under the terms of the Duquesne Supplemental Plan then in effect.
- (B) The amount determined under this Section B6.1(c)(ii) shall be subject to the reduction provided on his Transfer Date under Section 5.030(c) of the Duquesne Supplemental Plan then in effect for the Pre-Retirement Survivor Option or the Pre-Retirement Ten Year Certain Option, if applicable.
- (C) The amount determined under this Section B6.1(c)(ii) shall be frozen as of December 31, 2001 and shall not thereafter increase.
- (d) An amount equal to one-twelfth (1/12th) of the 1999 FE Participant's Frozen Duquesne Accrued Pension."

SD4.2 Section B6.3 of the 1999 FirstEnergy Constituent Plan shall be modified by the addition of the following new paragraph at the end of said Section B6.3 with respect to each Covered Employee:

"Notwithstanding the foregoing paragraph, a 1999 FE Participant (other than one who has terminated employment and is entitled to a Vested Pension benefit under Section B6.5 hereof) who retires on an Early Retirement Date at a time when the Duquesne Benefit Formula produces the highest Retirement Income for him shall have his Retirement Income reduced by a percentage equal to the product of five-twelfths of one percent (5/12%) times the number of months by which the date on which his Retirement Income commences precedes the first day of the month following his sixtieth (60th) birthday, not to exceed twenty-five percent (25%)."

SD4.3 Section B6.5 of the 1999 FirstEnergy Constituent Plan shall be modified by the addition of the following new sentence at the end of subparagraph (a) of said Section B6.5 with respect to each Covered Employee:

"Notwithstanding the foregoing, if the Duquesne Benefit Formula produces the highest Retirement Income for a 1999 FE Participant, his Retirement Income shall not be reduced in accordance with the early retirement factors set forth in Table 1 but shall instead be reduced by a percentage equal to the product of five-twelfths of one percent (5/12%) times the number of months by which the date on which the Retirement Income commences precedes the first day of the month following his sixtieth (60th) birthday, not to exceed twenty-five percent (25%)."

SD4.4 Section B6.5 of the 1999 FirstEnergy Constituent Plan shall be modified by the addition of the following new sentence at the end of subparagraph (b) of said Section B6.5 with respect to each Covered Employee:

"Notwithstanding the foregoing, if the Duquesne Benefit Formula produces the highest Retirement Income for such a 1999 FE Participant, his Retirement Income shall not be reduced in accordance with the early retirement factors set forth in Table 2 hereto but shall instead be reduced by a percentage equal to the product of five-twelfths of one percent (5/12%) times the number of months by which the date on which the Retirement Income commences precedes the first day of the month following his sixtieth (60th) birthday, not to exceed twenty-five percent (25%)."

SD4.5 Section B9.1 of the 1999 FirstEnergy Constituent Plan shall be modified by the addition of the following new sentence at the end of the second paragraph of said Section B9.1 with respect to each Covered Employee:

"Notwithstanding the preceding sentences, if the Duquesne Benefit Formula produces the highest Retirement Income for such a deceased 1999 FE Participant, no reduction will be made under this Section for commencement prior to the date the 1999 FE Participant would have attained his Normal Retirement Date."

SD4.6 Section B9.3 of the Plan shall be modified by the addition of the following new sentence at the end of subparagraph (b) of said Section B9.3 with respect to each Covered Employee:

"Notwithstanding the foregoing, if the Duquesne Benefit Formula produces the highest Retirement Income for such a deceased 1999 FE Participant, such amount shall not be reduced by the early retirement factors set forth in Table 1 or Table 2 hereto but shall instead be reduced by a percentage equal to the product of five-twelfths of one percent (5/12%) times the number of months by which the date on which the Qualified Pre-Retirement Survivor Annuity commences precedes the first day of the month following the deceased 1999 FE Participant's sixtieth (60th) birthday, not to exceed twenty-five percent (25%.)"

#### **ARTICLE SD-5**

#### **MISCELLANEOUS**

SD5.1 Section B4.1 of the 1999 FirstEnergy Constituent Plan shall be modified with respect to each Covered Employee by the deletion of the words "the Effective Coverage Date" and the substitution in lieu thereof of the date "December 26, 1999."

SD5.2 Sections B4.3 and B4.6 of the 1999 FirstEnergy Constituent Plan shall be modified with respect to each Covered Employee by the deletion of the words "the Effective Coverage Date" and the substitution in lieu thereof of "his Transfer Date."