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September 24, 2012

Ms. Susan M. Cosper, Technical Director Financial Accounting Standards Board 401 Merritt 7 Norwalk, CT 06856

Email: director@fasb.org

Re: Proposed Accounting Standards Update – Disclosures about Liquidity Risk and Interest Rate Risk

File Reference 2012-200

Dear Ms. Cosper:

FirstEnergy Corp. is a diversified energy company dedicated to safety, reliability and operational excellence. Its ten electric distribution companies comprise one of the nation's largest investor-owned electric systems. Its diverse generating fleet features non-emitting nuclear, scrubbed baseload coal, natural gas, hydro and pumped-storage hydro and other renewables, and has a total capacity of nearly 20,000 megawatts.

FirstEnergy appreciates the opportunity to provide comments to the Financial Accounting Standards Board on its exposure draft regarding proposed disclosures about liquidity risk and interest rate risk. Since we are not a financial institution, and not subject to the proposed interest rate risk disclosures, our comments will focus on liquidity risk.

Overall, we believe the impact of this amendment would require a significant amount of preparation to implement the new disclosures, redundancy regarding some of the other disclosures and inconsistency in application -- ultimately providing little to no incremental value to financial statement users. The following are our responses to questions for the preparers of financial statements that are applicable to FirstEnergy and its subsidiaries.

Questions for Preparers and Auditors - Liquidity Risk

Question 2: For an entity that is not a financial institution, the proposed amendments would require a cash flow obligations table that includes the expected maturities of an entity's obligations. Do you foresee any significant operational concerns or constraints in complying with this requirement? If yes, what operational concerns or constraints do you foresee and what would you suggest to alleviate them?

FirstEnergy Response: We believe that the information that would be provided by these disclosure requirements is redundant to the information already required by the United States Securities and Exchange Commission's (SEC) Management's Discussion and Analysis (MD&A) disclosures for all of our Forms 10-K and 10-Q. However, there are fundamental differences regarding frequency of disclosure, time intervals disclosed, and the definition of expected maturities. Given these differences, including the proposed disclosures in the footnotes to the financial statements would create confusion for the users of our financial statements. Financial statement users would be unclear as to how information included in the footnotes compares and reconciles to the information presented in the MD&A.

Preparation of the current MD&A disclosure requirements for our four SEC registrants already requires a significant amount of information, planning, preparation and review. Including these proposed disclosures in the footnotes for four SEC registrants, as well as for our thirteen non-registrant subsidiaries, would create a significant challenge for us and our auditors. The work and cost to prepare the proposed cash flow obligation tables, including the accumulation, preparation and supporting of the financial information with our independent auditors, would be extensive, costly and time consuming. The additional burden that would be required to fulfill these disclosure requirements would result in little, if any, value added for users of our financial statements. As a result, we believe the required efforts to implement the proposed guidance greatly outweigh the benefits.

Question 3: The proposed amendments would require information about expected maturities for financial assets and financial liabilities to highlight liquidity risk. Expected Maturity is the expected settlement of the instrument resulting from contractual terms (for example, call dates, put dates, maturity dates, and prepayment expectations) rather than an entity's expected timing of the sale or transfer of the instrument. Do you agree that the term Expected Maturity is more meaningful than the term contractual maturity in the context of the proposed liquidity risk disclosures? If not, please explain the reasons and suggest an alternative approach.

FirstEnergy Response: We believe the term "Expected Maturity" is a more meaningful term in the sense that it would communicate to the readers of financial statements the company's expectations regarding the timing of expected sales or transfers of financial instruments, which may be different than their contractual maturity dates. However, we also believe that Expected Maturity dates require a significant amount of judgment and assumptions compared to documented contractual maturity dates. Based on our experience, the support needed to substantiate these assumptions with our auditors could become very burdensome since it could be highly subjective. This subjectivity would also likely cause diversity in application across companies, making the financial statement disclosures difficult to compare, leading to further confusion for financial statement users.

Notwithstanding our comments throughout this response, we also believe that the proposed amendments exclude very important disclosures that would cause the financial statements to be inconsistent in practice and misleading to the user if adopted as currently written. The exposure draft fails to require additional information that would give financial statement users the context and transparency of the disclosures in assessing the company's liquidity risks. For example, current SEC disclosure requirements require disclosures that cover collateral provisions and contingent payments such as a downgrade by a credit rating agency. Without this additional cash flow information, the disclosures as proposed would be incomplete since there is no framework to the information being disclosed. We believe that this is a very important aspect that should be considered if the amendments are adopted.

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Question 4: The proposed amendments would require a quantitative disclosure of an entity's available liquid funds, as discussed in paragraphs 825-10-50-23S through 50-23V. Do you foresee any significant operational concerns or constraints in complying with this requirement? If yes, what operational concerns or constraints do you foresee and what would you suggest to alleviate them?

FirstEnergy Response: We believe that the proposed disclosure of available liquid funds lacks clarity, leading to difficulty and inconsistency in application. The term "high-quality liquid assets" is not defined in the proposed guidance and will result in inconsistency in practice and incomparable disclosures among companies. While judgment is an integral part of accounting, we believe that without clarity into the term "high-quality liquid assets," it will result in inconsistent application among entities. In addition, paragraph 825-10-50-23S notes that the level of disclosure shall be made by "class of asset" which presents a lack of parameters regarding the level of disaggregation of liquid assets that would be required to be presented in the table. This is another aspect that would cause inconsistency and incomparability in practice.

Questions for All Respondents

Question 21: Although the proposed amendments do not have an effective date, the Board intends to address the needs of users of financial statements for more information about liquidity risk and interest rate risk. Therefore, the Board will strive to make these proposed amendments effective on a timely basis. How much time do you think stakeholders would require to prepare for and implement the amendments in this proposed Update? Should nonpublic entities be provided with a delayed effective date? If so, how long of a delay should be permitted and why? Are there specific amendments that would require more time to implement than others? If so, please identify which ones and explain why.

FirstEnergy Response: We believe that the proposed disclosures will require a significant amount of preparation to implement. This includes investigating and gathering of data, setting company policy for those disclosures requiring judgment and assumptions, implementation of internal controls and potential information technology configuration changes. While some of this information would already be gathered for our registrants' MD&A, the information would now also need to be audited and also be required to be prepared for all of our other remaining subsidiaries in order to prepare the consolidated disclosure.

Question 22: Do you believe that any of the amendments in this proposed Update provide information that overlaps with the SEC's current disclosure requirements for public companies without providing incremental information? If yes, please identify which proposed amendments you believe overlap and discuss whether you believe that the costs in implementing the potentially overlapping amendments outweigh their benefits? Please explain why.

FirstEnergy Response: Under current SEC disclosure requirements for public companies, many of the proposed liquidity risk disclosures are already presented in our MD&A. Below are the proposed amendments and how they are already addressed in our SEC disclosures:

- The Cash Flow Obligations (825-10-50-23M through 50-23R) topic of the amendment is substantially disclosed in our Capital Resources and Liquidity and Contractual Obligations sections of our MD&A. These disclosures include a discussion of liquidity exposures and

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risks, as well as an annual table that includes future, undiscounted cash outflows for firm contractual obligations by period. Furthermore, a detailed discussion on changes in our cash position are disclosed through an analysis of variances in the operating, financing and investing sections of the statement of cash flows.

- The Available Liquid Funds (825-10-50-23S through 50-23V) topic of the amendment is disclosed in our Capital Resources and Liquidity section of our MD&A. Specifically, the disclosure includes the amount of unrestricted available cash and cash equivalents, as well as the amount of liquidity available by credit facility. In addition, a significant amount of disclosure is included to describe the affiliated company lendings and borrowings (money pools) and the long-term debt capacity of FirstEnergy and its subsidiaries.

As a result, we believe the proposed disclosure requirements provide little to no incremental value to the financial statement users. We believe that requiring registrants to include these redundant disclosures in their financial statements would exacerbate "disclosure-overload". Additionally, we believe implementing this proposed guidance would be burdensome and costly, greatly outweighing any benefits anticipated for financial statement users.

FirstEnergy appreciates the opportunity to provide its point of view on the proposed amendment. While we are not a financial institution and only a portion of the proposed standard would apply, we strongly believe that this amendment would require a significant amount of preparation to implement new disclosures, results in redundancy with existing SEC disclosure requirements and provides little to no incremental value to financial statement users.

Sincerely,