76 South Main St.
Akron, Ohio 44308

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

330-384-5296
Fax: 330-384-5299

November 16, 2012

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

Subject: File Reference 2012-220

Dear Ms. Cosper:

FirstEnergy Corp. appreciates the opportunity to respond to the Financial Accounting Standards Board on its July 12, 2012, Invitation to Comment.

As background, FirstEnergy is a diversified energy company dedicated to safety, reliability and operational excellence. Our 10 electric distribution companies comprise one of the nation's largest investor-owned electric systems. Our 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 over 20,000 megawatts.

The following represents our views and responses to the questions posed by the Board that are applicable to FirstEnergy.

Introduction

The Discussion Paper is an excellent starting point to evaluate current disclosures and to consider changes that can be made to develop disclosures that are more effective to financial statement users and efficient for preparers.

The Discussion Paper is comprehensive and raises many points worth considering, but we believe the most important issue is articulated in Question 4. Therefore, we have provided general comments on each applicable chapter and a specific directed response to Question 4.

We also provided responses to the “Request of Respondents” in our attached appendices as requested by the Board.

Chapter 2 – The Board’s Decision Process

These General Comments relate primarily to Questions 2, 3 and 5 which state:

Question 2: Do the decision questions in this chapter and the related indicated disclosures encompass all of the information appropriate for notes to financial statements that is necessary to assess entities' prospects for future cash flows?

Question 3: Do any of the decision questions or the related indicated disclosures identify information that is not appropriate for notes to financial statements or not necessary to assess entities' prospects for future cash flows?

Question 5: Do you think that this decision process would be successful in helping the Board to set more effective disclosure requirements? If not, what would be a better approach?

The decision questions in this chapter and the related proposed disclosures are comprehensive and present sufficient positions to be considered as a starting point for the evaluation of disclosures. However, it appears that some of the decision questions propose disclosures that are not necessary or are duplicative of other information currently available in the financial statements. Furthermore, we believe many of the decision questions and related proposed disclosures are not necessary to assess the current financial position of a company or the prospects of its future cash flows.

The decision questions attempt to provide disclosure for every possible user of financial statements regardless of their sophistication, general business knowledge, knowledge of the industry or specific company, familiarity with Generally Accepted Accounting Principles (GAAP) or knowledge of general financial and economic conditions. We strongly believe that the disclosures should be directed to satisfy the needs of sophisticated users.

Some of the questions suggest detailed discussion of financial statement line items and their components. Considering the disclosure needs of a sophisticated user, this level of disclosure is excessive, impractical and, in many cases, cost prohibitive.

We propose that the disclosures be limited to providing an understanding of key business drivers of the reporting entity and the impacts on cash flows by targeting specific, value-added disclosures that balance the needs of financial statement users with the costs for preparers.

Some of the specific decision questions or related indicated disclosures that we found excessive or unnecessary are:

> *Question L1. Is there information about the nature or quality of the phenomenon or phenomena represented by the line item (for example, the underlying rights, obligations, or transactions) that can affect assessments of future cash flow prospects and that is not adequately conveyed by the line item's description? [Footnote omitted].*
>
> *Information to Be Considered for Disclosure, point "a". Enough information (normally narrative instead of quantitative) about the phenomenon or phenomena so a user may access reference materials or other sources of information to understand the phenomenon or phenomena.*

Providing line item disclosure regarding the nature or quality of the phenomenon or phenomena represented by the line item is unnecessary. A sophisticated user of financial statements should have an understanding of most line items without detailed explanations. Admittedly, in those rare instances in which an unusual line item exists, efforts should be made to provide an adequate understanding through general disclosure guidance as recommended in our response to question 4.

Question L2. Does the line item represent any of the following:

a. Financial Instruments
b. Other contracts or legally binding contracts
c. Other binding arrangements?

Information to Be Considered for Disclosure

f. The estimated amounts and timing of future cash flows that are not contractually specified but that are anticipated or otherwise probable (for example, based on past history or economic incentives).

Point "f" should not be proposed -- those anticipated, estimated amounts may be too subjective and not comparable.

Question L4. Does the line item include components of different natures that could affect prospects for future net cash flows differently?

This question suggests detailed discussions of the components of each line item in the financial statement, which seems excessive. It is expected that a sophisticated user will understand the components of financial statement line items. To the extent that components of financial statements differ significantly from each other or from comparable periods, they should be reported on a separate line, within reason. It would be extremely impractical and cost prohibitive to explain every unique aspect of each component of the financial statements.

Question L5. Are the cash flow prospects related to the line item affected by changes in general economic conditions or market factors, and are the conditions, factors, or likely effects on the line item not apparent from the nature of the line item? –and-

Question L6. Are the prospects for future cash flows related to the line item affected by changes in entity-specific factors or sector-specific factors, particularly those that can be expected to change frequently or significantly, and would a user not be expected to be aware of the factors or their potential effects?

A sophisticated user would generally understand the cash flow prospects related to financial statement line items for some of the issues discussed in these questions. The reporting entity may not be in a better position to predict some of these factors than a sophisticated user. Furthermore, the Statement of Cash Flows provides guidance into the impact on cash of items in the Statement of Financial Position and the Statement of Comprehensive Income. Also, disclosures of some of these items are often provided in other disclosures in a report, including the Management's Discussion and Analysis (MD&A), Risk Factors and forward looking statements.

Question L8. If the item is a productive asset or intellectual property, has the quality or utility of the line item changed?-and-

Question L15. Is the carrying amount of the line item an estimate that required assumptions, judgments, or other internal inputs that could reasonably have been different?

These questions propose making disclosures to explain potential differences in the fair value of a productive asset or intellectual property versus its carrying value. This disclosure seems excessive, as a sophisticated reader understands that assets carried at cost generally do not represent their fair market value.

Specific Comments on Question 4.

Question 4: Would these decision questions be better applied by reporting entities instead of the Board? In other words, should the Board change its practice of establishing detailed requirements in each project and, instead, establish a single overall requirement similar to the questions in this chapter?

We strongly believe that the Board should change its practice of establishing detailed requirements in each project.

The current approach to disclosure is inefficient and requires disclosure of information regardless of its value to the users of financial statements. More disclosure is not necessarily better disclosure. A reporting entity should have the flexibility to design, within limits, the disclosures that it believes best clarify its financial position, cash flows and results of operations within its own specific set of facts and circumstances.

The Board should provide general guidance for the types of items that should be discussed in the disclosures. The requirements should encourage an entity to discuss, in narrative form, the issues that are most important and relevant to understanding its financial statements.

Users of financial statements would benefit from disclosures that provide an analysis of the elements of the financial statements important to the entity. This would incorporate an explanation of the methods used in the measurement and recognition of those elements to the extent deemed appropriate. It would also include a discussion of the inputs into the development of those items not recorded on a cost basis and, where appropriate, a discussion of other important valuations and uncertainties impacting the entity. Naturally, any significant contingencies would be discussed.

To that end, we believe the Board should establish one set of overall disclosure requirements for each Presentation Topic of the Accounting Standards Codification (ASC). To the extent that a specific disclosure related to a particular ASC topic is considered absolutely necessary, it should be included in the new disclosure section and cross referenced to the applicable ASC Topic.

As discussed in paragraph 1.22 of the Invitation to Comment, this overall disclosure requirement approach, with much less detailed guidance, would require reporting entities to make their own decisions about the content and presentation of disclosures. We believe this approach will ultimately lead to more relevant, meaningful and cost-effective disclosures.

The Board could also encourage the use of tables and reconciliations to the extent they would facilitate the narrative discussion. These elements could even be required in certain situations, such as in the development of an effective income tax rate reconciliation. But this should be the exception rather than the rule.

We agree that there should be an increased emphasis on cash flows and the relationship of future cash flow to the financial statements presented. We believe that with general guidance these relationships can be discussed within the framework of a generic disclosure requirement.

Request of Respondents

The Board would appreciate it if respondents would apply this decision process to the Codification Topics of their own choosing and identify any changes to existing disclosure requirements that would seem to result.

Response: Please find our response attached as Appendix A.

<u>Chapter 3 – Making Disclosure Requirements Flexible</u>

<u>These General Comments relate primarily to Question 6 which states:</u>

Question 6: Would any of the possibilities in this chapter (see paragraphs 3.8 and 3.11) be a practical and effective way to establish flexible disclosure requirements?

We support additional flexibility in disclosures such as the approach in paragraph 3.8.b., which states: "The Board could put most of the responsibility for judgments on the reporting entities. The Board would set no specific disclosure requirements but would require reporting entities to apply the decision questions in Chapter 2." This approach provides the reporting entity with the flexibility to focus on the issues most relevant to its circumstances, as we discussed in our response to Question 4 above.

The approach provided in paragraph 3.15 is the next best alternative because it provides more flexibility than under current requirements. It states, in part: "One way to add flexibility to the requirements would be for the Board to word the requirements to prescribe the objective of the disclosure or the general type of information that is required and not to prescribe the form of the disclosure."

The other approaches described in this chapter do not provide flexibility for the company to address relevant information in a focused manner. Instead, they simply appear to take the current detailed disclosure requirements and reduce them to some degree for entities that meet certain requirements. While we do not see this as a significant enhancement, it would still be an improvement over the current status since insignificant or unimportant information may be excluded.

<u>Chapter 4 – Reporting Entities' Decisions about Disclosure Relevance</u>

<u>These General Comments relate primarily to Questions 9 and 10 which state:</u>

Question 9: This chapter attempts to provide a benchmark for judgments about disclosure relevance by clarifying the objective for the judgment. Is the description of the approach clear enough to be understandable? If not, what points are unclear?

Question 10: Can this approach (or any approach that involves describing the objective for the judgments) help identify relevant disclosures? If so, what can be done to improve it? If not, is there a better alternative? What obstacles do you see, if any, to the approach described?

The description of the proposed approach to providing a benchmark for judgments about disclosure relevance is clear and understandable. We found the statements in paragraphs 4.4, 4.7, 4.19, and 4.25 to be particularly useful, relevant and understandable. This is because, in summary, they focus on disclosures that: (1) explain a change in the assessment of prospects for cash flows, (2) encourage the disclosure of relevant information and not all disclosures presented in the ASC and (3) encourage the use of materiality and probability in determining needed disclosures.

Furthermore, the discussion in paragraph 4.36 is important because in order for disclosures to be effective, they must provide useful information, even if not specifically required. The paragraph includes the question: "Is it necessary to add a requirement in each Topic to disclose other information necessary to prevent financial statements from being misleading?" We believe the approach proposed in our response to Question 4 above adequately addresses this issue – that is, a generic, flexible approach would require disclosure of any information necessary to obtain a clear understanding of the financial position, results of operations and cash flows of an entity.

Request of Respondents

The Board asks that respondents help assess the practicality of the possible guidance in this chapter and its potential for improving disclosure effectiveness by applying it to some or all of the notes in their prior period financial statements. Please provide information about the results of that test that is as specific as possible.

Response: Please find our response attached as Appendix B.

<u>Chapter 5 – Format and Organization</u>

<u>These General Comments relate primarily to Questions 12 and 14 which state:</u>

Question 12: Would any of the suggestions for format improve the effectiveness of disclosures in notes? If so, which ones? If not, why not?

Question 14: Do any of the suggested methods of organizing notes to financial statements improve the effectiveness of disclosure?

We believe that the format and organization of the notes can increase their effectiveness. At this point in the project, however, these issues should not be a distraction from the main focus -- making the content of the disclosures more effective for users and efficient for preparers.

In our opinion, cross referencing financial statement line items to notes and highlighting more relevant information would improve effectiveness of disclosures. However, excessive cross references may cause confusion for the reader. We believe that the use of cross references should be encouraged but not required. Furthermore, while we find tables useful in certain limited circumstances, they are often over-used and provide information that is not particularly relevant or useful.

We do not believe that the suggested methods of organizing the notes significantly improve their effectiveness. Specific requirements related to the organization of notes could sacrifice meaningful, all-inclusive and comprehensive disclosures for the sake of compliance with organization guidelines. In addition, requiring enterprises to order their footnotes in a certain way may falsely imply an order of importance to the footnotes.

We do recognize that organization of the notes by industry could be useful. Since entities within an industry face the same or similar issues it could be helpful to the user if their notes were structured in a similar manner.

We strongly support the approach in paragraph 5.18.b which allows flexibility to provide implementation guidance (or advice) to help reporting entities determine the order of the notes because it provides both flexibility and assistance to the reporting entity in the development of its disclosures.

Chapter 6 – Disclosures for Interim Financial Statements

These General Comments relate primarily to Questions 16, 17 and 18 which state:

Question 16: Do you think that any of the possibilities in this chapter would improve the effectiveness of disclosures for interim financial statements?

Question 17: If you think that a framework for the Board's use in deciding on disclosure requirements for interim financial statements would improve effectiveness of interim reporting, what factors should the Board consider when setting disclosure requirements for interim financial statements?

Question 18: If you think that a framework for reporting entities' use in deciding on disclosures for interim financial statements would improve the effectiveness of interim reporting, what factors should reporting entities consider when providing disclosure requirements for interim financial statements?

We believe it is necessary to develop the framework that will be used in the annual statements before addressing the interim statements.

Interim disclosures should focus on changes in the business, contingencies, the financial reporting model, inputs into the measurement of financial statement elements or accounting policies, and anything that prevents the statements from being misleading or highlights material events. The reporting entity should focus on disclosures that target specific, value-added information related to the entity and its industry.

Interim disclosures should not become redundant by repeating information from the annual disclosures when there have been no significant updates to the information.

In that regard, we would support the approaches proposed in paragraphs 6.19 and 6.20. These methods provide for the development of a set of decision questions for establishing disclosure requirements for interim reports, and they provide some examples of those questions. Specifically paragraphs 6.19 and 6.20 state:

> "If the Board developed a set of decision questions for establishing disclosure requirements for interim reports, some of those questions would include the following:
> a. Are there aspects of the business or the transaction that would be reflected differently during interim periods because of the nature of the business?
> b. Are there likely to be changes from the prior year-end to the current interim reporting date that would have to be disclosed to be apparent?
> c. Would additional explanation be needed about amounts in financial statements because those financial statements are condensed?

d. Is it likely that there would be events or conditions that would arise during interim periods that were not reported in the prior annual period?
e. Is it likely that an event or condition reported in the last statement would change significantly?
f. Is the accounting required for Interim periods different from that required in annual reports?"

"Disclosure requirements for interim reports probably would need to be flexible. The decision about how to allow flexibility in interim disclosures would probably depend on the board's ultimate decision about flexibility in annual reports."

Three elements of paragraph 6.19 are particularly relevant: (1) Question "a", which solicits aspects of the business or the transaction that would be reflected differently because of the nature of the business; (2) Question "b", which strives to identify changes from the prior year end that would need to be disclosed to be apparent and (3) Question "e", which addresses an event or condition that would change significantly.

Chapter 7 – Other Matters for Discussion

These General Comments relate primarily to Questions 20, 21 and 22 which state:

Question 20: Would the change in the requirements described in paragraph 7.8 for disclosure of the summary of accounting policies improve the effectiveness of disclosure?

Question 21: Should the summary of accounting policies include information about industry-specific accounting policies?

Question 22: Are there other required disclosures that could be modified or eliminated in the short term that would result in a significant reduction in the volume of notes to the financial statements?

We support a reduction in the disclosure for accounting policies as discussed in paragraph 7.8. Limiting these disclosures to alternative accounting methods, items not directly addressed by reporting requirements, or those that are not analogous to other transactions or events, would reduce unnecessary disclosures without having an adverse impact on the sophisticated user.

However, we believe industry-related disclosures are also important. It is appropriate for the summary of accounting policies to include a brief recognition of industry-specific accounting policies with a brief summary of the main provisions of those policies and a reference to the related ASC Topic. This will assist the user in identifying where background or other related information may be found.

For example, a significant portion of FirstEnergy's business is subject to the provisions of ASC Topic 980, Regulated Operations. We believe a general understanding of that Topic is fundamental to the understanding of our financial statements. In this regard, we envision a simple statement recognizing the use of the accounting provisions of ASC Topic 980, noting that it provides for the capitalization of certain costs that would otherwise be expensed, if the provisions of Topic 980 are met.

We believe that the Board should take a fresh look at the disclosures currently required for Pensions and Other Postretirement Benefit Plans and Derivatives and Fair Value Measurements. Both of these disclosures require extensive tables and reconciliations, some of which are not significant to the overall understanding of how these issues impact some reporting entities. These disclosures may be confusing and may create non-value-added work in the disclosure preparation process.

Thank you for the opportunity to provide FirstEnergy's perspective on this important issue. This project has the potential to give reporting entities more flexibility in their disclosures by focusing on meaningful information that is important to entities and their industry.

We are very hopeful that the Board's ultimate proposal will improve the effectiveness of disclosures for financial statement users and provide efficiencies in the preparation of the disclosures.

Sincerely,

Appendix A

Request of Respondents

The Board would appreciate it if respondents would apply this decision process to the Codification Topics of their own choosing and identify any changes to existing disclosure requirements that would seem to result.

Response:

We are applying the decision process to the Codification Topic dealing with Asset Retirement Obligations (ARO), ASC Topic 410-20-50.

The decision process provides for the consideration of twenty questions proposed by the Board. We will address those that may be viewed as changing existing disclosure requirements.

Asset Retirement Obligations

The current disclosure requirements for ARO are relatively straightforward in that they simply require a description of the ARO, the fair value of any related restricted assets and a reconciliation of the ARO balance.

Question G3. Are there restrictions on the entity's use of assets and potential concerns about the entity's cash flows that are not otherwise apparent from the financial statements?

In general, this question would support the continuation of the ARO disclosure in its current form. However, the Information to Be Considered for Disclosure may suggest further expansion of the disclosures; primarily item "c" which suggests providing a "Description of plans or strategies to deal with any concerns about shortfalls." The current guidance already requires disclosure of the fair value of the related restricted assets. However, it does not require a discussion of any concerns or strategies dealing with potential shortfalls. We believe shortfalls that are probable of occurring should be discussed.

Question L1. Is there information about the nature or quality of the phenomenon or phenomena represented by the line item (for example, the underlying rights, obligation, or transactions) that can affect assessments of future cash flow prospects and that is not adequately conveyed by the line item's description?

An ARO, if significant, will usually be disclosed as a separate item on the balance sheet. This balance would directly agree with the footnote disclosure required. The determination of the balance of the ARO is contingent upon the estimated future cash flows required to settle the obligation. A sophisticated user of financial statements would understand the accounting requirements for the measurement of the ARO. However, this question may be interpreted to require a discussion of the cash flows impacting the ARO. This issue is discussed in more detail in questions that follow.

Question L2. Does the line item represent any of the following:

a. **Financial Instruments**
b. **Other contracts or legally binding documents**
c. **Other binding arrangements?**

The Information to Be Considered clarifies the question in parts "a", "e" and "f" by suggesting disclosure of the terms and the estimated amounts and timing of cash flows that are contractually required and those that are simply probable.

These issues could be interpreted to expand the current reporting requirements for ARO beyond those currently provided for in the ASC. They suggest expanding the reporting of liabilities that are not contractually specified but that are anticipated or otherwise probable.

The question may also suggest enhanced disclosure of the inputs into the determination of the ARO.

We believe the current ARO disclosures are adequate in this regard and do not require the suggested expansion.

Question L14. Is the method for determining the amount of the line item uncommon, not apparent from the description, or otherwise hard to discern?

The current disclosure requirements for ARO do not require a discussion of the method for determining the amount of the liability. The measurement sections of ASC Topic 410 describe how to determine the ARO but those methods are not required to be disclosed currently.

This question may be interpreted to require further disclosure of the methods used to originally record and subsequently adjust the ARO. It may also be interpreted to require discussion of the methods of determining the changes in the balance of the ARO, especially from accretion. We believe a sophisticated user will understand the requirements of ASC Topic 410 and further disclosures of this nature are not warranted.

Question L15. Is the carrying amount of the line item an estimate that required assumptions, judgments, or other internal inputs that could reasonably have been different?

The carrying amount of the ARO is an estimate that requires assumptions, judgments and other inputs. In most cases an ARO is determined by the use of a discounted cash flow model that estimates the future cost of remediating the related asset. These estimates involve the future cost of materials and labor as well as inflation. The amounts are then discounted at an appropriate rate.

This question suggests a significantly more robust discussion of the determination of the amount carried on the balance sheet for the ARO.

We believe that the current disclosure requirements are adequate and a detailed discussion or calculation of the determination of the amount of the ARO is unwarranted given the subjective nature of its inputs.

Question O1. Have any of the following events or conditions created a possibility that net cash flows that the entity would otherwise have experienced will be significantly different (lower or higher):

a. **Potential litigation against the entity or by the entity against another entity or entities (because of specific matters instead of general business risk)**
b. **Existing litigation against the entity or by the entity against another entity or entities, the outcome of which is still uncertain**
c. **Possible or known violations by the entity of laws, regulations or contractual terms or violations of the entity's rights under statutes, regulations or contracts**
d. **Other uncertain conditions?**

Since an ARO is generally required as a result of a statue, law or regulation, it would not be uncommon for a legal proceeding to have an impact on the existence or amount of an ARO. Currently any material litigation or violation of law, regulation or contractual terms would be disclosed in a Contingency note. However, this question would suggest that the discussion of the litigation be included in the ARO disclosure. It may also suggest that the potential impact on the ARO of any such uncertainties be documented as they may impact future cash flows.

We believe litigation is properly disclosed in the Contingency note; however, to the extent it has a potential impact on the ARO, the ARO note should be referenced to the Contingency note.

Question O7. Could an entity's possible future cash flows be subject to significant changes because of the effects of possible future changes in the following:

a. **Interest rates**
b. **The entity's ability to obtain financing**
c. **Foreign currency exchange rates**
d. **Commodity prices (whether exchange-traded or not) or volumes**
e. **Stock market prices or volumes**
f. **Other financial market prices or market conditions?**

Since the ultimate settlement of an ARO will often occur many years in the future and require a variety of inputs, the future cash flows associated with the ARO can certainly be impacted by the microeconomic factors posed in this question. Furthermore, since the carrying value of the ARO is often a discounted cash flow calculation, it is dependent on interest rates.

Therefore, this question could be interpreted to suggest a more detailed discussion of the sensitivity of the ARO to changes in certain microeconomic inputs. Given the subjective nature of the ARO determination, we believe the current disclosure requirements are adequate.

In conclusion, we believe that excessive disclosures for ARO would result if the decision suggested in this Invitation to Comment were strictly used as a basis for determining the necessary disclosures.

Appendix B

Request of Respondents
The Board asks that respondents help assess the practicality of the possible guidance in this chapter and its potential for improving disclosure effectiveness by applying it to some or all of the notes in their prior period financial statements. Please provide information about the results of that test that is as specific as possible.

Response:

In performing our assessment we relied primarily on the guidance provided in paragraphs 4.4, 4.7, 4.19 and 4.29.b. These paragraphs suggest that only relevant disclosures should be provided, regardless of the specific provisions of the ASC. Furthermore, they suggest that disclosures should be incremental to a baseline assessment of cash flow prospects and that entities should not carry forward disclosures from prior years without reconsideration. We applied this guidance to the notes from our 2011 financial statements that address Significant Accounting Policies, Regulatory Matters and Contingencies.

Significant Accounting Policies

Our 2011 financial statements included a note on our Significant Accounting Policies. The main components of that note and how it would be impacted by the guidance provided in the Invitation to Comment (guidance) are:

A brief discussion of the applicability of ASC Topic 980, Regulated Operations, as well as the quantification of the related regulatory assets and liabilities. We believe this disclosure continues to be appropriate under the guidance of Chapter 4 of the Invitation to Comment, primarily because it provides necessary industry specific accounting guidance and quantifies assets and liabilities that can have a material impact on future cash flows.

A discussion of Revenues and Receivables. Under the guidance, we believe this portion of the note can be eliminated as it provides little information outside of what would be considered a baseline assessment. This conclusion is based on a sophisticated user having an understanding of the main elements of our business.

A computation of Earnings Per Share (EPS). Under the guidance provided, we do not believe it is necessary to provide the actual computation of EPS. A sophisticated user would understand the requirements for the computation. Furthermore, in our case the Basic and Diluted EPS are substantially the same. Finally, the computation of EPS provides no information to assess future cash flows. We would suggest that EPS disclosure, in this case, be limited to providing EPS only on the Income Statement.

A discussion of Property, Plant and Equipment (PP&E) including certain balances, depreciation rates, jointly-owned plants and an explanation of Asset Retirement Obligations (ARO). Under the guidance, most of this note would probably not be necessary. It primarily provides information that a sophisticated user would have available through the analysis of the financial statements and from the user's knowledge of GAAP. The breakdown of PP&E could be obtained from the Segment note.

Although depreciation rates could not be ascertained in the detail provided, they can be reasonably estimated from the information in the financial statements.

The ARO information is basically a summary of the requirements of the ASC with some company-specific information that could be within a baseline understanding of the company. Furthermore, none of the information provided has a direct impact on future cash flows.

Also, if there was a significant change affecting these areas, the event would probably require disclosure in a separate note, such as a note on Impairments or Asset Retirement Obligations.

A discussion of assessments made related to Asset Impairments including Long-lived Assets, Goodwill and Investments. The discussion related to long-lived assets simply summarizes in a narrative the requirements of the ASC, and would not be needed under the guidance. The discussion of goodwill also summarizes the requirements of the ASC, and to that extent would not be necessary. In addition, it provides some specific details of goodwill as it relates to the Company. Some of this information identifies new goodwill added during the year which is relevant. Other information provides insight into the goodwill cushion which is also relevant and the remaining information can be obtained from the Segment note. The discussion of Investments is primarily a summary of the ASC requirements that would not be needed; however, information is also provided regarding impairments reflected in the financial statements. This information is relevant but would not be needed if separately disclosed on the financial statements themselves. The information in this note does not provide any information regarding future cash flows.

A discussion of Accumulated Other Comprehensive Income (AOCI), which consists primarily of a reconciliation of the balance for all years provided. This note primarily consists of two tables that comprise an entire page. The balances of AOCI for FirstEnergy Corp. are relatively small and do not justify the amount of disclosure provided to them. A simple statement discussing the items that comprise AOCI would be sufficient given that the balance is provided on the balance sheet and many changes are identified in the Statement of Other Comprehensive Income

Details of a change in Accounting Policy. FirstEnergy changed its policy in accounting for Pensions and Other Postemployment Benefits. Since this was a change in accounting policy, it is a necessary disclosure and would not be changed as a result of the guidance.

Regulatory Matters and Contingencies

In our 2011 financial statements we include a note that discusses Regulatory Matters and another note that includes the discussion of Contingencies. For the most part these notes discuss ongoing litigation, environmental compliance issues and regulatory issues. Many of these issues are open for a number of years.

Essentially, it has been our practice to carry forward the continuing events impacting each item. As a result, any event occurring in prior periods is repeated in subsequent periods thereby creating a continuing comprehensive discussion of the issue from the beginning of the issue up to, and including, its current status.

The guidance suggests that it would no longer be necessary to carry forward information regarding open cases but that it would be acceptable to simply update the disclosure for current events and rely on the user to be familiar with the history of the issue. Such an approach would significantly reduce the size of the notes.

Furthermore, it should be recognized that a significant amount of information regarding Regulatory Matters and Contingencies are often discussed in the MD&A or other sections of the reports to the SEC.

We support any changes that would allow these disclosures to be focused on issues relevant to a sophisticated financial statement user, such as new events or changes in the status of previously reported information.