December 15, 2010

Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Re: Preliminary Views on Insurance Contracts
File Reference No. 1870-100

Dear Sir or Madam:

FirstEnergy Corp. genuinely appreciates the opportunity to respond to the Financial Accounting Standard Board’s Preliminary Views on Insurance Contracts.

FirstEnergy is a diversified energy company in the United States with approximately $34 billion of assets, $13 billion in annual revenues, and $11 billion in market capitalization. Our subsidiaries and affiliates are involved in the generation, transmission and distribution of electricity, as well as energy management and other energy-related services. Our seven electric utility operating companies comprise the nation's fifth largest investor-owned electric system, serving 4.5 million customers within 36,100 square miles of Ohio, Pennsylvania, and New Jersey. Our generation subsidiaries control more than 14,000 megawatts of capacity.

We support the FASB and the International Accounting Standards Board (IASB) in their objective to develop accounting principles that enhance the transparency and relevance of financial statements. We also support the effort to make improvements to the recognition, presentation and disclosure of insurance contracts. However, we believe the scope exception in paragraph 28(b) for all employers’ assets and liabilities under employee benefit plans should include health insurance provided by an employer. Employer-provided insurance represents compensation expense from which the employer does not seek to profit and, therefore, should not be considered an insurance contract. Accordingly, the accounting for these arrangements should be consistent with the accounting for other benefits provided to employees.

FirstEnergy appreciates the opportunity to comment on the FASB’s Preliminary Views on Insurance Contracts. We agree with many of the tentative conclusions outlined in the proposal, but urge the FASB to consider excluding all employee related compensation and benefits. FirstEnergy Corp. looks forward to continued participation in this important project and appreciates the opportunity to present our views.

Sincerely,

[Signature]

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