April 22, 2013

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

Subject: File Reference No. EITF-13C, Presentation of a Liability for an Unrecognized Tax Benefit When a Net Operating Loss Carryforward or Tax Credit Carryforward Exists.

Dear Ms. Cosper:

FirstEnergy Corp. appreciates the opportunity to respond to the Financial Accounting Standards Board on its February 21, 2013 exposure draft, Presentation of a Liability for an Unrecognized Tax Benefit When a Net Operating Loss Carryforward or Tax Credit Carryforward Exists.

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.

FirstEnergy believes that presenting future liabilities for unrecognized tax benefits (UTB) on a gross basis is more meaningful to investors than offsetting those liabilities with net operating loss or tax credit carryforwards. Net operating loss utilization is easily impacted by many issues, including changes in book income, gains generated by one-time transactions, and changes to apportionment factors and effective tax rates, particularly in state and local tax jurisdictions. Changes to assumptions supporting the utilization of net operating losses will require remeasurement of the corresponding UTB. We believe that such frequent remeasurement of UTBs based only on the availability of net operating loss offsets may be misleading to investors and will detract from the original intent of ASC 740-10, which was to measure future liabilities to taxing authorities based on the merits and risks of the technical tax position.

Thank you for the opportunity to comment.

Sincerely,

K. Jon Taylor
Vice President and
Assistant Controller