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COMMITTEE ON EDUCATION AND THE
WORKFORCE

June 14, 2012

Ms. Mary L. Schapiro
Chairman
United States Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: FirstEnergy Corporation

Dear Chairman Schapiro:

On March 21, 2012, I wrote a letter to you requesting an investigation into whether FirstEnergy Corporation violated federal securities laws in statements that it had made to its investors with respect to the cracking that was discovered on October 10, 2011 in the concrete wall of the shield building at FirstEnergy's Davis-Besse nuclear power plant. In that letter, I called your attention to the difference between the true nature of the cracking ("laminar [sheet] cracking that existed in all of the areas tested and in both the lower and upper levels of the wall"), and FirstEnergy's description of the cracking in its October 31, 2011 letter "To The Investment Community":

"[A] sub-surface hairline crack was identified in one of the exterior architectural elements on the Shield Building on October 10 following opening of the building for installation of the new reactor head. These elements serve as architectural features and do not have structural significance."

I also called your attention to the failure of FirstEnergy to correct this misrepresentation, even after the NRC informed FirstEnergy that it would have to calculate the remaining strength of the shield building wall based upon an assumption that the main outer vertical steel did not even exist.

Since I wrote that letter, my staff has discovered an even more egregious situation in which FirstEnergy has misrepresented the cracking at Davis-Besse to its shareholders.

On February 27, 2012, FirstEnergy submitted its "Root Cause Analysis Report" to the NRC, relating to the cracking in the Davis-Besse shield building wall. In that report, FirstEnergy admitted that the cracks in the shield building wall made the shield building "non-conforming to the current design and licensing bases...." In layman's terms, that means that, given the reduced structural strength of the shield building wall, FirstEnergy would not be issued a license to operate Davis-Besse if it applied for one today.

On the very next day, February 28, 2012, the management of FirstEnergy signed the company's Annual Report, in which they repeated and augmented their earlier misrepresentations about the cracking in the shield building wall and the absence of any structural implications:

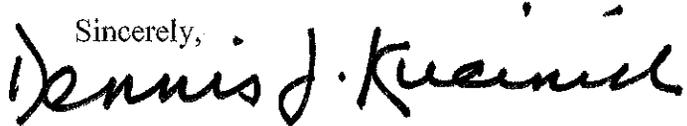
On October 10, 2011, following opening of the building for installation of the new reactor head, **a sub-surface hairline crack was identified in one of the exterior architectural elements on the shield building. These elements serve as architectural features and do not have structural significance.** During investigation of the crack at the shield building opening, concrete samples and electronic testing found similar sub-surface hairline cracks in most of the building's architectural elements. FENOC's investigation also identified other indications. Included among them were subsurface hairline cracks in the upper portion of the shield building (above elevation 780') and in the vicinity of the main steam line penetrations. **A team of industry-recognized structural concrete experts and Davis-Besse engineers has determined these conditions do not affect the facility's structural integrity or safety.** [Emphasis supplied].

When Davis-Besse was originally designed, engineers calculated the maximum forces that the shield building would have to withstand. The NRC then required a greater strength to provide a margin of safety. The shield building was constructed with even greater strength than that, providing an additional margin of safety. FirstEnergy's Report to the NRC means that the additional margin of safety no longer exists, and that the overall margin of safety has been reduced below what the Davis-Besse operating license required. But, FirstEnergy's Annual Report claims that "these conditions do not affect the facility's structural integrity or safety."

I am concerned that FirstEnergy may have made material misrepresentations to its investors, in violation of the securities laws of the United States, in an effort to minimize the appearance of the problem at Davis-Besse. Davis-Besse is a major asset of FirstEnergy, and any reduction of the value of Davis-Besse would have a significant impact on the price of FirstEnergy stock. The NRC operating license for Davis-Besse expires in 2017 and FirstEnergy has applied for a 20-year extension of that license. Any problems with the integrity of the wall of the shield building could have an effect upon that license extension application. If that application were denied, it could have a major effect upon the value of FirstEnergy stock.

The bottom line is that FirstEnergy has told its investors, in two written documents, that it had found "sub-surface hairline cracks" in "the building's architectural elements" that "do not have structural significance," when what it had actually found was laminar cracking adjacent to the main outer steel reinforcement that was so extensive that 1) the main outer vertical steel is no longer considered to have any structural effect, and 2) the wall of the shield building no longer conforms to the "current design and licensing bases." These discrepancies merit an investigation by the SEC into whether or not FirstEnergy has made material misrepresentations to its investors.

Sincerely,

A handwritten signature in black ink that reads "Dennis J. Kucinich". The signature is written in a cursive, slightly slanted style.

Dennis J. Kucinich
Member of Congress