FirstEnergy

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VIA ELECTRONIC MAIL

Mr. Scott White
President
IGS Energy

Dear Mr. White:

This letter is in response to your July 16, 2014 letter to the FirstEnergy Utilities' Executive Vice President and President Charles Jones regarding IGS's formal request to utilize certain assets of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company's (the "Companies") to market and invoice warranty products and services to the Companies' customers. The letter also alleges that the Companies are providing marketing and billing services to HomeServe without providing that same benefit to other companies in violation of Ohio Revised Code 4905.35(A).

Under their tariff, the Companies are permitted to offer to their customers' products and services. The Companies do have a program offering such services and has contracted with a vendor, HomeServe, to implement that program. HomeServe is a vendor for the Companies and is not, as the letter suggests, simply a third party to whom the Companies allow to market and invoice their customers.

In addition, the Companies chose HomeServe as a result of a public request for proposal. Any company providing similar services, such as IGS, was welcome to submit a proposal in response. This public request for proposal demonstrates that no undue preference or advantage was given to HomeServe.

Finally, the Companies have been providing these programs through a vendor for several years without concern that the programs violate their tariffs, Commission regulations or Ohio law. We are also aware that IGS raised similar concerns in Case No. 14-0689-EL-ATA and 14-0690-EL-ATA related to Duke Energy Ohio Inc.'s tariff authorizing similar programs and that the Commission did not adopt those conclusions.

I hope that this response addresses IGS's concerns. If you have any further questions, please do not hesitate to contact me.

Very truly yours,

Carrie M. Dunn

Cc: Joseph Oliker, counsel for IGS.