Joint Applicants Statement No. 3

JOINT APPLICATION OF METROPOLITAN EDISON COMPANY, PENNSYLVANIA ELECTRIC COMPANY, PENNSYLVANIA POWER COMPANY, WEST PENN POWER COMPANY, MID-ATLANTIC INTERSTATE TRANSMISSION COMPANY, KEYSTONE APPALACHIAN TRANSMISSION COMPANY AND FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY

METROPOLITAN EDISON COMPANY
DOCKET NO. _____

PENNSYLVANIA ELECTRIC COMPANY
DOCKET NO. _____

PENNSYLVANIA POWER COMPANY
DOCKET NO. _____

WEST PENN POWER COMPANY
DOCKET NO. _____

MID-ATLANTIC INTERSTATE TRANSMISSION COMPANY
DOCKET NO. _____

KEYSTONE APPALACHIAN TRANSMISSION COMPANY
DOCKET NO. _____

FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY
DOCKET NO. _____

Direct Testimony
of
Ermal Fatusha

<u>List of Topics Addressed</u>

Financial/Long-Term Planning

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DIRECT TESTIMONY
OF
ERMAL FATUSHA

I. INTRODUCTION AND BACKGROUND

Q. Please state your name, title, and business address.

A. My name is Ermal Fatusha. I am employed by FirstEnergy Service Company ("FESC"), a subsidiary of FirstEnergy Corp. ("FirstEnergy"), as the Director of Capital Markets within the Corporate Treasury Department. My business address is 76 South Main Street, Akron, Ohio 44308.

Q. Please describe your responsibilities as the Director of Capital Markets.

A. I oversee capital markets activities, debt compliance, liquidity and cash management support for all of FirstEnergy's subsidiaries, including its wholly-owned Pennsylvania electric distribution companies ("EDCs") and transmission companies. I am responsible for the development, coordination, preparation, and presentation of the Pennsylvania OpCos' financing matters before the Pennsylvania Public Utility Commission ("PaPUC" or "Commission").

Q. What is your educational and professional background?

A. I received a Bachelor of Science in Business Administration from The Ohio State University in 2002 and a Master's in Business Administration from Case Western Reserve University in 2009. I have been employed by FirstEnergy since 2003. During the period of my employment, I have held various positions of increasing responsibility. In August 2018, I was named to my current position. My work experience is more fully described in Appendix A of my testimony.

Q. On whose behalf are you testifying in this proceeding?

A. I am testifying on behalf of Metropolitan Edison Company ("Met-Ed"), Pennsylvania Electric Company ("Penelec"), Pennsylvania Power Company ("Penn Power"), and West Penn Power Company ("West Penn") (collectively referred to as the "Pennsylvania OpCos"), FirstEnergy Pennsylvania Electric Company ("FE PA"), Mid-Atlantic Interstate Transmission, LLC ("MAIT") and Keystone Appalachian Transmission Company ("KATCo"). I will collectively refer to these entities as the "Companies" or the "Joint Applicants." My testimony applies equally to all the Companies, unless otherwise stated.

Q. What is the purpose of your direct testimony?

A. The purpose of my testimony is to provide a detailed description of the Joint Applicants' request, as described in the Application, for (1) the merger of the Pennsylvania OpCos into FE PA (the "Pennsylvania OpCos Consolidation"); (2) FirstEnergy's purchase of all of the Class B membership interests in MAIT currently held by Met-Ed and Penelec; and (3) West Penn's contribution of its transmission assets, rights, and obligations to KATCo (collectively hereinafter, the "Transaction"). I will identify the step-by-step process that will be undertaken to effectuate the Transaction, the agreements required to effectuate each step, and certain of the public benefits that will result from the creation of a consolidated, distribution-only entity in Pennsylvania. In addition, I will detail the financial aspects of the Transaction. I will also address the inclusion of FE PA and KATCo in the Third Revised and Restated Utility Money Pool Agreement ("Money Pool Agreement" or the "FirstEnergy Regulated Money Pool").

Q. Are you sponsoring any exhibits as part of your testimony?

A. Yes. I am sponsoring the following exhibits as part of my testimony:

Joint Applicants Exhibit EF-1 - Transaction Step Plan Overview

Joint Applicants Exhibit EF-2(a) through 2(d) are the Agreements and Plans of Merger setting forth the terms and conditions with respect to each of the following:

- EF-2(a) – Form of Agreement and Plan of Merger by and among FirstEnergy Corp., FirstEnergy Pennsylvania Holding Company LLC, FirstEnergy Pennsylvania Electric Company, Met-Ed LLC and Metropolitan Edison Company
- EF-2(b) – Form of Agreement and Plan of Merger by and among FirstEnergy Corp., FirstEnergy Pennsylvania Holding Company LLC, FirstEnergy Pennsylvania Electric Company, Penelec LLC and Pennsylvania Electric Company
- EF-2(c) – Form of Agreement and Plan of Merger by and among FirstEnergy Corp., FirstEnergy Pennsylvania Holding Company LLC, FirstEnergy Pennsylvania Electric Company, West Penn LLC and West Penn Power Company
- EF-2(d) – Form of Agreement and Plan of Merger by and among Ohio Edison Company, FirstEnergy Pennsylvania Holding Company LLC, FirstEnergy Pennsylvania Electric Company, and Pennsylvania Power Company

Joint Applicants Exhibit EF-3 is the Share Purchase Agreement by and between KATCo and FirstEnergy.

Joint Applicants Exhibit EF-4 are the documents related to the disposition of the MAIT Class B membership interests.

Joint Applicants Exhibit EF-5 is the Third Revised and Restated Money Pool Agreement authorizing FE PA and KATCo to participate in the regulated money pool.

Joint Applicants Exhibit EF-6 is the Form of Joinder Agreement.

Q. Were these exhibits prepared by you or under your direction and supervision?

A. Yes.

II. THE PROPOSED TRANSACTION

Q. Please describe the steps required to effectuate the Transaction.

A. The following steps are listed and described in the sequence necessary to effectuate the Transaction and, where applicable, to comply with the limitations imposed by the indentures signed by certain of the Pennsylvania OpCos. The steps outlined below will occur near-simultaneously on the date chosen for closing. New entity formations may take place in advance of the closing date to prepare for the necessary transfers and mergers that happen in other steps.

To date, we have confirmed that the mergers outlined below will require the consent of FirstEnergy's lenders under certain of its existing credit facilities. During the period between filing this Joint Application with the PaPUC and the chosen closing date, FirstEnergy and its advisors will conduct due diligence on the operating utilities to identify any additional third-party consents and notices that may be triggered (such as under indentures, leases, vendor contracts and permits) as a result of the transfers contemplated in the Transaction.

A. <u>Pennsylvania OpCos Consolidation</u>

Q. Please describe the first step in the Pennsylvania OpCos Consolidation.

A. In the first step of the Transaction, FirstEnergy formed a new, wholly owned Delaware limited liability company called FirstEnergy Pennsylvania Holding Company LLC ("FE PA HoldCo") consistent with Delaware state laws.

Q. Please describe the second step in the Transaction.

A. In the second step of the Transaction, FirstEnergy formed FE PA consistent with Pennsylvania state laws. FE PA will be a wholly owned subsidiary of FE PA HoldCo, which itself will function as an intermediate holding company.

Q. Please describe the third step in the Transaction.

A. FirstEnergy will form, not later than the date of closing, three new wholly-owned Pennsylvania limited liability companies: Pennsylvania Electric Company LLC ("Penelec LLC"); Metropolitan Edison Company LLC ("Met-Ed LLC"); and West Penn Power Company LLC ("West Penn LLC") (each, a "Merger LLC" and collectively, the "Merger LLCs"), each consistent with the applicable laws of Pennsylvania.

Q. What purpose will these three Merger LLCs serve and how will those transactions be effectuated?

A. The Merger LLCs are being formed for the purpose of effectuating certain steps of the Transaction – specifically, the transfer of the MAIT Class B membership interests and the West Penn transmission assets. Immediately following formation of the Merger LLCs, each of the Merger LLCs will merge with and into its respectively named operating utility, with the Merger LLC surviving. Each surviving Merger LLC will be the successor, by

operation of law, to all rights, assets, liabilities and obligations of the corresponding operating utility company, and no separate assignments or transfers of rights, assets, liabilities, or obligations will be required. Utilizing the Merger LLCs allows Steps Four and Five to be disregarded for federal and state income tax purposes, so that there is no income tax impact resulting from the transfers of the MAIT Class B membership interests or the West Penn transmission assets.

Q. Please describe the fourth step in the Transaction.

A. Penelec LLC and Met-Ed LLC will sell their respective Class B membership interests in MAIT to FirstEnergy in exchange for cash. This step will be explained in further detail in Section II.B of my testimony.

Q. Please describe the fifth step in the Transaction.

A. West Penn LLC will contribute its transmission assets to KATCo in exchange for shares of KATCo stock. Immediately following the contribution of assets, West Penn LLC will sell to FirstEnergy all of its shares of KATCo stock in exchange for cash. The cash consideration in this step will be equal to the value of the newly-issued KATCo shares. These steps will be explained in further detail in Section II.C of my testimony.

Q. Please describe the sixth step in the Transaction.

A. Immediately after the conclusion of step four, FirstEnergy and FE PA HoldCo will contribute all of the equity of both Penelec LLC and Met-Ed LLC to FE PA and, thereafter, each of Penelec LLC and Met-Ed LLC will merge with and into FE PA, with FE PA as the surviving entity (as described in further detail below). I note that, in order to consummate the Transaction while also complying with the terms of the indentures binding each of the

four existing Pennsylvania OpCos, the mergers of Penelec LLC and Met-Ed LLC must occur prior to the mergers of West Penn LLC (step seven) and Penn Power (step eight) into FE PA.

Q. Please elaborate further on this sixth step of the Transaction, and specifically explain why it is being accomplished in the manner described.

A. In order to achieve this step, FirstEnergy will first contribute all of the equity of Penelec LLC and Met-Ed LLC to FE PA HoldCo as a contribution to capital. FE PA HoldCo will not issue additional equity to FirstEnergy in exchange for this contribution. However, the value of this contribution will be reflected in FirstEnergy's capital account with FE PA HoldCo. Upon completion of this sub-step, Penelec LLC and Met-Ed LLC will be wholly-owned subsidiaries of FE PA HoldCo.

Next, FE PA HoldCo will contribute all of the equity of Penelec LLC and Met-Ed LLC to FE PA in exchange for additional shares of FE PA stock equal to the value of Penelec LLC and Met-Ed LLC. Upon completion of this sub-step, Penelec LLC and Met-Ed LLC will become wholly owned subsidiaries of FE PA.

Finally, Penelec LLC and Met-Ed LLC will each merge with and into FE PA with FE PA as the surviving corporation. FE PA, as the surviving corporation, will be the successor, by operation of law, to all the rights, assets, obligations and liabilities of Penelec LLC and Met-Ed LLC and no separate assignments or transfers of rights, assets, obligations or liabilities will be required.

Documentation for each of the above actions will be included in the Agreement and Plan of Merger executed by the parties. The mergers will become effective upon the filing

of a statement of merger for each of Penelec LLC and Met-Ed LLC with the Pennsylvania Secretary of State.

Q. Please describe the seventh step in the Transaction.

A. FirstEnergy and FE PA HoldCo will contribute all the equity of West Penn LLC to FE PA and, shortly thereafter, West Penn LLC will merge with and into FE PA with FE PA as the surviving corporation (as described in further detail below).

Q. Please elaborate further on the seventh step of the Transaction, and specifically explain why it is being accomplished in the manner described.

A. The sub-steps for the seventh step will mirror the contributions and merger detailed above in step six.

FirstEnergy will first contribute all the equity in West Penn LLC to FE PA HoldCo as a contribution to capital. FE PA HoldCo will not issue additional equity to FirstEnergy in exchange for this contribution. However, the value of this contribution will be reflected in FirstEnergy's capital account with FE PA HoldCo. Upon completion of this sub-step, West Penn LLC will become a wholly owned subsidiary of FE PA HoldCo.

Next, FE PA HoldCo will contribute all the equity of West Penn LLC to FE PA in exchange for additional shares of FE PA stock equal to the value of West Penn LLC. Upon completion of this sub-step, West Penn LLC will be a wholly owned subsidiary of FE PA.

Finally, West Penn LLC will merge with and into FE PA with FE PA as the surviving entity. FE PA, as the surviving corporation, will be the successor, by operation of law, to all the rights, assets, liabilities and obligations of West Penn LLC, and no separate assignments or transfers of rights, assets, liabilities, or obligations will be required.

Documentation for each of the above actions will be included in the Agreement and Plan of Merger executed by the parties. The merger will become effective upon the filing of a statement of merger for West Penn LLC with the Pennsylvania Secretary of State.

Q. Please describe the eighth and final step in the Transaction.

A. Penn Power (which is a wholly owned subsidiary of Ohio Edison Company ("Ohio Edison")) will merge with and into FE PA, with FE PA as the surviving entity. As consideration for this merger, Ohio Edison will receive cash from FE PA in an amount equal to the net book value of Penn Power at the time of the transaction. FE PA will assume all the rights, assets, liabilities and obligations of Penn Power and no separate assignments or transfers of rights, assets, liabilities or obligations will be required.

The merger will be accomplished by executing an Agreement and Plan of Merger signed by these entities and will become effective upon the filing of a statement of merger with the Pennsylvania Secretary of State.

Q. After all eight of the above-described steps occur, what will the result be?

A. FE PA will, at that time, be the surviving corporation that will own and operate all the electric distribution rights, assets, liabilities and obligations of the Pennsylvania OpCos. FE PA also will, upon receipt of all necessary regulatory approvals from the PaPUC, become an electric distribution-only, certificated public utility in Pennsylvania subject to regulation by the PaPUC, as described in detail in the testimony of Ms. Joanne M. Savage (Joint Applicants Statement No. 1). Furthermore, upon completion of the Pennsylvania OpCos Consolidation, I note that FE PA will make "fictitious name" filings with the Pennsylvania Secretary of State reserving the names "Pennsylvania Electric Company," "Metropolitan Edison Company," "West Penn Power Company," and "Pennsylvania

Power Company" (and any similar derivations thereof) for future use. Keeping the utility names will serve to minimize confusion amongst our utility customers, particularly since we are maintaining separate "rate districts" for a time post-merger, and reduces the additional expense of rebranding immediately after the merger.

B. <u>Purchase of MAIT Class B Membership Interests</u>

Q. Please identify and explain the MAIT Class B membership interests held by Penelec and Met-Ed.

A. Penelec currently owns 59.89% of the passive Class B membership interests of MAIT, while Met-Ed currently owns the remaining 40.11% of the passive Class B membership interests of MAIT.[1] The MAIT Class B membership interests are passive and do not confer operating control and management authority over MAIT, meaning that neither Penelec nor Met-Ed have the power to elect or remove the managers of MAIT or to vote on the size of the board of managers. However, Penelec and Met-Ed maintain protective voting rights pertaining to bankruptcy, mergers, any sale of substantially all assets of MAIT, and any amendments to the MAIT's Amended and Restated Limited Liability Company Operating Agreement, which lists MAIT's members and provides how MAIT is managed.

Q. You testified above that the purchase of the Class B membership interests in MAIT by FirstEnergy was the fourth step to the Transaction. Please describe how this step will be accomplished.

A. After Penelec and Met-Ed have been merged with and into Penelec LLC and Met-Ed LLC, respectively, Penelec LLC and Met-Ed LLC will each sell their respective Class B

[1] As of December 31, 2022. FirstEnergy Transmission, LLC holds 100% of MAIT's Class A membership interests.

membership interests in MAIT to FirstEnergy in exchange for cash equal to the value of those interests. The Class B membership interests in MAIT were valued based on their net book value. The sale will be effectuated pursuant to the terms of a membership interest purchase agreement executed by Penelec LLC, as successor-in-interest to Penelec, Met-Ed LLC, as successor-in-interest to Met-Ed, and FirstEnergy. Upon completion of that sale, FirstEnergy will sign a joinder agreement to be joined as a party to the Amended and Restated Limited Liability Company Agreement of MAIT, in its capacity as a Class B member.

C. <u>West Penn/KATCo Transaction</u>

Q. How does KATCo relate to the parties in this proposed Transaction?

A. KATCo is a wholly owned subsidiary of FirstEnergy and is a stand-alone transmission entity that will finance, construct, and own new transmission projects located within the Allegheny Power System transmission zone in PJM Interconnection, L.L.C. ("PJM"). Upon the receipt of all necessary regulatory approvals, KATCo will also own, operate, and maintain the transmission assets currently owned by West Penn and under the functional control of PJM, subject to jurisdiction of the Federal Energy Regulatory Commission ("FERC") and the PaPUC as described in the direct testimony of Ms. Savage (Joint Applicants Statement No. 1).

Q. Please describe how the Joint Applicants propose to accomplish the transfer of West Penn's transmission assets to KATCo, which was identified above as the fifth step in the Transaction.

A. After West Penn has merged with and into West Penn LLC, West Penn LLC will contribute its transmission assets to KATCo in exchange for newly-issued shares of KATCo common stock.

This step will be effectuated pursuant to the terms of a Contribution Agreement executed by KATCo and West Penn LLC. This contribution will occur prior to the merger of West Penn LLC with and into FE PA.

Q. What actions must KATCo take as a result of West Penn's contribution, and how will this be accomplished?

A. In order to accomplish the contribution, KATCo will amend and restate its articles of incorporation to authorize the additional issuance of common stock. The number of additional shares to be issued pursuant to such authorization will be calculated based on net book value as of the date of the transmission assets being transferred from West Penn LLC to KATCo.

Q. What will occur after the above-described contribution?

A. Immediately following the contribution of assets, West Penn LLC will sell to FirstEnergy all of its shares of KATCo stock in exchange for cash. The cash consideration in this step will be equal to the value of the newly-issued KATCo shares. The sale will be accomplished by a share purchase agreement executed between West Penn LLC and FirstEnergy and will occur concurrently with steps 7 and 8 of the Transaction, described in Section II.A of my testimony.

Q. Will the Transaction require the Joint Applicants to obtain certain consents and/or approvals from their respective boards and/or managers?

A. Yes. Consistent with applicable laws and each of the Joint Applicants' respective charter documents, the Transaction will require the approval of each of the Joint Applicants' ultimate governing body and/or its owners. All authorizations and approvals necessary to effectuate the Transaction will be obtained prior to closing.

III. FINANCING OF THE PROPOSED TRANSACTION

Q. How will FE PA HoldCo be financed?

A. FirstEnergy will provide FE PA HoldCo a nominal amount of cash in exchange for 100% ownership in FE PA HoldCo. FE PA HoldCo will also participate in the FirstEnergy unregulated money pool.

Q. How will FE PA be financed?

A. FE PA HoldCo will provide FE PA with a nominal amount of cash in exchange for 100% ownership in FE PA. Additionally, FE PA will participate in the FirstEnergy Regulated Money Pool, as set forth in FE Exhibit EF-5, and is expected to become a sub-borrower under the Pennsylvania utilities' revolving credit facility.

Q. What will happen with the existing long-term debt obligations of the existing Pennsylvania OpCos?

A. The existing long-term debt obligations, both senior unsecured and secured (first mortgage bonds), will become obligations of FE PA by operation of law. FE PA's cash flows and asset base will be more than adequate to service existing secured debt and remain in compliance with all applicable covenants and indentures.

IV. FINANCIAL FITNESS

A. Consolidation of FE PA and Pennsylvania OpCos

Q. What is the expected capital structure of FE PA?

A. The capital structure of FE PA is expected to be consistent with the current capital structures of the Pennsylvania OpCos and approved capital structure of the PaPUC for ratemaking purposes.[2] Following the consummation of the Transaction, FE PA will have sufficient revenue and assets to service the debt obligations it will assume from Met-Ed, Penelec, Penn Power, and West Penn as a result of the Consolidation.

Q. Are there any anticipated ongoing financial support or obligations that exist pre-consolidation that will continue to exist post-consolidation? If so, please describe them.

A. The existing long-term debt obligations, both senior unsecured and secured (first mortgage bonds) for the four operating companies will become obligations of FE PA by operation of law. The four operating companies do not otherwise have any financial support obligations.

Q. Will FE PA HoldCo and FE PA have adequate access to capital?

A. Yes. FE PA HoldCo and FE PA, once formed, will have access to the existing FirstEnergy unregulated and regulated money pools, respectively, which will both be amended to reflect FE PA HoldCo's and FE PA's participation therein. FE PA expects to have access

[2] As reflected in the Quarterly Financial Reports filed by the Pennsylvania OpCos for Twelve Months Ended September 30, 2022, at Docket No. M-2022-3030284 (accessible at https://www.puc.pa.gov/pcdocs/1765912.pdf), and the Pennsylvania OpCos' last distribution rates cases at Docket Nos. R-2016-2537349 (Met-Ed), R-2016-2537352 (Penelec), R-2016-2537355 (Penn Power) and R-2016-2537359 (West Penn).

to the Pennsylvania utilities' revolving credit facility at the same levels available today. FE PA will also have access to long- and short-term financing through capital markets.

Q. What do you expect the short-term borrowing limit will be for FE PA?

A. FE PA will file a request with the PaPUC and FERC for authorization to participate in the revolving credit facility and regulated money pool consistent with the current aggregate short-term limits of the existing Pennsylvania OpCos.

B. KATCo/West Penn Transfer

Q. Will KATCo have adequate access to capital to finance the ownership and operation of these transmission assets?

A. Yes. KATCo will be a member of FirstEnergy's regulated money pool and is expected to also have short-term borrowing capacity under a revolving credit facility, which together are expected to provide KATCo with sufficient liquidity to fund its day-to-day operations. KATCo will also have access to long-term and short-term financing, through capital markets, which will enable it to finance the operation of the transmission assets acquired from West Penn.

V. FINANCING BENEFITS OF THE PROPOSED TRANSACTION

Q. What are the financing benefits of the proposed Transaction?

A. The Transaction will provide financing benefits to FirstEnergy's Pennsylvania utility customers by improving access to capital markets to fund future expenditures for the purpose of improving customer service and strengthening reliability.

Following the closing of the Transaction, the Pennsylvania OpCos' legal structure will be aligned with FirstEnergy's five-state operating model and organizational structure,

as explained by Ms. Savage (Joint Applicants Statement No. 1). Incorporating the maintenance assets and personnel from four companies into one is expected to result in efficiencies that permit greater investment in equipment, more efficient product delivery, streamlined operations and maintenance tasks, and improved reliability for all of FirstEnergy's Pennsylvania utility customers.

Additionally, FE PA expects to recognize certain financial efficiencies as a result of the Transaction, including, but not limited to, the need to manage debt for a single entity going forward and interest expense savings on the issuance of new long-term debt, including any refinancings of existing debt. The initial sale of long-term debt securities has not yet been determined, but FE PA intends to seek all applicable regulatory authorizations to issue long-term debt securities at the appropriate time. While we can neither predict nor guarantee future market conditions, as of the date of filing, a company the size of FE PA is expected to be able to issue new long-term debt at more favorable corporate spreads than any of the four operating companies individually. Similarly, as FE PA issues its own debt and retires the debt of the four operating companies, going forward, it expects to realize efficiencies in the form of larger debt offerings and associated finance costs.

FirstEnergy will also review the potential for FE PA to become an SEC registrant, which could provide additional efficiencies and costs savings, such as expedited debt offerings and access to a larger pool of investors. FE PA expects to further increase demand from investors, by issuing debt in greater amounts than any of the four operating companies can offer individually. FE PA's expected strong credit profile could also result in a similar or better credit rating than the four operating companies individually, which

could translate into better pricing for future debt issuances. This better pricing for FE PA's future debt offerings should lead to savings for customers in future rate cases and regulatory filings.

Q. How do each of the Pennsylvania OpCos currently issue debt to finance their operations?

A. The Pennsylvania OpCos currently issue debt to finance their obligations either through direct private placement offerings or broader 144A "for life" offerings.

Q. Please describe any benefits associated with the sale of the Class B membership interests in MAIT to FirstEnergy.

A. The capital received from the sale of the passive Class B membership interests in MAIT to FirstEnergy will be used with the goal of strengthening Met-Ed's and Penelec's credit profiles, balance sheets, and funding their capital expenditures.

Q. Please describe how the contribution of transmission assets to a standalone entity could help both KATCo and FE PA attract capital.

A. Separating the transmission assets from the distribution assets will result in KATCo being a pure transmission company and FE PA being a pure distribution company. In my experience, investors perceive the transmission-only and distribution-only models as having clear investment purposes which should benefit each Company long-term, respectively. Stakeholders have consistently expressed a preference for the stand-alone transmission and distribution company business models, which should enhance KATCo and FE PA's abilities to attract credit on commercially reasonable terms and thus improve financial flexibility for future transmission and distribution development, respectively. As

a transmission-only company, KATCo will have no retail customers and will receive its revenue from PJM while FE PA will receive revenues from retail customers in its service territory.

Furthermore, KATCO will only finance future transmission projects driven by continuously changing grid requirements while FE PA will only finance future distribution projects to continue improving customer service and reliability.

Therefore, by creating separate companies with clear operating businesses, where FE PA will be a distribution only company and KATCo will be a transmission only company, I expect these companies to attract investors that will offer competitive pricing for each company's future financings that should benefit customers in the long-term.

VI. AFFILIATED INTEREST AGREEMENTS

A. Money Pool Agreement

Q. Will FE PA and KATCo each be a member of the FirstEnergy Regulated Money Pool?

A. Yes. As part of this filing, both FE PA and KATCo are requesting approval to become members of the FirstEnergy Regulated Money Pool. A copy of the current Money Pool Agreement, previously approved by the Commission, with the addition of FE PA and KATCo as well as the incorporation of various changes (including a blackline to the current version reflecting these modifications) is appended hereto as FE Exhibit EF-5.

Q. Will FE PA and KATCo each have access to other short-term borrowings apart from the FirstEnergy Regulated Money Pool?

A. Yes. As I explained earlier, I expect that, upon obtaining the necessary regulatory authorization, FE PA will have short-term borrowing capability under the Pennsylvania

utilities revolving credit facility and KATCo under a different revolving credit facility. These facilities, together with the FirstEnergy Regulated Money Pool, are expected to provide FE PA and KATCo with the sufficient liquidity needed for day-to-day operations.

B. <u>Purchase Agreements for MAIT Class B interests</u>

Q. Identify and describe any purchase agreement(s) associated with FirstEnergy's purchase of the Class B interests in MAIT from Met-Ed LLC and Penelec LLC.

A. The sale will be accomplished by a membership interest purchase agreement executed by Met-Ed LLC, Penelec LLC, and FirstEnergy. Upon completion of the sale, FirstEnergy will sign a joinder agreement to be joined as a party to the Amended and Restated Limited Liability Company Agreement of MAIT, in its capacity as a Class B membership interest holder.

Q. Please explain how the price of the membership interests and other terms of the agreement were determined.

A. The price of the membership interests will be equal to their net book value as of the closing of the Transaction.

VII. <u>CONCLUSION</u>

Q. Does this conclude your testimony?

A. Yes.

ERMAL FATUSHA

APPENDIX A

Ermal Fatusha

PROFESSIONAL AND EDUCATIONAL BACKGROUND

I joined FirstEnergy Corp. in July 2003 as an Assistant Business Analyst in the Rotation on Assignment program. After several interim promotions, in August 2010, I was promoted to Manager, Financial Strategy and Reporting, and after several leadership roles, I was named Director, Capital Markets in August 2018.

I earned a Bachelor of Science in Business Administration degree from The Ohio State University in 2002 and a Masters in Business Administration degree from Case Western Reserve University in 2009.

ERMAL FATUSHA

EXHIBIT EF-1

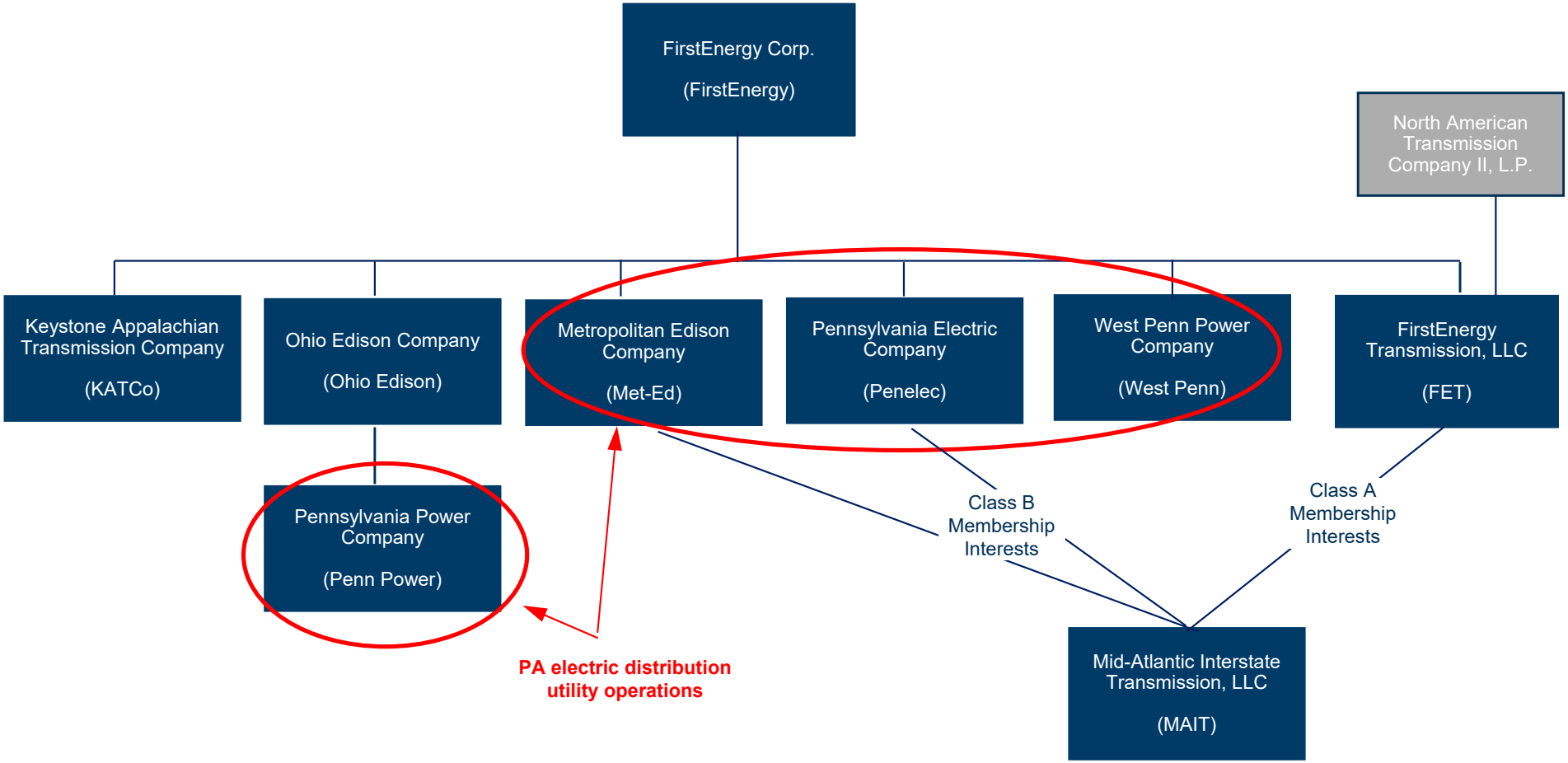
FirstEnergy®

PA Consolidation

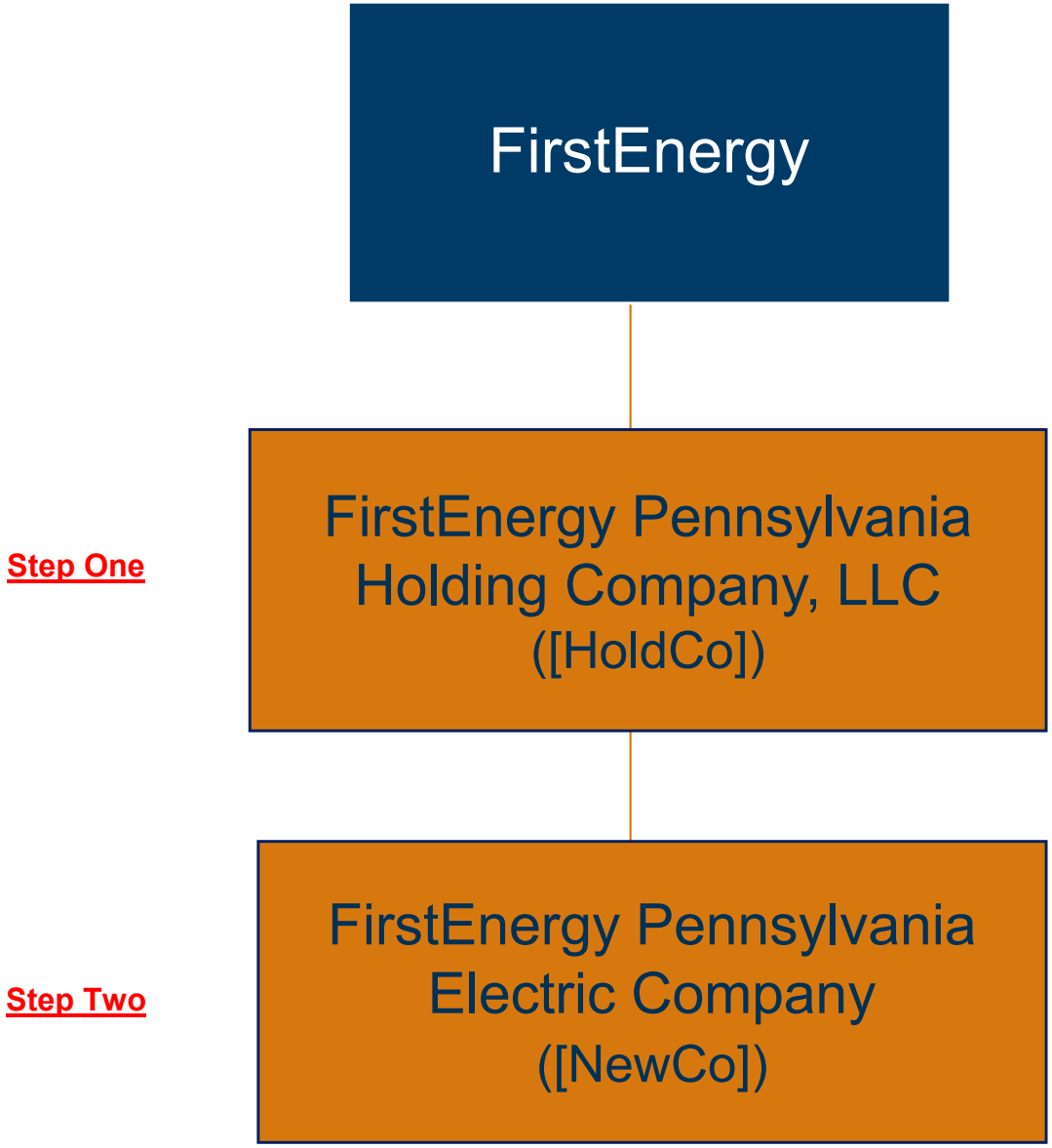
Core Transaction Steps

Current FirstEnergy Organization

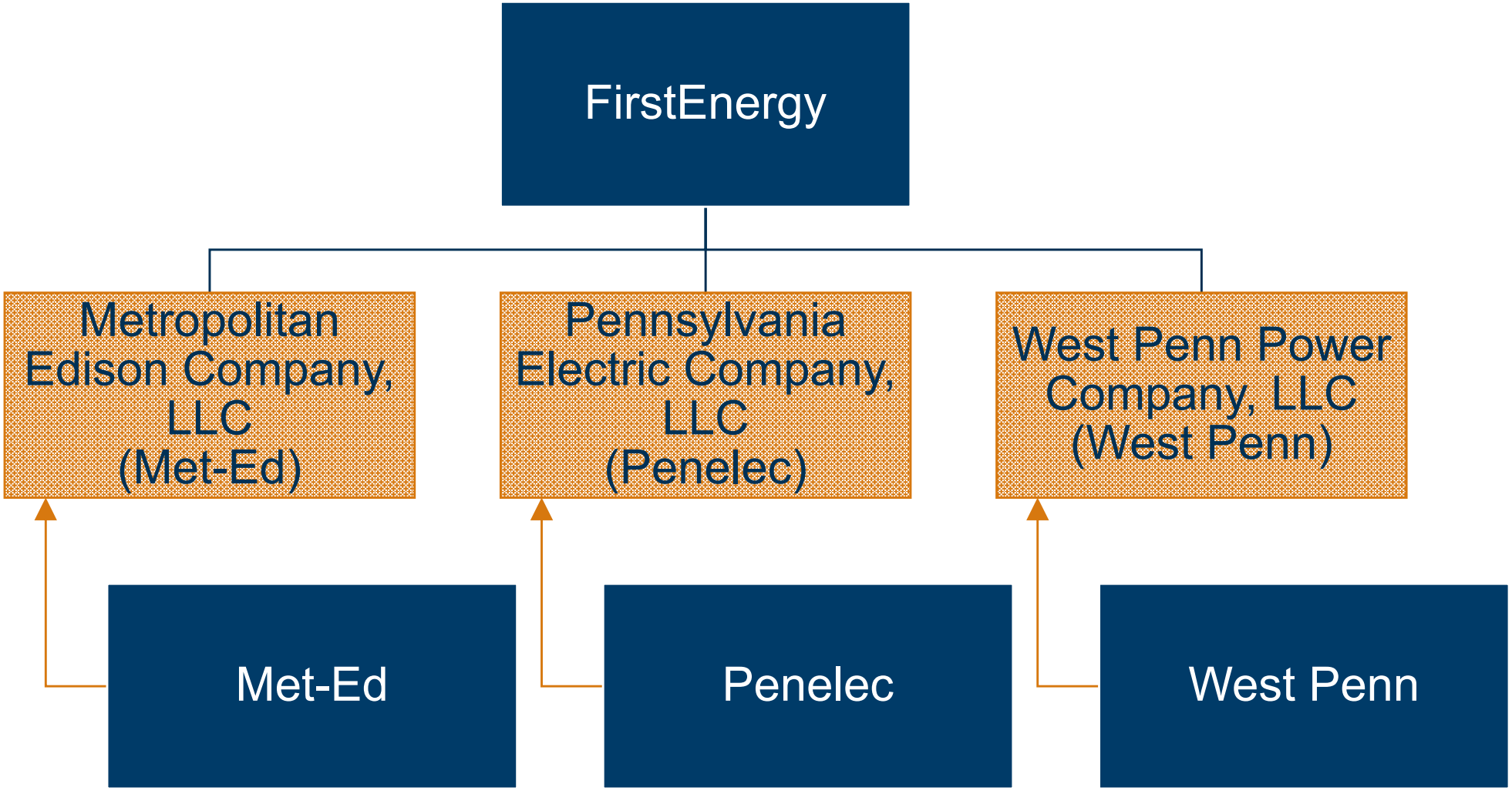
(Pertinent In-Scope Entities Only)



Steps One and Two – Formation of New Entities

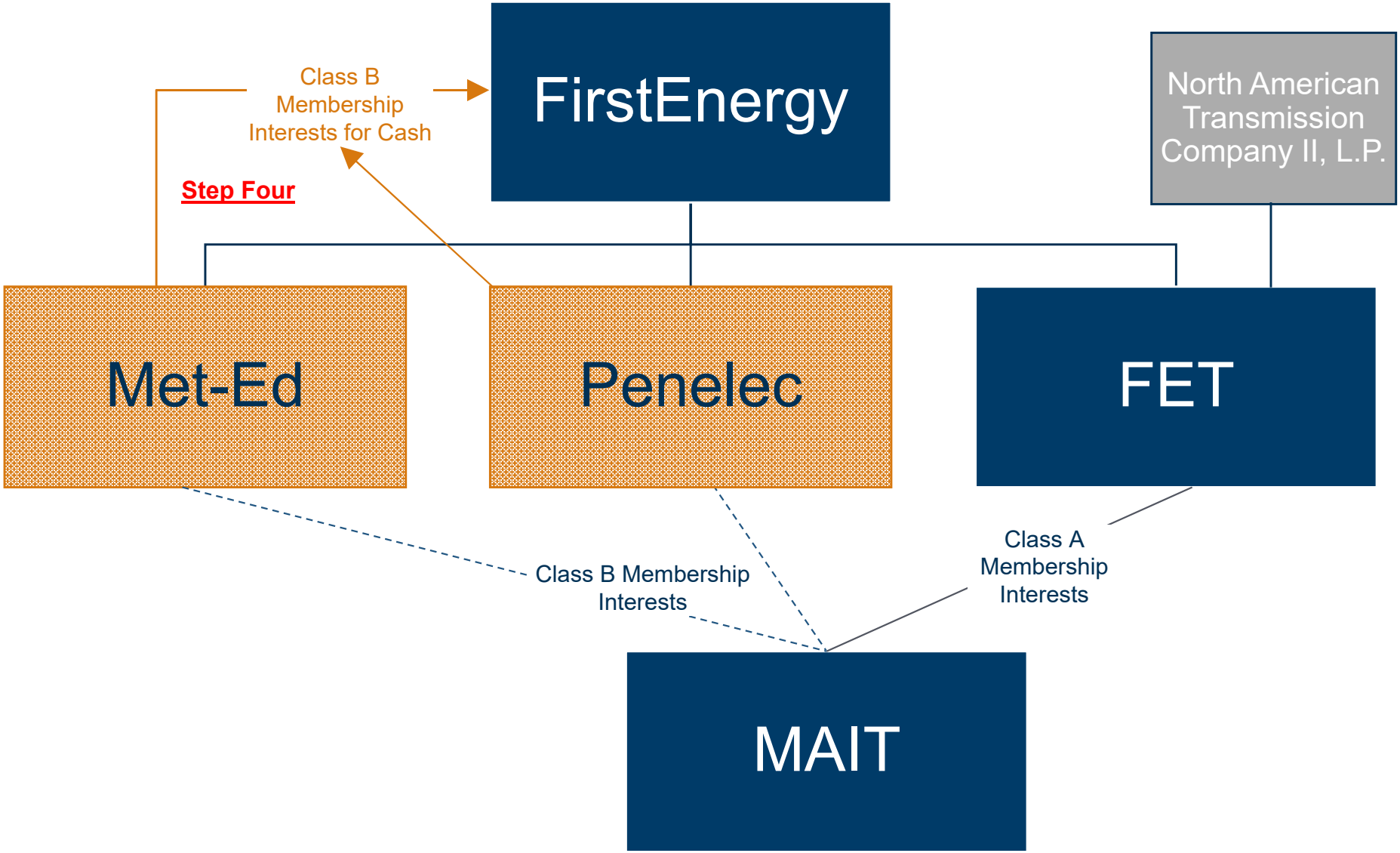


Step Three: Met-Ed, Penelec and West Penn Merge Into Transition LLCs

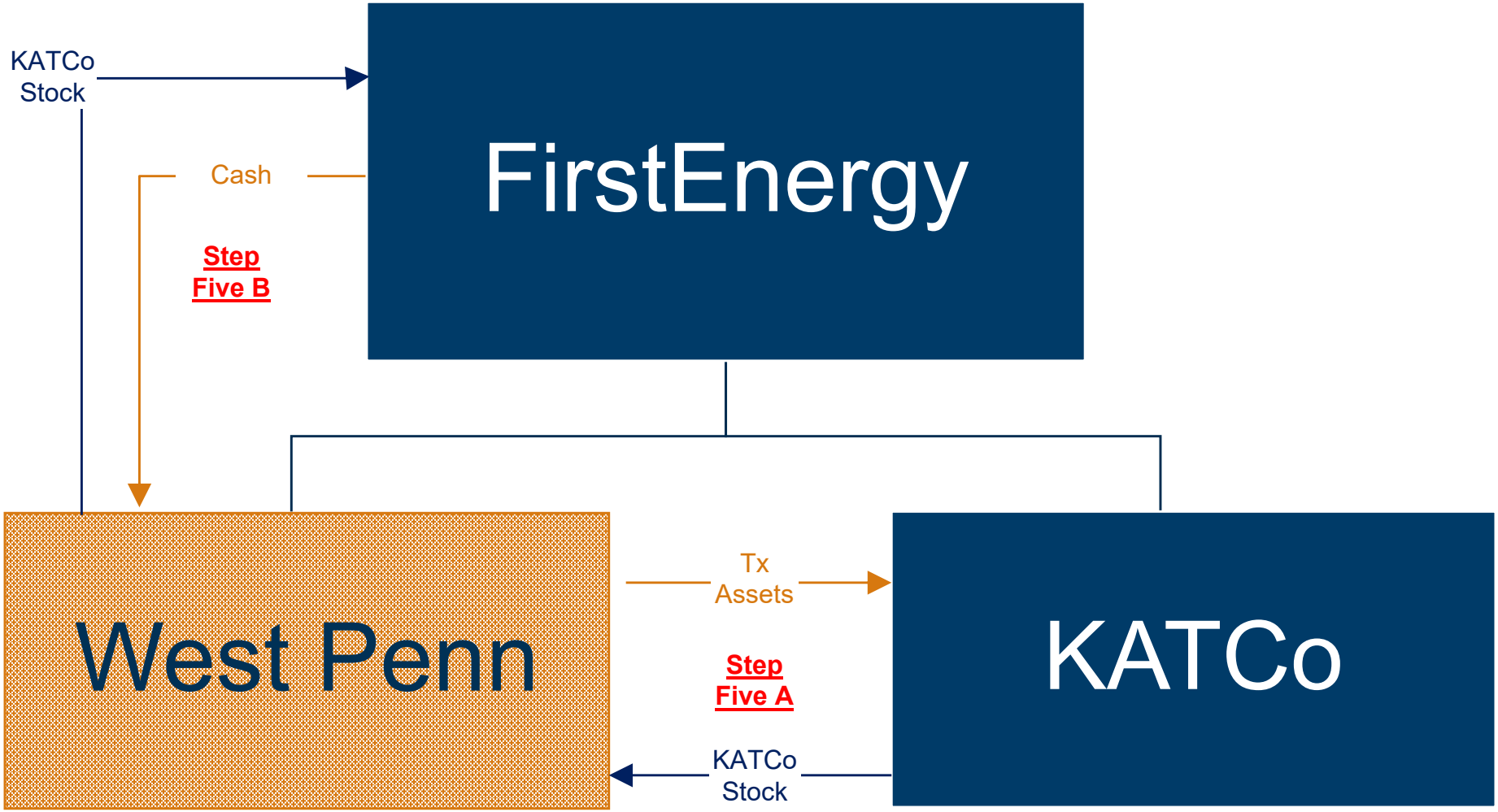


Step Three

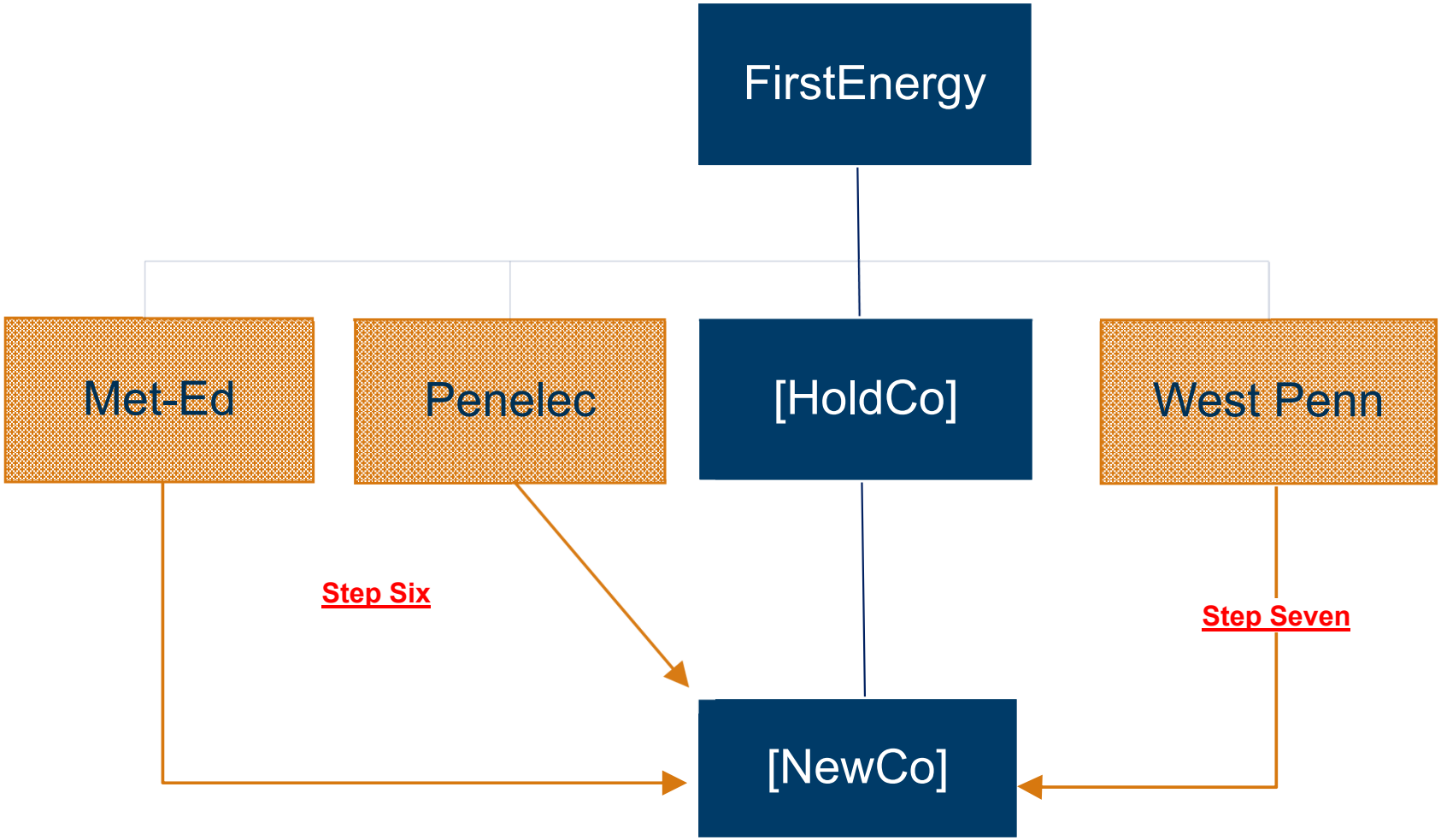
Step Four: FirstEnergy Purchases the MAIT Class B Interests



Step Five: Contribution of West Penn Transmission Assets

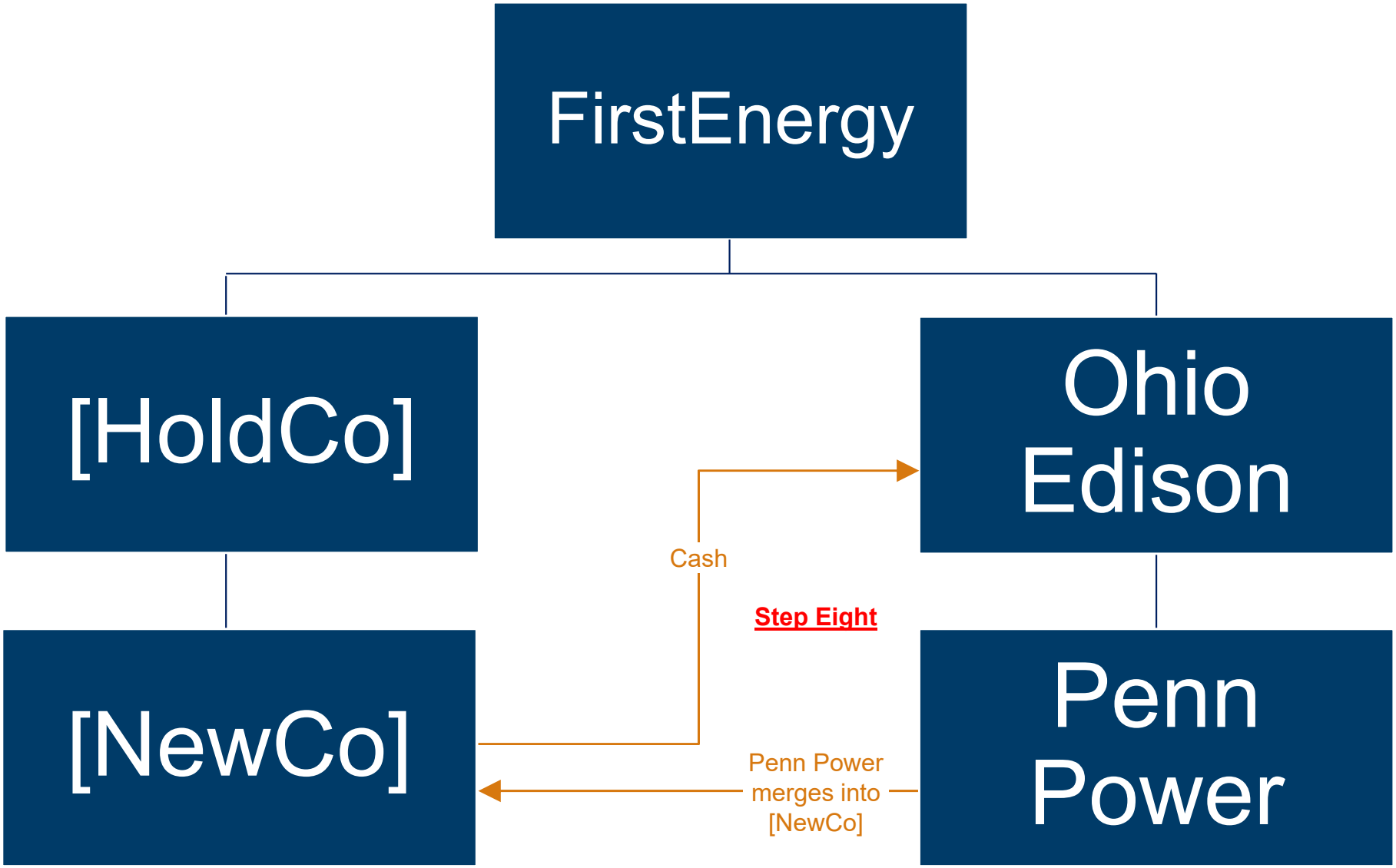


Steps Six and Seven: Met-Ed, Penelec and West Penn Merge* into [NewCo]



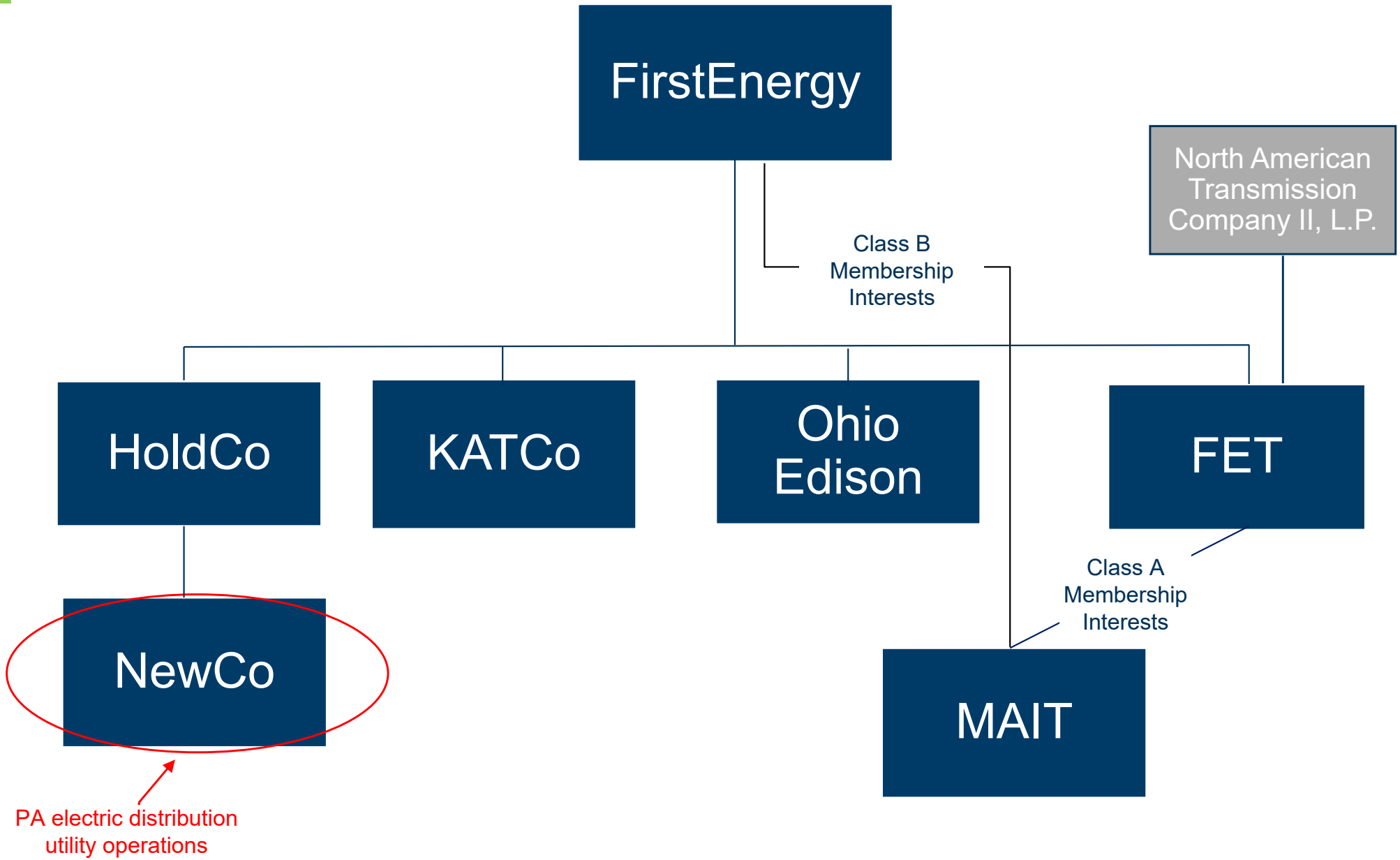
* In order to comply with the terms of the indentures binding each of the four existing Pennsylvania OpCos, the mergers of Penelec and Met-Ed must occur prior to the mergers of West Penn (step seven) into NewCo

Step Eight: Penn Power Merges into [NewCo]



FirstEnergy Organization after PA Consolidation

(Pertinent In-Scope Entities Only)



ERMAL FATUSHA

EXHIBIT EF-2(a)

FORM OF

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

FIRSTENERGY CORP.,

FIRSTENERGY PENNSYLVANIA HOLDING COMPANY LLC,

FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY,

METROPOLITAN EDISON COMPANY LLC,

and

METROPOLITAN EDISON COMPANY

Dated as of [●], 2023

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AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER, dated as of **[●]**, 2023 (as amended, restated, supplemented or modified from time to time, this "Agreement"), is by and among FirstEnergy Corp., an Ohio corporation ("Parent"), Metropolitan Edison Company LLC, a Pennsylvania limited liability company and a wholly-owned Subsidiary of Parent ("Met-Ed LLC"), FirstEnergy Pennsylvania Holding Company LLC, a Delaware limited liability company and a wholly-owned Subsidiary of Parent ("Holdings"), FirstEnergy Pennsylvania Electric Company, a Pennsylvania corporation and a wholly-owned Subsidiary of Holdings ("NewCo"), and Metropolitan Edison Company, a Pennsylvania corporation and wholly-owned Subsidiary of Parent ("Met-Ed" and together with Parent, Met-Ed LLC, Holdings, and NewCo, collectively, the "Parties").

RECITALS

A. Parent owns (a) all of the issued and outstanding shares of capital stock of Met-Ed (the "Met-Ed Shares"), (b) 100% of the issued and outstanding membership interests of Met-Ed LLC (the "Met-Ed LLC Membership Interests") and (c) 100% of the issued and outstanding membership interests of Holdings (the "Holdings Membership Interests").

B. Prior to the execution of this Agreement, (a) Parent formed Holdings, as a wholly-owned Subsidiary (the "Holdings Formation"), and (b) following the formation of Holdings, Holdings formed NewCo, as a wholly-owned Subsidiary (the "NewCo Formation" and collectively, the "Formations").

C. Concurrently with the execution of this Agreement, (a) Pennsylvania Electric Company, a Pennsylvania corporation and a wholly-owned Subsidiary of Parent ("Penelec"), merged with and into Pennsylvania Electric Company LLC, a Pennsylvania limited liability company and a wholly-owned Subsidiary of Parent ("Penelec LLC"), with Penelec LLC surviving such merger as a wholly-owned Subsidiary of Parent (the "Penelec Merger 1"), and (b) West Penn Power Company, a Pennsylvania corporation and a wholly-owned Subsidiary of Parent ("West Penn"), merged with and into West Penn Power Company LLC, a Pennsylvania limited liability company and a wholly-owned Subsidiary of Parent ("West Penn LLC"), with West Penn LLC surviving such merger as a wholly-owned Subsidiary of Parent (the "West Penn Merger 1").

D. Pursuant to the terms and subject to the conditions of this Agreement, Met-Ed will merge with and into Met-Ed LLC (the "Met-Ed Merger 1" and together with the Penelec Merger 1 and the West Penn Merger 1, the "First Mergers"), with Met-Ed LLC surviving such merger as a wholly-owned Subsidiary of Parent.

E. Following consummation of the First Mergers, Penelec LLC and Met-Ed LLC will execute and consummate a Membership Interest Purchase Agreement with Parent wherein each of Penelec LLC and Met-Ed LLC shall sell all of their respective Class B membership interests in Mid-Atlantic Interstate Transmission LLC, a Delaware limited liability company, to Parent in exchange for cash (the "Class B Sale").

F. Following consummation of the Class B Sale, (a) West Penn LLC and Keystone Appalachian Transmission Company, a Virginia corporation ("KATCo"), will execute

and consummate a Contribution Agreement, pursuant to which West Penn LLC shall contribute certain transmission assets to KATCo in exchange for shares of KATCo Class B common stock and (b) immediately thereafter, West Penn LLC and Parent will execute and consummate a Share Purchase Agreement, pursuant to which West Penn LLC will sell all of its shares of KATCo Class B common stock to Parent in exchange for cash (the steps in clauses (a) and (b) of this Paragraph F, collectively, the "KATCo Transmission Sale"), after which KATCo will continue to be a wholly-owned Subsidiary of Parent.

G. Following consummation of the KATCo Transmission Sale, (a) Parent will contribute all the equity interests in Penelec LLC to Holdings as a contribution to capital, then (b) Holdings will contribute all the equity interests of Penelec LLC to NewCo in exchange for additional NewCo shares, then (c) Penelec LLC will merge with and into NewCo with NewCo surviving the merger as a wholly-owned Subsidiary of Holdings (the "Penelec Merger 2").

H. Immediately following the consummation of the Penelec Merger 2, (a) Parent will contribute all of the Met-Ed LLC Membership Interests to Holdings as a contribution to capital (the "Holdings Contribution"), then (b) Holdings will contribute all of the Met-Ed LLC Membership Interests to NewCo in exchange for additional NewCo shares (the "NewCo Contribution"), in each case, as set forth herein (collectively, the "Contributions").

I. Following the foregoing contributions of Met-Ed LLC Membership Interests to NewCo, Met-Ed LLC will merge with and into NewCo (the "Met-Ed Merger 2" and together with Met-Ed Merger 1, the "Met-Ed Mergers") with NewCo surviving such merger, in each case, as set forth herein.

J. Immediately following the consummation of the Met-Ed Merger 2, (a) Parent will contribute all the equity interests in West Penn LLC to Holdings as a contribution to capital, then (b) Holdings will contribute all the equity interests of West Penn LLC to NewCo in exchange for additional NewCo shares, then (c) West Penn LLC will merge with and into NewCo with NewCo surviving the merger as a wholly-owned Subsidiary of Holdings (the "West Penn Merger 2").

K. Immediately following the consummation of the West Penn Merger 2, (a) Pennsylvania Power Company, a Pennsylvania corporation ("Penn Power") and a wholly-owned Subsidiary of Ohio Edison Company, an Ohio corporation ("Ohio Edison"), which is itself a wholly-owned Subsidiary of Parent, will merge with and into NewCo, with NewCo surviving the merger as a wholly-owned Subsidiary of Holdings (the "Penn Power Merger"), and (b) as consideration for the Penn Power Merger, NewCo will pay Ohio Edison cash in an amount equal to the net book value of Penn Power.

L. Prior to the date of this Agreement, the Parties have provided applicable notice to or obtained applicable approval of the Federal Energy Regulatory Commission and the Pennsylvania Public Utility Commission with respect to the Met-Ed Mergers.

M. The board of directors or managers, as applicable, of each of Met-Ed, Met-Ed LLC, NewCo, Parent and Holdings has approved and declared fair to and in the best interests of each such entity, this Agreement and the transactions contemplated hereby, including the Met-

Ed Mergers and the Contributions, upon the terms and subject to the conditions set forth herein, and has directed that this Agreement be submitted to a vote of the sole shareholder or sole member, as applicable, entitled to vote thereon.

N. Parent, in its capacity as the sole shareholder or member, as applicable, of each of Met-Ed and Met-Ed LLC, has approved and adopted this Agreement and the transactions contemplated hereby, including the Met-Ed Merger 1, upon the terms and subject to the conditions set forth herein.

O. NewCo, in its capacity as the sole member of Met-Ed LLC following the Met-Ed Merger 1 and the Contributions, has approved and adopted this Agreement and the transactions contemplated hereby, including the Met-Ed Merger 2, upon the terms and subject to the conditions set forth herein.

P. The Parties intend that the Contributions and the Met-Ed Mergers will together qualify as a reorganization under Section 368(a) of the Code for U.S. federal income Tax purposes, and this Agreement is intended to constitute a "plan of reorganization" within the meaning of Treasury Regulations Section 1.368-2(g).

Q. The Parties intend that the Holdings Formation and the Holdings Contribution will together qualify as an exchange pursuant to Section 351 of the Code for U.S. federal income Tax purposes.

R. The Parties intend that the NewCo Formation, the NewCo Contribution and the Met-Ed Merger 2 will together qualify as an exchange pursuant to Section 351 of the Code for U.S. federal income Tax purposes.

S. The Parties desire to make certain covenants and agreements in connection with the Met-Ed Mergers and also to prescribe various conditions thereto.

AGREEMENT

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I

CERTAIN DEFINITIONS AND INTERPRETIVE MATTERS

1.1 Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Agreement" has the meaning set forth in the Preamble.

"Class B Sale" has the meaning set forth in the Recitals.

"Closing" has the meaning set forth in Section 5.1.

"Closing Date" has the meaning set forth in Section 5.1.

"Code" means the Internal Revenue Code of 1986, as amended.

"Contributions" has the meaning set forth in the Recitals.

"First Mergers" has the meaning set forth in the Recitals.

"Formations" has the meaning set forth in the Recitals.

"Governmental Body" means any federal, state, local, municipal, foreign or other government or governmental or regulatory body thereof, or political subdivision thereof, or self-regulatory organization, whether foreign, European Union, multi-national or other supra-national, national, federal, regional, state or local or any agency, instrumentality, authority, department, commission, official, board or bureau thereof, or any court, arbitrator, arbitration panel or similar judicial body.

"Holdings" has the meaning set forth in the Preamble.

"Holdings Contribution" has the meaning set forth in the Recitals.

"Holdings Formation" has the meaning set forth in the Recitals.

"Holdings Membership Interests" has the meaning set forth in the Recitals.

"Intended Tax Treatment" has the meaning set forth in Section 6.2.

"KATCo" has the meaning set forth in the Recitals.

"KATCo Transmission Sale" has the meaning set forth in the Recitals.

"Law" means any national, federal, state or local law, constitution, convention, statute, code, ordinance, rule, regulation, common law, treaty, decree, Order or other binding directive issued, enacted, promulgated, entered into, agreed or imposed by any Governmental Body.

"Legal Proceeding" means any judicial, administrative or arbitral claim, litigation, action, suit, audit, hearing, binding arbitration, mediation or other proceeding (public or private) by, before or otherwise involving a Governmental Body.

"Met-Ed" has the meaning set forth in the Preamble.

"Met-Ed LLC" has the meaning set forth in the Preamble.

"Met-Ed LLC Membership Interests" has the meaning set forth in the Recitals.

"Met-Ed Mergers" has the meaning set forth in the Recitals.

"Met-Ed Merger 1" has the meaning set forth in the Recitals.

"Met-Ed Merger 2" has the meaning set forth in the Recitals.

"Met-Ed Merger 1 Effective Time" has the meaning set forth in Section 2.2(b).

"Met-Ed Merger 2 Effective Time" has the meaning set forth in Section 4.2(b).

"Met-Ed Shares" has the meaning set forth in the Recitals.

"Met-Ed Statement of Merger 1" has the meaning set forth in Section 2.2(a).

"Met-Ed Statement of Merger 2" has the meaning set forth in Section 4.2(a).

"NewCo" has the meaning set forth in the Preamble.

"NewCo Contribution" has the meaning set forth in the Recitals.

"NewCo Formation" has the meaning set forth in the Recitals.

"Ohio Edison" has the meaning set forth in the Recitals.

"Order" means any order, injunction, judgment, decree, ruling, writ, assessment or arbitration award of a Governmental Body of competent jurisdiction.

"Parent" has the meaning set forth in the Preamble.

"Parties" has the meaning set forth in the Preamble.

"PBCL" means the Pennsylvania Business Corporation Law (15 Pa. C. S. §§1101-4162), as amended from time to time.

"PDOS" means the Pennsylvania Department of State.

"Penelec" has the meaning set forth in the Recitals.

"Penelec LLC" has the meaning set forth in the Recitals.

"Penelec Merger 1" has the meaning set forth in the Recitals.

"Penelec Merger 2" has the meaning set forth in the Recitals.

"Penn Power" has the meaning set forth in the Recitals.

"Penn Power Merger" has the meaning set forth in the Recitals.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Body or other entity.

"Subsidiary" of a Person (such Person for purposes of this definition, the "parent company") means any other Person (i) of which a majority of the outstanding voting securities or other voting equity interests, or a majority of any other interests having the power to direct or cause the direction of the management and policies of such other Person, are owned, directly or indirectly, by such parent company or one or more of the other Subsidiaries of such parent company or a combination thereof or (ii) with respect to which such parent company or any of its Subsidiaries is a general partner or managing member.

"Tax Return" means any return, report, claim for refund, estimate, information return or statement or other similar document relating to or required to be filed with any Governmental Body with respect to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Taxes" means all federal, state, local or foreign taxes or charges in the nature of taxes imposed by a Governmental Body, including all income, gross receipts, capital, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation, property and estimated taxes, and all interest, penalties, fines, and additions to tax imposed by any Governmental Body in connection with any of the foregoing.

"West Penn" has the meaning set forth in the Recitals.

"West Penn LLC" has the meaning set forth in the Recitals.

"West Penn Merger 1" has the meaning set forth in the Recitals.

"West Penn Merger 2" has the meaning set forth in the Recitals.

1.2 Other Definitional and Interpretive Matters. Unless otherwise expressly provided herein, for purposes of this Agreement, the following rules of interpretation shall apply:

(a) Currency. All Dollar amounts contemplated by this Agreement, to the extent applicable, shall be rounded down to the nearest penny.

(b) Gender and Number. Any reference in this Agreement to gender shall include all genders, and words imparting the singular number only shall include the plural and vice versa.

(c) Headings. The provision of a Table of Contents and headings herein are for convenience of reference only and shall not affect or be utilized in construing or interpreting this Agreement. All references in this Agreement to any "Exhibit," "Article," "Section" or other subsection are to the corresponding Exhibit, Article, Section or other subsection of this Agreement, unless otherwise specified.

(d) Herein. The words such as "herein," "hereinafter," "hereof," and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires.

(e) Including. The word "including" or any variation thereof means "including, without limitation" and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

(f) Or. The word "or" is not exclusive, unless the context otherwise requires.

ARTICLE II

MERGER OF MET-ED AND MET-ED LLC

2.1 The Met-Ed Merger 1. Upon the terms and subject to the conditions set forth in this Agreement and in accordance with the PBCL, Met-Ed shall be merged with and into Met-Ed LLC at the Met-Ed Merger 1 Effective Time. At the Met-Ed Merger 1 Effective Time, the separate corporate existence of Met-Ed shall cease, and Met-Ed LLC shall continue as the surviving company and shall succeed to and assume all the rights and obligations of Met-Ed in accordance with the PBCL.

2.2 Effective Time.

(a) Filings. Subject to the provisions of this Agreement, as soon as practicable on the Closing Date (as defined below), but, in any event, prior to the consummation of the Class B Sale, the Parties shall cause the Met-Ed Merger 1 to be consummated by filing with the PDOS a statement of merger with respect to the Met-Ed Merger 1 substantially in the form attached hereto as Exhibit A (the "Met-Ed Statement of Merger 1"), executed in accordance with the relevant provisions of the PBCL. As soon as practicable on the Closing Date, the Parties shall make all other filings or recordings required under the PBCL with respect to the Met-Ed Merger 1.

(b) Effective Time of the Met-Ed Merger 1. The Met-Ed Merger 1 shall become effective at such time as the Met-Ed Statement of Merger 1 is duly filed with the PDOS, or at such other time as Parent shall agree in writing and Met-Ed LLC, as the surviving company, shall specify in the Met-Ed Statement of Merger 1 (the time the Met-Ed Merger 1 becomes effective being the "Met-Ed Merger 1 Effective Time").

2.3 Effects of the Met-Ed Merger 1.

(a) The Met-Ed Merger 1. At the Met-Ed Merger 1 Effective Time, the effects of the Met-Ed Merger 1 shall be as provided in this Agreement, the Met-Ed Statement of Merger 1 and the PBCL.

(b) Further Assurances. If at any time after the Met-Ed Merger 1 Effective Time Met-Ed LLC, as the surviving company, determines, in its sole discretion, or is advised, that any documents (including any deeds, bills of sale or instruments of conveyance), assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm or record or otherwise vest in Met-Ed LLC its right, title or interest in, to or under any of the rights, properties or assets of Met-Ed acquired or to be acquired by Met-Ed LLC as a result of, or in connection with, the Met-Ed Merger 1, then the officers and directors of Met-Ed LLC will be, and hereby are, authorized to execute and deliver, in the name and on behalf of Met-Ed, all such deeds, bills of sale, instruments of conveyance, assignments and assurances and to take and do, in the

name and on behalf of each of such corporations or otherwise, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title or interest in, to and under such rights, properties or assets in Met-Ed LLC or otherwise to carry out the terms, conditions or intent of this Agreement.

2.4 Organizational Documents. Effective at the Met-Ed Merger 1 Effective Time, (i) the operating agreement of Met-Ed LLC, as in effect immediately prior to the Met-Ed Merger 1 Effective Time, shall be the operating agreement of Met-Ed LLC, as the surviving company, until amended in accordance with applicable Law and (ii) the articles of formation of Met-Ed LLC, as in effect immediately prior to the Met-Ed Merger 1 Effective Time, shall be the articles of formation of Met-Ed LLC, as the surviving company, until amended in accordance with applicable Law.

2.5 Managers and Officers. The managers and officers of Met-Ed LLC as of immediately prior to the Met-Ed Merger 1 Effective Time shall remain the managers and officers of Met-Ed LLC, as the surviving company, and shall hold office in accordance with its articles of formation and operating agreement until the Met-Ed Merger 2 Effective Time.

2.6 Effects of the Met-Ed Merger 1 on Equity of Met-Ed and Met-Ed LLC. At the Met-Ed Merger 1 Effective Time, by virtue of the Met-Ed Merger 1 and without any action on the part of any holder of Met-Ed Shares or any holder of Met-Ed LLC Membership Interests: (a) all of the issued and outstanding Met-Ed Shares shall no longer be outstanding, shall automatically be cancelled and shall cease to exist, (b) each share of stock of Met-Ed held in the treasury of Met-Ed shall automatically be cancelled and shall cease to exist, and no consideration shall be delivered in exchange therefor, and (c) all of the Met-Ed LLC Membership Interests issued and outstanding prior to the Met-Ed Merger 1 Effective Time shall remain outstanding following the Met-Ed Merger 1 Effective Time and is to be an identical membership interest of Met-Ed LLC, a the surviving company, after the Met-Ed Merger 1 Effective Time. At the Closing, all of the share certificates evidencing the Met-Ed Shares shall be cancelled and the stock transfer ledger of Met-Ed shall be closed and there shall be no further registration of transfers on the transfer books of Met-Ed LLC of any Met-Ed Shares that were outstanding immediately prior to the Met-Ed Merger 1 Effective Time.

ARTICLE III

CONTRIBUTIONS

3.1 Parent Contribution. Immediately following completion of the Class B Sale and the KATCo Transmission Sale, Parent will contribute, assign, transfer and convey all of the Met-Ed LLC Membership Interests to Holdings, and Holdings will accept and assume the Met-Ed LLC Membership Interests as an in-kind capital contribution equal to the value of the Met-Ed LLC Membership Interests (based on the net book value of Met-Ed LLC) without the issuance of additional membership interests in Holdings. Holdings will cause the limited liability company agreement of Holdings to be updated to reflect the foregoing contribution to capital.

3.2 Holdings Contribution. Immediately following the contribution set forth in Section 3.1, Holdings will contribute, assign, transfer and convey all of the Met-Ed LLC Membership Interests to NewCo, and NewCo will accept and assume the Met-Ed LLC Membership Interests.

In exchange for the contribution by Holdings, NewCo will issue to Holdings [●] shares of common stock, par value $0.001 per share (representing a number of shares of NewCo equal in value, in the aggregate, to the net book value of West Penn LLC).

ARTICLE IV

MERGER OF MET-ED LLC AND NEWCO

4.1 The Met-Ed Merger 2. Upon the terms and subject to the conditions set forth in this Agreement and in accordance with the PBCL, Met-Ed LLC shall be merged with and into NewCo at the Met-Ed Merger 2 Effective Time. At the Met-Ed Merger 2 Effective Time, the separate corporate existence of Met-Ed LLC shall cease, and NewCo shall continue as the surviving corporation and shall succeed to and assume all the rights and obligations of Met-Ed LLC in accordance with the PBCL.

4.2 Effective Time.

(a) Filings. Subject to the provisions of this Agreement, as soon as practicable on the Closing Date, but, in any event, subsequent to the consummation of the Penelec Merger 2 and the Contributions and prior to the consummation of the West Penn Merger 2 and the Penn Power Merger, the Parties shall cause the Met-Ed Merger 2 to be consummated by filing with the PDOS a statement of merger with respect to the Met-Ed Merger 2 substantially in the form attached hereto as Exhibit B (the "Met-Ed Statement of Merger 2"), executed in accordance with the relevant provisions of the PBCL. As soon as practicable on the Closing Date, the Parties shall make all other filings or recordings required under the PBCL with respect to the Met-Ed Merger 2.

(b) Effective Time of the Met-Ed Merger 2. The Met-Ed Merger 2 shall become effective at such time as the Met-Ed Statement of Merger 2 is duly filed with the PDOS, or at such other time as Parent and Holdings shall agree in writing and NewCo shall specify in the Met-Ed Statement of Merger 2 (the time the Met-Ed Merger 2 becomes effective being the "Met-Ed Merger 2 Effective Time").

4.3 Effects of the Met-Ed Merger 2.

(a) The Met-Ed Merger 2. At the Met-Ed Merger 2 Effective Time, the effects of the Met-Ed Merger 2 shall be as provided in this Agreement, the Met-Ed Statement of Merger 2 and the PBCL.

(b) Further Assurances. If at any time after the Met-Ed Merger 2 Effective Time NewCo, as the surviving corporation, determines, in its sole discretion, or is advised, that any documents (including any deeds, bills of sale or instruments of conveyance), assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm or record or otherwise vest in NewCo its right, title or interest in, to or under any of the rights, properties or assets of Met-Ed LLC acquired or to be acquired by the NewCo as a result of, or in connection with, the Met-Ed Merger 2, then the officers and directors of the NewCo will be, and hereby are, authorized to execute and deliver, in the name and on behalf of Met-Ed LLC, all such deeds, bills of sale, instruments of conveyance, assignments and assurances and to take and do, in

the name and on behalf of each of such corporations or otherwise, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title or interest in, to and under such rights, properties or assets in NewCo or otherwise to carry out the terms, conditions or intent of this Agreement.

4.4 Organizational Documents. Effective at the Met-Ed Merger 2 Effective Time, (i) the bylaws of NewCo, as in effect immediately prior to the Met-Ed Merger 2 Effective Time, shall be the bylaws of NewCo, as the surviving corporation, until amended in accordance with applicable Law and (ii) the articles of incorporation of NewCo, as in effect immediately prior to the Met-Ed Merger 2 Effective Time, shall be the articles of incorporation of NewCo, as the surviving corporation, until amended in accordance with applicable Law.

4.5 Directors and Officers. The directors and officers of NewCo as of immediately prior to the Met-Ed Merger 2 Effective Time shall be the board of directors and officers of NewCo, as the surviving corporation, and shall hold office in accordance with its articles of incorporation and bylaws until their successors are duly elected or appointed and qualified or until their earlier death, resignation, removal or cessation of employment by Parent.

4.6 Effects of the Met-Ed Merger 2 on Equity of NewCo and Met-Ed LLC. At the Met-Ed Merger 2 Effective Time, by virtue of the Met-Ed Merger 2 and without any action on the part of any holder of Met-Ed LLC Membership Interests or any holder of shares of capital stock of NewCo: (a) each share of capital stock of NewCo issued and outstanding prior to the Met-Ed Merger 2 Effective Time shall remain outstanding following the Met-Ed Merger 2 Effective Time and is to be an identical share of capital stock of NewCo, as the surviving corporation, after the Met-Ed Merger 2 Effective Time and (b) all of the issued and outstanding Met-Ed LLC Membership Interests shall no longer be outstanding, shall automatically be cancelled and shall cease to exist.

ARTICLE V

CLOSING

5.1 Closing. The closing of the Met-Ed Mergers and the other transactions contemplated hereby (the "Closing") will take place remotely on the date of this Agreement by electronic exchange of documents and signatures, unless another time, date and/or place is agreed to in writing by Parent. The date on which the Closing occurs is referred to in this Agreement as the "Closing Date." For the avoidance of doubt, (a) the Penelec Merger 2 has occurred prior to the Closing of Met-Ed Merger 2, (b) the West Penn Merger 2 and the Penn Power Merger have not occurred prior to the Closing of Met-Ed Merger 2, and (c) except with the prior written consent of Parent, under no circumstances shall the Closing of Met-Ed Merger 2 occur except in connection with and subsequent to the prior closing of the Penelec Merger 2 and prior to the closings of West Penn Merger 2 and Penn Power Merger.

ARTICLE VI

MISCELLANEOUS

6.1 Termination and Abandonment. This Agreement may be terminated and the Met-Ed Mergers and the Contributions abandoned by Parent (notwithstanding any approval of Met-Ed,

Met-Ed LLC, Parent, Holdings or NewCo's board of directors, managers or equityholders or the filing of the Met-Ed Statement of Merger 1 or Met-Ed Statement of Merger 2) at any time prior to the Met-Ed Merger 1 Effective Time or the Met-Ed Merger 2 Effective Time.

6.2 Tax Consequences. The Parties intend that (a) the Contributions and the Met-Ed Mergers will together qualify as a reorganization under Section 368(a) of the Code for U.S. federal income Tax purposes, (b) the Holdings Formation and the Holdings Contribution will together qualify as an exchange pursuant to Section 351 of the Code for U.S. federal income Tax purposes, and (c) the NewCo Formation, the NewCo Contribution and the Met-Ed Merger 2 will together qualify as an exchange pursuant to Section 351 of the Code for U.S. federal income Tax purposes (the "Intended Tax Treatment"). Except with the prior written consent of Parent, the Parties shall prepare all Tax Returns, and take actions in the course of any Tax audit, Tax review or Tax litigation relating thereto, consistent with the Intended Tax Treatment.

6.3 Entire Agreement; Amendments and Waivers. This Agreement (including the Exhibits hereto) represents the entire understanding and agreement between the Parties with respect to the subject matter hereof. This Agreement may only be amended, restated, supplemented or otherwise modified or waived by a written instrument signed by the Parties, subject to the applicable provisions of the PBCL and Delaware General Corporations Law. No action taken pursuant to this Agreement, including any investigation by or on behalf of any Party, shall be deemed to constitute a waiver by the Party taking such action of compliance with any representation, warranty, covenant or obligation contained herein. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any Party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such Party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

6.4 Governing Law. This Agreement, and all actions, causes of action, claims, cross-claims, third-party claims or Legal Proceedings of any kind (whether at law, in equity, in contract, in tort or otherwise) that may be based upon, arise out of or relate to this Agreement (including the Exhibits) shall be governed by and construed in accordance with the Laws of the Commonwealth of Pennsylvania, regardless of the Laws that might otherwise govern under applicable principles of conflicts of Laws.

6.5 Severability. If any condition, term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any Law or public policy, all other conditions, terms or provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties shall cooperate and negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

6.6 Binding Effect; Third-Party Beneficiaries; Assignment.

(a) This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third-party beneficiary rights in any Person not a Party to this Agreement.

(b) No assignment of this Agreement or of any rights or obligations hereunder may be made, directly or indirectly (by operation of Law or otherwise), by any Party, without the prior written consent of Parent. Any attempted assignment without obtaining such required consent shall be null and void.

6.7 Counterparts; Delivery by Facsimile or Email.

(a) This Agreement and any amendment, restatement, supplement or other modification hereto or waiver hereunder, (i) may be executed in any number of counterparts (including by means of facsimile or email in .pdf format), each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement and (ii) to the extent signed and delivered by means of a facsimile machine or scanned pages via e-mail, shall be treated in all manner and respect as an original contract and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person.

(b) At the request of any Party, each other Party shall re-execute original forms hereof and deliver them to all other Parties. No Party shall raise the use of a facsimile machine or email to deliver a signature or the fact that any signature or agreement was transmitted or communicated through the use of facsimile machine or email as a defense to the formation of a contract, and each such Party forever waives any such defense.

(c) This Agreement is not binding unless and until signature pages are executed, delivered and confirmed as released by an authorized representative of each Party.

[*The remainder of this page is intentionally left blank*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers or authorized signatories thereunto duly authorized, as of the date first written above.

PARENT:

FirstEnergy Corp.

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers or authorized signatories thereunto duly authorized, as of the date first written above.

HOLDINGS:

FirstEnergy Pennsylvania Holding Company LLC

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers or authorized signatories thereunto duly authorized, as of the date first written above.

NEWCO:

FirstEnergy Pennsylvania Electric Company

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers or authorized signatories thereunto duly authorized, as of the date first written above.

MET-ED:

Metropolitan Edison Company

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers or authorized signatories thereunto duly authorized, as of the date first written above.

MET-ED LLC:

Metropolitan Edison Company LLC

By: _____
Name: _____
Title: _____

EXHIBIT A

MET-ED STATEMENT OF MERGER 1

EXHIBIT B

MET-ED STATEMENT OF MERGER 2

ERMAL FATUSHA

EXHIBIT EF-2(b)

FORM OF

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

FIRSTENERGY CORP.,

FIRSTENERGY PENNSYLVANIA HOLDING COMPANY LLC,

FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY,

PENNSYLVANIA ELECTRIC COMPANY LLC,

and

PENNSYLVANIA ELECTRIC COMPANY

Dated as of [●], 2023

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Exhibits:

Exhibit A – Penelec Statement of Merger 1

Exhibit B – Penelec Statement of Merger 2

AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER, dated as of **[●]**, 2023 (as amended, restated, supplemented or modified from time to time, this "Agreement"), is by and among FirstEnergy Corp., an Ohio corporation ("Parent"), Pennsylvania Electric Company LLC, a Pennsylvania limited liability company and a wholly-owned Subsidiary of Parent ("Penelec LLC"), FirstEnergy Pennsylvania Holding Company LLC, a Delaware limited liability company and a wholly-owned Subsidiary of Parent ("Holdings"), FirstEnergy Pennsylvania Electric Company, a Pennsylvania corporation and a wholly-owned Subsidiary of Holdings ("NewCo"), and Pennsylvania Electric Company, a Pennsylvania corporation and wholly-owned Subsidiary of Parent ("Penelec" and together with Parent, Penelec LLC, Holdings, and NewCo, collectively, the "Parties").

RECITALS

A. Parent owns (a) all of the issued and outstanding shares of capital stock of Penelec (the "Penelec Shares"), (b) 100% of the issued and outstanding membership interests of Penelec LLC (the "Penelec LLC Membership Interests") and (c) 100% of the issued and outstanding membership interests of Holdings (the "Holdings Membership Interests").

B. Prior to the execution of this Agreement, (a) Parent formed Holdings, as a wholly-owned Subsidiary (the "Holdings Formation"), and (b) following the formation of Holdings, Holdings formed NewCo, as a wholly-owned Subsidiary (the "NewCo Formation" and collectively, the "Formations").

C. Concurrently with the execution of this Agreement, (a) Metropolitan Edison Company, a Pennsylvania corporation and a wholly-owned Subsidiary of Parent ("Met-Ed"), merged with and into Metropolitan Edison Company LLC, a Pennsylvania limited liability company and a wholly-owned Subsidiary of Parent ("Met-Ed LLC"), with Met-Ed LLC surviving such merger as a wholly-owned Subsidiary of Parent (the "Met-Ed Merger 1"), and (b) West Penn Power Company, a Pennsylvania corporation and a wholly-owned Subsidiary of Parent ("West Penn"), merged with and into West Penn Power Company LLC, a Pennsylvania limited liability company and a wholly-owned Subsidiary of Parent ("West Penn LLC"), with West Penn LLC surviving such merger as a wholly-owned Subsidiary of Parent (the "West Penn Merger 1").

D. Pursuant to the terms and subject to the conditions of this Agreement, Penelec will merge with and into Penelec LLC (the "Penelec Merger 1" and together with the Met-Ed Merger 1 and the West Penn Merger 1, the "First Mergers"), with Penelec LLC surviving such merger as a wholly-owned Subsidiary of Parent.

E. Following consummation of the First Mergers, Penelec LLC and Met-Ed LLC will execute and consummate a Membership Interest Purchase Agreement with Parent wherein each of Penelec LLC and Met-Ed LLC shall sell all of their respective Class B membership interests in Mid-Atlantic Interstate Transmission LLC, a Delaware limited liability company, to Parent in exchange for cash (the "Class B Sale").

F. Following consummation of the Class B Sale, (a) West Penn LLC and Keystone Appalachian Transmission Company, a Virginia corporation ("KATCo"), will execute

and consummate a Contribution Agreement, pursuant to which West Penn LLC shall contribute certain transmission assets to KATCo in exchange for shares of KATCo Class B common stock and (b) immediately thereafter, West Penn LLC and Parent will execute and consummate a Share Purchase Agreement, pursuant to which West Penn LLC will sell all of its shares of KATCo Class B common stock to Parent in exchange for cash (the steps in clauses (a) and (b) of this Paragraph F, collectively, the "KATCo Transmission Sale"), after which KATCo will continue to be a wholly-owned Subsidiary of Parent.

G. Following consummation of the KATCo Transmission Sale, (a) Parent will contribute all the equity interests in Penelec LLC to Holdings as a contribution to capital (the "Holdings Contribution"), then (b) Holdings will contribute all the equity interests of Penelec LLC to NewCo in exchange for additional NewCo shares (the "NewCo Contribution"), in each case, as set forth herein (collectively, the "Contributions").

H. Following the foregoing contributions of Penelec LLC Membership Interests to NewCo, Penelec LLC will merge with and into NewCo (the "Penelec Merger 2" and together with Penelec Merger 1, the "Penelec Mergers") with NewCo surviving such merger, in each case, as set forth herein.

I. Immediately following the consummation of the Penelec Merger 2, (a) Parent will contribute all of the equity interests in Met-Ed LLC to Holdings as a contribution to capital, then (b) Holdings will contribute all of the equity interests of Met-Ed LLC to NewCo in exchange for additional NewCo shares, then (c) Met-Ed LLC will merge with and into NewCo with NewCo surviving the merger as a wholly-owned Subsidiary of Holdings (the "Met-Ed Merger 2").

J. Immediately following the consummation of the Met-Ed Merger 2, (a) Parent will contribute all the equity interests in West Penn LLC to Holdings as a contribution to capital, then (b) Holdings will contribute all the equity interests of West Penn LLC to NewCo in exchange for additional NewCo shares, then (c) West Penn LLC will merge with and into NewCo with NewCo surviving the merger as a wholly-owned Subsidiary of Holdings (the "West Penn Merger 2").

K. Immediately following the West Penn Merger 2, (a) Pennsylvania Power Company, a Pennsylvania corporation ("Penn Power") and a wholly-owned Subsidiary of Ohio Edison Company, an Ohio corporation ("Ohio Edison"), which is itself a wholly-owned Subsidiary of Parent, will merge with and into NewCo, with NewCo surviving the merger as a wholly-owned Subsidiary of Holdings (the "Penn Power Merger"), and (b) as consideration for the Penn Power Merger, NewCo will pay Ohio Edison cash in an amount equal to the net book value of Penn Power.

L. Prior to the date of this Agreement, the Parties have provided applicable notice to or obtained applicable approval of the Federal Energy Regulatory Commission, the Pennsylvania Public Utility Commission, and the New York Public Service Commission with respect to the Penelec Mergers.

M. The board of directors or managers, as applicable, of each of Penelec, Penelec LLC, NewCo, Parent and Holdings has approved and declared fair to and in the best interests of each such entity, this Agreement and the transactions contemplated hereby, including the Penelec Mergers and the Contributions, upon the terms and subject to the conditions set forth herein, and has directed that this Agreement be submitted to a vote of the sole shareholder or sole member, as applicable, entitled to vote thereon.

N. Parent, in its capacity as the sole shareholder or member, as applicable, of each of Penelec and Penelec LLC, has approved and adopted this Agreement and the transactions contemplated hereby, including the Penelec Merger 1, upon the terms and subject to the conditions set forth herein.

O. NewCo, in its capacity as the sole member of Penelec LLC following the Penelec Merger 1 and the Contributions, has approved and adopted this Agreement and the transactions contemplated hereby, including the Penelec Merger 2, upon the terms and subject to the conditions set forth herein.

P. The Parties intend that the Contributions and the Penelec Mergers will together qualify as a reorganization under Section 368(a) of the Code for U.S. federal income Tax purposes, and this Agreement is intended to constitute a "plan of reorganization" within the meaning of Treasury Regulations Section 1.368-2(g).

Q. The Parties intend that the Holdings Formation and the Holdings Contribution will together qualify as an exchange pursuant to Section 351 of the Code for U.S. federal income Tax purposes.

R. The Parties intend that the NewCo Formation, the NewCo Contribution and the Penelec Merger 2 will together qualify as an exchange pursuant to Section 351 of the Code for U.S. federal income Tax purposes.

S. The Parties desire to make certain covenants and agreements in connection with the Penelec Mergers and also to prescribe various conditions thereto.

AGREEMENT

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I

CERTAIN DEFINITIONS AND INTERPRETIVE MATTERS

1.1 Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Agreement" has the meaning set forth in the Preamble.

"Class B Sale" has the meaning set forth in the Recitals.

"Closing" has the meaning set forth in Section 5.1.

"Closing Date" has the meaning set forth in Section 5.1.

"Code" means the Internal Revenue Code of 1986, as amended.

"Contributions" has the meaning set forth in the Recitals.

"First Mergers" has the meaning set forth in the Recitals.

"Formations" has the meaning set forth in the Recitals.

"Governmental Body" means any federal, state, local, municipal, foreign or other government or governmental or regulatory body thereof, or political subdivision thereof, or self-regulatory organization, whether foreign, European Union, multi-national or other supra-national, national, federal, regional, state or local or any agency, instrumentality, authority, department, commission, official, board or bureau thereof, or any court, arbitrator, arbitration panel or similar judicial body.

"Holdings" has the meaning set forth in the Preamble.

"Holdings Contribution" has the meaning set forth in the Recitals.

"Holdings Formation" has the meaning set forth in the Recitals.

"Holdings Membership Interests" has the meaning set forth in the Recitals.

"Intended Tax Treatment" has the meaning set forth in Section 6.2.

"KATCo" has the meaning set forth in the Recitals.

"KATCo Transmission Sale" has the meaning set forth in the Recitals.

"Law" means any national, federal, state or local law, constitution, convention, statute, code, ordinance, rule, regulation, common law, treaty, decree, Order or other binding directive issued, enacted, promulgated, entered into, agreed or imposed by any Governmental Body.

"Legal Proceeding" means any judicial, administrative or arbitral claim, litigation, action, suit, audit, hearing, binding arbitration, mediation or other proceeding (public or private) by, before or otherwise involving a Governmental Body.

"Met-Ed" has the meaning set forth in the Recitals.

"Met-Ed LLC" has the meaning set forth in the Recitals.

"Met-Ed Merger 1" has the meaning set forth in the Recitals.

"Met-Ed Merger 2" has the meaning set forth in the Recitals.

"NewCo" has the meaning set forth in the Preamble.

"NewCo Contribution" has the meaning set forth in the Recitals.

"NewCo Formation" has the meaning set forth in the Recitals.

"Ohio Edison" has the meaning set forth in the Recitals.

"Order" means any order, injunction, judgment, decree, ruling, writ, assessment or arbitration award of a Governmental Body of competent jurisdiction.

"Parent" has the meaning set forth in the Preamble.

"Parties" has the meaning set forth in the Preamble.

"PBCL" means the Pennsylvania Business Corporation Law (15 Pa. C. S. §§1101-4162), as amended from time to time.

"PDOS" means the Pennsylvania Department of State.

"Penelec" has the meaning set forth in the Preamble.

"Penelec LLC" has the meaning set forth in the Preamble.

"Penelec LLC Membership Interests" has the meaning set forth in the Recitals.

"Penelec Mergers" has the meaning set forth in the Recitals.

"Penelec Merger 1" has the meaning set forth in the Recitals.

"Penelec Merger 2" has the meaning set forth in the Recitals.

"Penelec Merger 1 Effective Time" has the meaning set forth in Section 2.2(b).

"Penelec Merger 2 Effective Time" has the meaning set forth in Section 4.2(b).

"Penelec Shares" has the meaning set forth in the Recitals.

"Penelec Statement of Merger 1" has the meaning set forth in Section 2.2(a).

"Penelec Statement of Merger 2" has the meaning set forth in Section 4.2(a).

"Penn Power" has the meaning set forth in the Recitals.

"Penn Power Merger" has the meaning set forth in the Recitals.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Body or other entity.

"Subsidiary" of a Person (such Person for purposes of this definition, the "parent company") means any other Person (i) of which a majority of the outstanding voting securities or other voting equity interests, or a majority of any other interests having the power to direct or cause the direction of the management and policies of such other Person, are owned, directly or indirectly, by such parent company or one or more of the other Subsidiaries of such parent company or a combination thereof or (ii) with respect to which such parent company or any of its Subsidiaries is a general partner or managing member.

"Tax Return" means any return, report, claim for refund, estimate, information return or statement or other similar document relating to or required to be filed with any Governmental Body with respect to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Taxes" means all federal, state, local or foreign taxes or charges in the nature of taxes imposed by a Governmental Body, including all income, gross receipts, capital, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation, property and estimated taxes, and all interest, penalties, fines, and additions to tax imposed by any Governmental Body in connection with any of the foregoing.

"West Penn" has the meaning set forth in the Recitals.

"West Penn LLC" has the meaning set forth in the Recitals.

"West Penn Merger 1" has the meaning set forth in the Recitals.

"West Penn Merger 2" has the meaning set forth in the Recitals.

1.2 Other Definitional and Interpretive Matters. Unless otherwise expressly provided herein, for purposes of this Agreement, the following rules of interpretation shall apply:

(a) Currency. All Dollar amounts contemplated by this Agreement, to the extent applicable, shall be rounded down to the nearest penny.

(b) Gender and Number. Any reference in this Agreement to gender shall include all genders, and words imparting the singular number only shall include the plural and vice versa.

(c) Headings. The provision of a Table of Contents and headings herein are for convenience of reference only and shall not affect or be utilized in construing or interpreting this Agreement. All references in this Agreement to any "Exhibit," "Article," "Section" or other subsection are to the corresponding Exhibit, Article, Section or other subsection of this Agreement, unless otherwise specified.

(d) Herein. The words such as "herein," "hereinafter," "hereof," and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires.

(e) Including. The word "including" or any variation thereof means "including, without limitation" and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

(f) Or. The word "or" is not exclusive, unless the context otherwise requires.

ARTICLE II

MERGER OF PENELEC AND PENELEC LLC

2.1 The Penelec Merger 1. Upon the terms and subject to the conditions set forth in this Agreement and in accordance with the PBCL, Penelec shall be merged with and into Penelec LLC at the Penelec Merger 1 Effective Time. At the Penelec Merger 1 Effective Time, the separate corporate existence of Penelec shall cease, and Penelec LLC shall continue as the surviving company and shall succeed to and assume all the rights and obligations of Penelec in accordance with the PBCL.

2.2 Effective Time.

(a) Filings. Subject to the provisions of this Agreement, as soon as practicable on the Closing Date (as defined below), but, in any event, prior to the Class B Sale, the Parties shall cause the Penelec Merger 1 to be consummated by filing with the PDOS a statement of merger with respect to the Penelec Merger 1 substantially in the form attached hereto as Exhibit A (the "Penelec Statement of Merger 1"), executed in accordance with the relevant provisions of the PBCL. As soon as practicable on the Closing Date, the Parties shall make all other filings or recordings required under the PBCL with respect to the Penelec Merger 1.

(b) Effective Time of the Penelec Merger 1. The Penelec Merger 1 shall become effective at such time as the Penelec Statement of Merger 1 is duly filed with the PDOS, or at such other time as Parent shall agree in writing and Penelec LLC, as the surviving company, shall specify in the Penelec Statement of Merger 1 (the time the Penelec Merger 1 becomes effective being the "Penelec Merger 1 Effective Time").

2.3 Effects of the Penelec Merger 1.

(a) The Penelec Merger 1. At the Penelec Merger 1 Effective Time, the effects of the Penelec Merger 1 shall be as provided in this Agreement, the Penelec Statement of Merger 1 and the PBCL.

(b) Further Assurances. If at any time after the Penelec Merger 1 Effective Time Penelec LLC, as the surviving company, determines, in its sole discretion, or is advised, that any documents (including any deeds, bills of sale or instruments of conveyance), assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm or record or otherwise vest in Penelec LLC its right, title or interest in, to or under any of the rights,

properties or assets of Penelec acquired or to be acquired by Penelec LLC as a result of, or in connection with, the Penelec Merger 1, then the officers and directors of Penelec LLC will be, and hereby are, authorized to execute and deliver, in the name and on behalf of Penelec, all such deeds, bills of sale, instruments of conveyance, assignments and assurances and to take and do, in the name and on behalf of each of such corporations or otherwise, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title or interest in, to and under such rights, properties or assets in Penelec LLC or otherwise to carry out the terms, conditions or intent of this Agreement.

2.4 Organizational Documents. Effective at the Penelec Merger 1 Effective Time, (i) the operating agreement of Penelec LLC, as in effect immediately prior to the Penelec Merger 1 Effective Time, shall be the operating agreement of Penelec LLC, as the surviving company, until amended in accordance with applicable Law and (ii) the articles of formation of Penelec LLC, as in effect immediately prior to the Penelec Merger 1 Effective Time, shall be the articles of formation of Penelec LLC, as the surviving company, until amended in accordance with applicable Law.

2.5 Managers and Officers. The managers and officers of Penelec LLC as of immediately prior to the Penelec Merger 1 Effective Time shall remain the managers and officers of Penelec LLC, as the surviving company, and shall hold office in accordance with its articles of formation and operating agreement until the Penelec Merger 2 Effective Time.

2.6 Effects of the Penelec Merger 1 on Equity of Penelec and Penelec LLC. At the Penelec Merger 1 Effective Time, by virtue of the Penelec Merger 1 and without any action on the part of any holder of Penelec Shares or any holder of Penelec LLC Membership Interests: (a) all of the issued and outstanding Penelec Shares shall no longer be outstanding, shall automatically be cancelled and shall cease to exist, (b) each share of stock of Penelec held in the treasury of Penelec shall automatically be cancelled and shall cease to exist, and no consideration shall be delivered in exchange therefor, and (c) all of the Penelec LLC Membership Interests issued and outstanding prior to the Penelec Merger 1 Effective Time shall remain outstanding following the Penelec Merger 1 Effective Time and is to be an identical membership interest of Penelec LLC, a the surviving company, after the Penelec Merger 1 Effective Time. At the Closing, all of the share certificates evidencing the Penelec Shares shall be cancelled and the stock transfer ledger of Penelec shall be closed and there shall be no further registration of transfers on the transfer books of Penelec LLC of any Penelec Shares that were outstanding immediately prior to the Penelec Merger 1 Effective Time.

ARTICLE III

CONTRIBUTIONS

3.1 Parent Contribution. Immediately following completion of the Class B Sale and the KATCo Transmission Sale, Parent will contribute, assign, transfer and convey all of the Penelec LLC Membership Interests to Holdings, and Holdings will accept and assume the Penelec LLC Membership Interests as an in-kind capital contribution equal to the net book value of the Penelec LLC Membership Interests (based on the net bookvalue of Penelec LLC) without the issuance of additional membership interests in Holdings. Holdings will cause the limited liability company agreement of Holdings to be updated to reflect the foregoing contribution to capital.

3.2 Holdings Contribution. Immediately following the contribution set forth in Section 3.1, Holdings will contribute, assign, transfer and convey all of the Penelec LLC Membership Interests to NewCo, and NewCo will accept and assume the Penelec LLC Membership Interests. In exchange for the contribution by Holdings, NewCo will issue to Holdings [●] shares of common stock, par value $0.001 per share (representing a number of shares of NewCo equal in value, in the aggregate, to the net book value of Penelec LLC).

ARTICLE IV

MERGER OF PENELEC LLC AND NEWCO

4.1 The Penelec Merger 2. Upon the terms and subject to the conditions set forth in this Agreement and in accordance with the PBCL, Penelec LLC shall be merged with and into NewCo at the Penelec Merger 2 Effective Time. At the Penelec Merger 2 Effective Time, the separate corporate existence of Penelec LLC shall cease, and NewCo shall continue as the surviving corporation and shall succeed to and assume all the rights and obligations of Penelec LLC in accordance with the PBCL.

4.2 Effective Time.

(a) Filings. Subject to the provisions of this Agreement, as soon as practicable on the Closing Date, but, in any event, subsequent to the Contributions and prior to the consummation of the Met-Ed Merger 2, the West Penn Merger 2 and the Penn Power Merger, the Parties shall cause the Penelec Merger 2 to be consummated by filing with the PDOS a statement of merger with respect to the Penelec Merger 2 substantially in the form attached hereto as Exhibit B (the "Penelec Statement of Merger 2"), executed in accordance with the relevant provisions of the PBCL. As soon as practicable on the Closing Date, the Parties shall make all other filings or recordings required under the PBCL with respect to the Penelec Merger 2.

(b) Effective Time of the Penelec Merger 2. The Penelec Merger 2 shall become effective at such time as the Penelec Statement of Merger 2 is duly filed with the PDOS, or at such other time as Parent and Holdings shall agree in writing and NewCo shall specify in the Penelec Statement of Merger 2 (the time the Penelec Merger 2 becomes effective being the "Penelec Merger 2 Effective Time").

4.3 Effects of the Penelec Merger 2.

(a) The Penelec Merger 2. At the Penelec Merger 2 Effective Time, the effects of the Penelec Merger 2 shall be as provided in this Agreement, the Penelec Statement of Merger 2 and the PBCL.

(b) Further Assurances. If at any time after the Penelec Merger 2 Effective Time NewCo, as the surviving corporation, determines, in its sole discretion, or is advised, that any documents (including any deeds, bills of sale or instruments of conveyance), assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm or record or otherwise vest in NewCo its right, title or interest in, to or under any of the rights, properties or assets of Penelec LLC acquired or to be acquired by the NewCo as a result of, or in connection with, the Penelec Merger 2, then the officers and directors of the NewCo will be, and

hereby are, authorized to execute and deliver, in the name and on behalf of Penelec LLC, all such deeds, bills of sale, instruments of conveyance, assignments and assurances and to take and do, in the name and on behalf of each of such corporations or otherwise, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title or interest in, to and under such rights, properties or assets in NewCo or otherwise to carry out the terms, conditions or intent of this Agreement.

4.4 Organizational Documents. Effective at the Penelec Merger 2 Effective Time, (i) the bylaws of NewCo, as in effect immediately prior to the Penelec Merger 2 Effective Time, shall be the bylaws of NewCo, as the surviving corporation, until amended in accordance with applicable Law and (ii) the articles of incorporation of NewCo, as in effect immediately prior to the Penelec Merger 2 Effective Time, shall be the articles of incorporation of NewCo, as the surviving corporation, until amended in accordance with applicable Law.

4.5 Directors and Officers. The directors and officers of NewCo as of immediately prior to the Penelec Merger 2 Effective Time shall be the board of directors and officers of NewCo, as the surviving corporation, and shall hold office in accordance with its articles of incorporation and bylaws until their successors are duly elected or appointed and qualified or until their earlier death, resignation, removal or cessation of employment by Parent.

4.6 Effects of the Penelec Merger 2 on Equity of NewCo and Penelec LLC. At the Penelec Merger 2 Effective Time, by virtue of the Penelec Merger 2 and without any action on the part of any holder of Penelec LLC Membership Interests or any holder of shares of capital stock of NewCo: (a) each share of capital stock of NewCo issued and outstanding prior to the Penelec Merger 2 Effective Time shall remain outstanding following the Penelec Merger 2 Effective Time and is to be an identical share of capital stock of NewCo, as the surviving corporation, after the Penelec Merger 2 Effective Time and (b) all of the issued and outstanding Penelec LLC Membership Interests shall no longer be outstanding, shall automatically be cancelled and shall cease to exist.

ARTICLE V

CLOSING

5.1 Closing. The closing of the Penelec Mergers and the other transactions contemplated hereby (the "Closing") will take place remotely on the date of this Agreement by electronic exchange of documents and signatures, unless another time, date and/or place is agreed to in writing by Parent. The date on which the Closing occurs is referred to in this Agreement as the "Closing Date." For the avoidance of doubt, (a) the Closing of the Penelec Merger 2 will occur prior to the consummation of the closings of the Met-Ed Merger 2, the West Penn Merger 2 and the Penn Power Merger, and (b) except with the prior written consent of Parent, under no circumstances shall the Closing of the Penelec Merger 2 occur except in connection with and prior to the closings of the Met-Ed Merger 2, the West Penn Merger 2 and the Penn Power Merger.

ARTICLE VI

MISCELLANEOUS

6.1 Termination and Abandonment. This Agreement may be terminated and the Penelec Mergers and the Contributions abandoned by Parent (notwithstanding any approval of Penelec, Penelec LLC, Parent, Holdings or NewCo's board of directors, managers or equityholders or the filing of the Penelec Statement of Merger 1 or Penelec Statement of Merger 2) at any time prior to the Penelec Merger 1 Effective Time or the Penelec Merger 2 Effective Time.

6.2 Tax Consequences. The Parties intend that (a) the Contributions and the Penelec Mergers will together qualify as a reorganization under Section 368(a) of the Code for U.S. federal income Tax purposes, (b) the Holdings Formation and the Holdings Contribution will together qualify as an exchange pursuant to Section 351 of the Code for U.S. federal income Tax purposes, and (c) the NewCo Formation, the NewCo Contribution and the Penelec Merger 2 will together qualify as an exchange pursuant to Section 351 of the Code for U.S. federal income Tax purposes (the "Intended Tax Treatment"). Except with the prior written consent of Parent, the Parties shall prepare all Tax Returns, and take actions in the course of any Tax audit, Tax review or Tax litigation relating thereto, consistent with the Intended Tax Treatment.

6.3 Entire Agreement; Amendments and Waivers. This Agreement (including the Exhibits hereto) represents the entire understanding and agreement between the Parties with respect to the subject matter hereof. This Agreement may only be amended, restated, supplemented or otherwise modified or waived by a written instrument signed by the Parties, subject to the applicable provisions of the PBCL and Delaware General Corporations Law. No action taken pursuant to this Agreement, including any investigation by or on behalf of any Party, shall be deemed to constitute a waiver by the Party taking such action of compliance with any representation, warranty, covenant or obligation contained herein. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any Party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such Party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

6.4 Governing Law. This Agreement, and all actions, causes of action, claims, cross-claims, third-party claims or Legal Proceedings of any kind (whether at law, in equity, in contract, in tort or otherwise) that may be based upon, arise out of or relate to this Agreement (including the Exhibits) shall be governed by and construed in accordance with the Laws of the Commonwealth of Pennsylvania, regardless of the Laws that might otherwise govern under applicable principles of conflicts of Laws.

6.5 Severability. If any condition, term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any Law or public policy, all other conditions, terms or provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties shall cooperate and negotiate in good

faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

6.6 Binding Effect; Third-Party Beneficiaries; Assignment.

(a) This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third-party beneficiary rights in any Person not a Party to this Agreement.

(b) No assignment of this Agreement or of any rights or obligations hereunder may be made, directly or indirectly (by operation of Law or otherwise), by any Party, without the prior written consent of Parent. Any attempted assignment without obtaining such required consent shall be null and void.

6.7 Counterparts; Delivery by Facsimile or Email.

(a) This Agreement and any amendment, restatement, supplement or other modification hereto or waiver hereunder, (i) may be executed in any number of counterparts (including by means of facsimile or email in .pdf format), each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement and (ii) to the extent signed and delivered by means of a facsimile machine or scanned pages via e-mail, shall be treated in all manner and respect as an original contract and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person.

(b) At the request of any Party, each other Party shall re-execute original forms hereof and deliver them to all other Parties. No Party shall raise the use of a facsimile machine or email to deliver a signature or the fact that any signature or agreement was transmitted or communicated through the use of facsimile machine or email as a defense to the formation of a contract, and each such Party forever waives any such defense.

(c) This Agreement is not binding unless and until signature pages are executed, delivered and confirmed as released by an authorized representative of each Party.

[*The remainder of this page is intentionally left blank*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers or authorized signatories thereunto duly authorized, as of the date first written above.

PARENT:

FirstEnergy Corp.

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers or authorized signatories thereunto duly authorized, as of the date first written above.

HOLDINGS:

FirstEnergy Pennsylvania Holding Company LLC

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers or authorized signatories thereunto duly authorized, as of the date first written above.

NEWCO:

FirstEnergy Pennsylvania Electric Company

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers or authorized signatories thereunto duly authorized, as of the date first written above.

PENELEC:

Pennsylvania Electric Company

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers or authorized signatories thereunto duly authorized, as of the date first written above.

PENELEC LLC:

Pennsylvania Electric Company LLC

By: _____
Name: _____
Title: _____

EXHIBIT A

PENELEC STATEMENT OF MERGER 1

EXHIBIT B

PENELEC STATEMENT OF MERGER 2

ERMAL FATUSHA

EXHIBIT EF-2(c)

FORM OF

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

FIRSTENERGY CORP.,

FIRSTENERGY PENNSYLVANIA HOLDING COMPANY LLC,

FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY,

WEST PENN POWER COMPANY LLC,

and

WEST PENN POWER COMPANY

Dated as of [●], 2023

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Exhibit A – West Penn Statement of Merger 1

Exhibit B – West Penn Statement of Merger 2

AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER, dated as of **[●]**, 2023 (as amended, restated, supplemented or modified from time to time, this "Agreement"), is by and among FirstEnergy Corp., an Ohio corporation ("Parent"), West Penn Power Company LLC, a Pennsylvania limited liability company and a wholly-owned Subsidiary of Parent ("West Penn LLC"), FirstEnergy Pennsylvania Holding Company LLC, a Delaware limited liability company and a wholly-owned Subsidiary of Parent ("Holdings"), FirstEnergy Pennsylvania Electric Company, a Pennsylvania corporation and a wholly-owned Subsidiary of Holdings ("NewCo"), and West Penn Power Company, a Pennsylvania corporation and a wholly-owned Subsidiary of Parent ("West Penn" and together with Parent, West Penn LLC, Holdings, and NewCo, collectively, the "Parties").

RECITALS

A. Parent owns (a) all of the issued and outstanding shares of capital stock of West Penn (the "West Penn Shares"), (b) 100% of the issued and outstanding membership interests of West Penn LLC (the "West Penn LLC Membership Interests") and (c) 100% of the issued and outstanding membership interests of Holdings (the "Holdings Membership Interests").

B. Prior to the execution of this Agreement, (a) Parent formed Holdings, as a wholly-owned Subsidiary (the "Holdings Formation"), and (b) following the formation of Holdings, Holdings formed NewCo, as a wholly-owned Subsidiary (the "NewCo Formation" and collectively, the "Formations").

C. Concurrently with the execution of this Agreement, (a) Pennsylvania Electric Company, a Pennsylvania corporation and a wholly-owned Subsidiary of Parent ("Penelec"), merged with and into Pennsylvania Electric Company LLC, a Pennsylvania limited liability company and a wholly-owned Subsidiary of Parent ("Penelec LLC"), with Penelec LLC surviving such merger as a wholly-owned Subsidiary of Parent (the "Penelec Merger 1"), and (b) Metropolitan Edison Company, a Pennsylvania corporation and wholly-owned Subsidiary of Parent ("Met-Ed"), merged with and into Metropolitan Edison Company LLC, a Pennsylvania limited liability company and a wholly-owned Subsidiary of Parent ("Met-Ed LLC"), with Met-Ed LLC surviving such merger as a wholly-owned Subsidiary of Parent (the "Met-Ed Merger 1").

D. Pursuant to the terms and subject to the conditions of this Agreement, West Penn will merge with and into West Penn LLC (the "West Penn Merger 1" and together with the Penelec Merger 1 and the Met-Ed Merger 1, the "First Mergers"), with West Penn LLC surviving such merger as a wholly-owned Subsidiary of Parent.

E. Following consummation of the First Mergers, Penelec LLC and Met-Ed LLC will execute and consummate a Membership Interest Purchase Agreement with Parent wherein each of Penelec LLC and Met-Ed LLC shall sell all of their respective Class B membership interests in Mid-Atlantic Interstate Transmission LLC, a Delaware limited liability company, to Parent in exchange for cash (the "Class B Sale").

F. Following consummation of the Class B Sale, (a) West Penn LLC and Keystone Appalachian Transmission Company, a Virginia corporation ("KATCo"), will execute

and consummate a Contribution Agreement, pursuant to which West Penn LLC shall contribute certain transmission assets to KATCo in exchange for shares of KATCo Class B common stock and (b) immediately thereafter, West Penn LLC and Parent will execute and consummate a Share Purchase Agreement, pursuant to which West Penn LLC will sell all of its shares of KATCo Class B common stock to Parent in exchange for cash (the steps in clauses (a) and (b) of this Paragraph F, collectively, the "KATCo Transmission Sale"), after which KATCo will continue to be a wholly-owned Subsidiary of Parent.

G. Following consummation of the KATCo Transmission Sale, (a) Parent will contribute all the equity interests in Penelec LLC to Holdings as a contribution to capital, then (b) Holdings will contribute all the equity interests of Penelec LLC to NewCo in exchange for additional NewCo shares, then (c) Penelec LLC will merge with and into NewCo with NewCo surviving the merger as a wholly-owned Subsidiary of Holdings (the "Penelec Merger 2").

H. Immediately following the consummation of the Penelec Merger 2, (a) Parent will contribute all the equity interests in Met-Ed LLC to Holdings as a contribution to capital, then (b) Holdings will contribute all the equity interests of Met-Ed LLC to NewCo in exchange for additional NewCo shares, then (c) Met-Ed LLC will merge with and into NewCo with NewCo surviving the merger as a wholly-owned Subsidiary of Holdings (the "Met-Ed Merger 2").

I. Immediately following the consummation of the Met-Ed Merger 2, (a) Parent will contribute all of the West Penn LLC Membership Interests to Holdings as a contribution to capital (the "Holdings Contribution"), then (b) Holdings will contribute all of the West Penn LLC Membership Interests to NewCo in exchange for additional NewCo shares (the "NewCo Contribution"), in each case, as set forth herein (collectively, the "Contributions").

J. Following the foregoing contributions of West Penn LLC Membership Interests to NewCo, West Penn LLC will merge with and into NewCo (the "West Penn Merger 2" and together with West Penn Merger 1, the "West Penn Mergers") with NewCo surviving such merger, in each case, as set forth herein.

K. Immediately following the consummation of the West Penn Merger 2, (a) Pennsylvania Power Company, a Pennsylvania corporation ("Penn Power") and a wholly-owned subsidiary of Ohio Edison Company, an Ohio corporation ("Ohio Edison"), which is itself a wholly-owned Subsidiary of Parent, will merge with and into NewCo, with NewCo surviving the merger as a wholly-owned Subsidiary of Holdings (the "Penn Power Merger"), and (b) as consideration for the Penn Power Merger, NewCo will pay Ohio Edison cash in an amount equal to the net book value of Penn Power.

L. Prior to the date of this Agreement, the Parties have provided applicable notice to or obtained applicable approval of the Federal Energy Regulatory Commission and the Pennsylvania Public Utility Commission with respect to the West Penn Mergers.

M. The board of directors or managers, as applicable, of each of West Penn, West Penn LLC, NewCo, Parent and Holdings has approved and declared fair to and in the best interests of each such entity, this Agreement and the transactions contemplated hereby, including

the West Penn Mergers and the Contributions, upon the terms and subject to the conditions set forth herein, and has directed that this Agreement be submitted to a vote of the sole shareholder or sole member, as applicable, entitled to vote thereon.

N. Parent, in its capacity as the sole shareholder or member, as applicable, of each of West Penn and West Penn LLC, has approved and adopted this Agreement and the transactions contemplated hereby, including the West Penn Merger 1, upon the terms and subject to the conditions set forth herein.

O. NewCo, in its capacity as the sole member of West Penn LLC following the West Penn Merger 1 and the Contributions, has approved and adopted this Agreement and the transactions contemplated hereby, including the West Penn Merger 2, upon the terms and subject to the conditions set forth herein.

P. The Parties intend that the Contributions and the West Penn Mergers will together qualify as a reorganization under Section 368(a) of the Code for U.S. federal income Tax purposes, and this Agreement is intended to constitute a "plan of reorganization" within the meaning of Treasury Regulations Section 1.368-2(g).

Q. The Parties intend that the Holdings Formation and the Holdings Contribution will together qualify as an exchange pursuant to Section 351 of the Code for U.S. federal income Tax purposes.

R. The Parties intend that the NewCo Formation, the NewCo Contribution and the West Penn Merger 2 will together qualify as an exchange pursuant to Section 351 of the Code for U.S. federal income Tax purposes.

S. The Parties desire to make certain covenants and agreements in connection with the West Penn Mergers and also to prescribe various conditions thereto.

AGREEMENT

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I

CERTAIN DEFINITIONS AND INTERPRETIVE MATTERS

1.1 Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Agreement" has the meaning set forth in the Preamble.

"Class B Sale" has the meaning set forth in the Recitals.

"Closing" has the meaning set forth in Section 5.1.

"Closing Date" has the meaning set forth in Section 5.1.

"Code" means the Internal Revenue Code of 1986, as amended.

"Contributions" has the meaning set forth in the Recitals.

"First Mergers" has the meaning set forth in the Recitals.

"Formations" has the meaning set forth in the Recitals.

"Governmental Body" means any federal, state, local, municipal, foreign or other government or governmental or regulatory body thereof, or political subdivision thereof, or self-regulatory organization, whether foreign, European Union, multi-national or other supra-national, national, federal, regional, state or local or any agency, instrumentality, authority, department, commission, official, board or bureau thereof, or any court, arbitrator, arbitration panel or similar judicial body.

"Holdings" has the meaning set forth in the Preamble.

"Holdings Contribution" has the meaning set forth in the Recitals.

"Holdings Formation" has the meaning set forth in the Recitals.

"Holdings Membership Interests" has the meaning set forth in the Recitals.

"Intended Tax Treatment" has the meaning set forth in Section 6.2.

"KATCo" has the meaning set forth in the Recitals.

"KATCo Transmission Sale" has the meaning set forth in the Recitals.

"Law" means any national, federal, state or local law, constitution, convention, statute, code, ordinance, rule, regulation, common law, treaty, decree, Order or other binding directive issued, enacted, promulgated, entered into, agreed or imposed by any Governmental Body.

"Legal Proceeding" means any judicial, administrative or arbitral claim, litigation, action, suit, audit, hearing, binding arbitration, mediation or other proceeding (public or private) by, before or otherwise involving a Governmental Body.

"Met-Ed" has the meaning set forth in the Recitals.

"Met-Ed LLC" has the meaning set forth in the Recitals.

"Met-Ed Merger 1" has the meaning set forth in the Recitals.

"Met-Ed Merger 2" has the meaning set forth in the Recitals.

"NewCo" has the meaning set forth in the Preamble.

"NewCo Contribution" has the meaning set forth in the Recitals.

"NewCo Formation" has the meaning set forth in the Recitals.

"Ohio Edison" has the meaning set forth in the Recitals.

"Order" means any order, injunction, judgment, decree, ruling, writ, assessment or arbitration award of a Governmental Body of competent jurisdiction.

"Parent" has the meaning set forth in the Preamble.

"Parties" has the meaning set forth in the Preamble.

"PBCL" means the Pennsylvania Business Corporation Law (15 Pa. C. S. §§1101-4162), as amended from time to time.

"PDOS " means the Pennsylvania Department of State.

"Penelec" has the meaning set forth in the Recitals.

"Penelec LLC" has the meaning set forth in the Recitals.

"Penelec Merger 1" has the meaning set forth in the Recitals.

"Penelec Merger 2" has the meaning set forth in the Recitals.

"Penn Power" has the meaning set forth in the Recitals.

"Penn Power Merger" has the meaning set forth in the Recitals.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Body or other entity.

"Subsidiary" of a Person (such Person for purposes of this definition, the "parent company") means any other Person (i) of which a majority of the outstanding voting securities or other voting equity interests, or a majority of any other interests having the power to direct or cause the direction of the management and policies of such other Person, are owned, directly or indirectly, by such parent company or one or more of the other Subsidiaries of such parent company or a combination thereof or (ii) with respect to which such parent company or any of its Subsidiaries is a general partner or managing member.

"Tax Return" means any return, report, claim for refund, estimate, information return or statement or other similar document relating to or required to be filed with any Governmental Body with respect to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Taxes" means all federal, state, local or foreign taxes or charges in the nature of taxes imposed by a Governmental Body, including all income, gross receipts, capital, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation, property and estimated taxes, and all interest, penalties, fines, and additions to tax imposed by any Governmental Body in connection with any of the foregoing.

"West Penn" has the meaning set forth in the Preamble.

"West Penn LLC" has the meaning set forth in the Preamble.

"West Penn LLC Membership Interests" has the meaning set forth in the Recitals.

"West Penn Merger 1" has the meaning set forth in the Recitals.

"West Penn Merger 2" has the meaning set forth in the Recitals.

"West Penn Merger 1 Effective Time" has the meaning set forth in Section 2.2(b).

"West Penn Merger 2 Effective Time" has the meaning set forth in Section 4.2(b).

"West Penn Shares" has the meaning set forth in the Recitals.

"West Penn Statement of Merger 1" has the meaning set forth in Section 2.2(a).

"West Penn Statement of Merger 2" has the meaning set forth in Section 4.2(a).

1.2 Other Definitional and Interpretive Matters. Unless otherwise expressly provided herein, for purposes of this Agreement, the following rules of interpretation shall apply:

(a) Currency. All Dollar amounts contemplated by this Agreement, to the extent applicable, shall be rounded down to the nearest penny.

(b) Gender and Number. Any reference in this Agreement to gender shall include all genders, and words imparting the singular number only shall include the plural and vice versa.

(c) Headings. The provision of a Table of Contents and headings herein are for convenience of reference only and shall not affect or be utilized in construing or interpreting this Agreement. All references in this Agreement to any "Exhibit," "Article," "Section" or other subsection are to the corresponding Exhibit, Article, Section or other subsection of this Agreement, unless otherwise specified.

(d) Herein. The words such as "herein," "hereinafter," "hereof," and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires.

(e) Including. The word "including" or any variation thereof means "including, without limitation" and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

(f) Or. The word "or" is not exclusive, unless the context otherwise requires.

ARTICLE II

MERGER OF WEST PENN AND WEST PENN LLC

2.1 The West Penn Merger 1. Upon the terms and subject to the conditions set forth in this Agreement and in accordance with the PBCL, West Penn shall be merged with and into West Penn LLC at the West Penn Merger 1 Effective Time. At the West Penn Merger 1 Effective Time, the separate corporate existence of West Penn shall cease, and West Penn LLC shall continue as the surviving company and shall succeed to and assume all the rights and obligations of West Penn in accordance with the PBCL.

2.2 Effective Time.

(a) Filings. Subject to the provisions of this Agreement, as soon as practicable on the Closing Date (as defined below), but, in any event, prior to the consummation of the Class B Sale, the Parties shall cause the West Penn Merger 1 to be consummated by filing with the PDOS a statement of merger with respect to the West Penn Merger 1 substantially in the form attached hereto as Exhibit A (the "West Penn Statement of Merger 1"), executed in accordance with the relevant provisions of the PBCL. As soon as practicable on the Closing Date, the Parties shall make all other filings or recordings required under the PBCL with respect to the West Penn Merger 1.

(b) Effective Time of the West Penn Merger 1. The West Penn Merger 1 shall become effective at such time as the West Penn Statement of Merger 1 is duly filed with the PDOS, or at such other time as Parent shall agree in writing and West Penn LLC, as the surviving company, shall specify in the West Penn Statement of Merger 1 (the time the West Penn Merger 1 becomes effective being the "West Penn Merger 1 Effective Time").

2.3 Effects of the West Penn Merger 1.

(a) The West Penn Merger 1. At the West Penn Merger 1 Effective Time, the effects of the West Penn Merger 1 shall be as provided in this Agreement, the West Penn Statement of Merger 1 and the PBCL.

(b) Further Assurances. If at any time after the West Penn Merger 1 Effective Time West Penn LLC, as the surviving company, determines, in its sole discretion, or is advised, that any documents (including any deeds, bills of sale or instruments of conveyance), assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm or record or otherwise vest in West Penn LLC its right, title or interest in, to or under any of the rights, properties or assets of West Penn acquired or to be acquired by West Penn LLC as a result of, or in connection with, the West Penn Merger 1, then the officers and directors of West Penn LLC will be, and hereby are, authorized to execute and deliver, in the name and on behalf of West

Penn, all such deeds, bills of sale, instruments of conveyance, assignments and assurances and to take and do, in the name and on behalf of each of such corporations or otherwise, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title or interest in, to and under such rights, properties or assets in West Penn LLC or otherwise to carry out the terms, conditions or intent of this Agreement.

2.4 Organizational Documents. Effective at the West Penn Merger 1 Effective Time, (i) the operating agreement of West Penn LLC, as in effect immediately prior to the West Penn Merger 1 Effective Time, shall be the operating agreement of West Penn LLC, as the surviving company, until amended in accordance with applicable Law and (ii) the articles of formation of West Penn LLC, as in effect immediately prior to the West Penn Merger 1 Effective Time, shall be the articles of formation of West Penn LLC, as the surviving company, until amended in accordance with applicable Law.

2.5 Managers and Officers. The managers and officers of West Penn LLC as of immediately prior to the West Penn Merger 1 Effective Time shall remain the managers and officers of West Penn LLC, as the surviving company, and shall hold office in accordance with its articles of formation and operating agreement until the West Penn Merger 2 Effective Time.

2.6 Effects of the West Penn Merger 1 on Equity of West Penn and West Penn LLC. At the West Penn Merger 1 Effective Time, by virtue of the West Penn Merger 1 and without any action on the part of any holder of West Penn Shares or any holder of West Penn LLC Membership Interests: (a) all of the issued and outstanding West Penn Shares shall no longer be outstanding, shall automatically be cancelled and shall cease to exist, (b) each share of stock of West Penn held in the treasury of West Penn shall automatically be cancelled and shall cease to exist, and no consideration shall be delivered in exchange therefor, and (c) all of the West Penn LLC Membership Interests issued and outstanding prior to the West Penn Merger 1 Effective Time shall remain outstanding following the West Penn Merger 1 Effective Time and is to be an identical membership interest of West Penn LLC, a the surviving company, after the West Penn Merger 1 Effective Time. At the Closing, all of the share certificates evidencing the West Penn Shares shall be cancelled and the stock transfer ledger of West Penn shall be closed and there shall be no further registration of transfers on the transfer books of West Penn LLC of any West Penn Shares that were outstanding immediately prior to the West Penn Merger 1 Effective Time.

ARTICLE III

CONTRIBUTIONS

3.1 Parent Contribution. Immediately following completion of the Class B Sale and the KATCo Transmission Sale, Parent will contribute, assign, transfer and convey all of the West Penn LLC Membership Interests to Holdings, and Holdings will accept and assume the West Penn LLC Membership Interests as an in-kind capital contribution equal to the value of the West Penn LLC Membership Interests (based on the net book value of West Penn LLC) without the issuance of additional membership interests in Holdings. Holdings will cause the limited liability company agreement of Holdings to be updated to reflect the foregoing contribution to capital.

3.2 Holdings Contribution. Immediately following the contribution set forth in Section 3.1, Holdings will contribute, assign, transfer and convey all of the West Penn LLC Membership Interests to NewCo, and NewCo will accept and assume the West Penn LLC Membership Interests. In exchange for the contribution by Holdings, NewCo will issue to Holdings [●] shares of common stock, par value $0.001 per share (representing a number of shares of NewCo equal in value, in the aggregate, to the net book value of West Penn LLC).

ARTICLE IV

MERGER OF WEST PENN LLC AND NEWCO

4.1 The West Penn Merger 2. Upon the terms and subject to the conditions set forth in this Agreement and in accordance with the PBCL, West Penn LLC shall be merged with and into NewCo at the West Penn Merger 2 Effective Time. At the West Penn Merger 2 Effective Time, the separate corporate existence of West Penn LLC shall cease, and NewCo shall continue as the surviving corporation and shall succeed to and assume all the rights and obligations of West Penn LLC in accordance with the PBCL.

4.2 Effective Time.

(a) Filings. Subject to the provisions of this Agreement, as soon as practicable on the Closing Date, but, in any event, subsequent to the consummation of the Penelec Merger 2, the Met-Ed Merger 2 and the Contributions and prior to the consummation of the Penn Power Merger, the Parties shall cause the West Penn Merger 2 to be consummated by filing with the PDOS a statement of merger with respect to the West Penn Merger 2 substantially in the form attached hereto as Exhibit B (the "West Penn Statement of Merger 2"), executed in accordance with the relevant provisions of the PBCL. As soon as practicable on the Closing Date, the Parties shall make all other filings or recordings required under the PBCL with respect to the West Penn Merger 2.

(b) Effective Time of the West Penn Merger 2. The West Penn Merger 2 shall become effective at such time as the West Penn Statement of Merger 2 is duly filed with the PDOS, or at such other time as Parent and Holdings shall agree in writing and NewCo shall specify in the West Penn Statement of Merger 2 (the time the West Penn Merger 2 becomes effective being the "West Penn Merger 2 Effective Time").

4.3 Effects of the West Penn Merger 2.

(a) The West Penn Merger 2. At the West Penn Merger 2 Effective Time, the effects of the West Penn Merger 2 shall be as provided in this Agreement, the West Penn Statement of Merger 2 and the PBCL.

(b) Further Assurances. If at any time after the West Penn Merger 2 Effective Time NewCo, as the surviving corporation, determines, in its sole discretion, or is advised, that any documents (including any deeds, bills of sale or instruments of conveyance), assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm or record or otherwise vest in NewCo its right, title or interest in, to or under any of the rights, properties or assets of West Penn LLC acquired or to be acquired by the NewCo as a result of, or

in connection with, the West Penn Merger 2, then the officers and directors of the NewCo will be, and hereby are, authorized to execute and deliver, in the name and on behalf of West Penn LLC, all such deeds, bills of sale, instruments of conveyance, assignments and assurances and to take and do, in the name and on behalf of each of such corporations or otherwise, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title or interest in, to and under such rights, properties or assets in NewCo or otherwise to carry out the terms, conditions or intent of this Agreement.

4.4 Organizational Documents. Effective at the West Penn Merger 2 Effective Time, (i) the bylaws of NewCo, as in effect immediately prior to the West Penn Merger 2 Effective Time, shall be the bylaws of NewCo, as the surviving corporation, until amended in accordance with applicable Law and (ii) the articles of incorporation of NewCo, as in effect immediately prior to the West Penn Merger 2 Effective Time, shall be the articles of incorporation of NewCo, as the surviving corporation, until amended in accordance with applicable Law.

4.5 Directors and Officers. The directors and officers of NewCo as of immediately prior to the West Penn Merger 2 Effective Time shall be the board of directors and officers of NewCo, as the surviving corporation, and shall hold office in accordance with its articles of incorporation and bylaws until their successors are duly elected or appointed and qualified or until their earlier death, resignation, removal or cessation of employment by Parent.

4.6 Effects of the West Penn Merger 2 on Equity of NewCo and West Penn LLC. At the West Penn Merger 2 Effective Time, by virtue of the West Penn Merger 2 and without any action on the part of any holder of West Penn LLC Membership Interests or any holder of shares of capital stock of NewCo: (a) each share of capital stock of NewCo issued and outstanding prior to the West Penn Merger 2 Effective Time shall remain outstanding following the West Penn Merger 2 Effective Time and is to be an identical share of capital stock of NewCo, as the surviving corporation, after the West Penn Merger 2 Effective Time and (b) all of the issued and outstanding West Penn LLC Membership Interests shall no longer be outstanding, shall automatically be cancelled and shall cease to exist.

ARTICLE V

CLOSING

5.1 Closing. The closing of the West Penn Mergers and the other transactions contemplated hereby (the "Closing") will take place remotely on the date of this Agreement by electronic exchange of documents and signatures, unless another time, date and/or place is agreed to in writing by Parent. The date on which the Closing occurs is referred to in this Agreement as the "Closing Date." For the avoidance of doubt, (a) the consummation of the Penelec Merger 2 and the Met-Ed Merger 2 have occurred prior to the Closing of West Penn Merger 2, (b) the consummation of the Penn Power Merger has not occurred prior to the Closing of West Penn Merger 2, and (c) except with the prior written consent of Parent, under no circumstances shall the Closing of West Penn Merger 2 occur except in connection with and subsequent to the prior closings of the Penelec Merger 2 and Met-Ed Merger 2 and prior to the closing of Penn Power Merger.

ARTICLE VI

MISCELLANEOUS

6.1 Termination and Abandonment. This Agreement may be terminated and the West Penn Mergers and the Contributions abandoned by Parent (notwithstanding any approval of West Penn, West Penn LLC, Parent, Holdings or NewCo's board of directors, managers or equityholders or the filing of the West Penn Statement of Merger 1 or West Penn Statement of Merger 2) at any time prior to the West Penn Merger 1 Effective Time or the West Penn Merger 2 Effective Time.

6.2 Tax Consequences. The Parties intend that (a) the Contributions and the West Penn Mergers will together qualify as a reorganization under Section 368(a) of the Code for U.S. federal income Tax purposes, (b) the Holdings Formation and the Holdings Contribution will together qualify as an exchange pursuant to Section 351 of the Code for U.S. federal income Tax purposes, and (c) the NewCo Formation, the NewCo Contribution and the West Penn Merger 2 will together qualify as an exchange pursuant to Section 351 of the Code for U.S. federal income Tax purposes (the "Intended Tax Treatment"). Except with the prior written consent of Parent, the Parties shall prepare all Tax Returns, and take actions in the course of any Tax audit, Tax review or Tax litigation relating thereto, consistent with the Intended Tax Treatment.

6.3 Entire Agreement; Amendments and Waivers. This Agreement (including the Exhibits hereto) represents the entire understanding and agreement between the Parties with respect to the subject matter hereof. This Agreement may only be amended, restated, supplemented or otherwise modified or waived by a written instrument signed by the Parties, subject to the applicable provisions of the PBCL and Delaware General Corporations Law. No action taken pursuant to this Agreement, including any investigation by or on behalf of any Party, shall be deemed to constitute a waiver by the Party taking such action of compliance with any representation, warranty, covenant or obligation contained herein. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any Party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such Party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

6.4 Governing Law. This Agreement, and all actions, causes of action, claims, cross-claims, third-party claims or Legal Proceedings of any kind (whether at law, in equity, in contract, in tort or otherwise) that may be based upon, arise out of or relate to this Agreement (including the Exhibits) shall be governed by and construed in accordance with the Laws of the Commonwealth of Pennsylvania, regardless of the Laws that might otherwise govern under applicable principles of conflicts of Laws.

6.5 Severability. If any condition, term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any Law or public policy, all other conditions, terms or provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties shall cooperate and negotiate in good

faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

6.6 Binding Effect; Third-Party Beneficiaries; Assignment.

(a) This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third-party beneficiary rights in any Person not a Party to this Agreement.

(b) No assignment of this Agreement or of any rights or obligations hereunder may be made, directly or indirectly (by operation of Law or otherwise), by any Party, without the prior written consent of Parent. Any attempted assignment without obtaining such required consent shall be null and void.

6.7 Counterparts; Delivery by Facsimile or Email.

(a) This Agreement and any amendment, restatement, supplement or other modification hereto or waiver hereunder, (i) may be executed in any number of counterparts (including by means of facsimile or email in .pdf format), each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement and (ii) to the extent signed and delivered by means of a facsimile machine or scanned pages via e-mail, shall be treated in all manner and respect as an original contract and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person.

(b) At the request of any Party, each other Party shall re-execute original forms hereof and deliver them to all other Parties. No Party shall raise the use of a facsimile machine or email to deliver a signature or the fact that any signature or agreement was transmitted or communicated through the use of facsimile machine or email as a defense to the formation of a contract, and each such Party forever waives any such defense.

(c) This Agreement is not binding unless and until signature pages are executed, delivered and confirmed as released by an authorized representative of each Party.

[*The remainder of this page is intentionally left blank*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers or authorized signatories thereunto duly authorized, as of the date first written above.

PARENT:

FirstEnergy Corp.

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers or authorized signatories thereunto duly authorized, as of the date first written above.

HOLDINGS:

FirstEnergy Pennsylvania Holding Company LLC

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers or authorized signatories thereunto duly authorized, as of the date first written above.

NEWCO:

FirstEnergy Pennsylvania Electric Company

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers or authorized signatories thereunto duly authorized, as of the date first written above.

WEST PENN:

West Penn Power Company

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers or authorized signatories thereunto duly authorized, as of the date first written above.

WEST PENN LLC:

West Penn Power Company

By: _____
Name: _____
Title: _____

EXHIBIT A

WEST PENN STATEMENT OF MERGER 1

EXHIBIT B

WEST PENN STATEMENT OF MERGER 2

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EXHIBIT EF-2(d)

FORM OF

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

FIRSTENERGY CORP.,

FIRSTENERGY PENNSYLVANIA HOLDING COMPANY LLC,

FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY,

OHIO EDISON COMPANY

and

PENNSYLVANIA POWER COMPANY

Dated as of [●], 2023

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Exhibits:

Exhibit A – Penn Power Statement of Merger

AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER, dated as of **[●]**, 2023 (as amended, restated, supplemented or modified from time to time, this "Agreement"), is by and among FirstEnergy Corp., an Ohio corporation ("Parent"), Ohio Edison Company, an Ohio corporation and wholly-owned Subsidiary of Parent ("Ohio Edison"), FirstEnergy Pennsylvania Holding Company LLC, a Delaware limited liability company and a wholly-owned Subsidiary of Parent ("Holdings"), FirstEnergy Pennsylvania Electric Company, a Pennsylvania corporation and a wholly-owned Subsidiary of Holdings ("NewCo"), and Pennsylvania Power Company, a Pennsylvania corporation and a wholly-owned Subsidiary of Ohio Edison ("Penn Power" and together with Parent, Ohio Edison, Holdings, and NewCo, collectively, the "Parties").

RECITALS

A. Ohio Edison owns all of the issued and outstanding shares of capital stock of Penn Power (the "Penn Power Shares").

B. Prior to the execution of this Agreement, (a) Parent formed Holdings, as a wholly-owned Subsidiary (the "Holdings Formation"), and (b) following the formation of Holdings, Holdings formed NewCo, as a wholly-owned Subsidiary (the "NewCo Formation" and collectively, the "Formations").

C. Following the Holdings Formation and the NewCo Formation, but prior to the execution of this Agreement, (a) Pennsylvania Electric Company, a Pennsylvania corporation and a wholly-owned Subsidiary of Parent ("Penelec"), merged with and into Pennsylvania Electric Company LLC, a Pennsylvania limited liability company and a wholly-owned Subsidiary of Parent ("Penelec LLC"), with Penelec LLC surviving such merger as a wholly-owned Subsidiary of Parent (the "Penelec Merger 1"), (b) Metropolitan Edison Company, a Pennsylvania corporation and wholly-owned Subsidiary of Parent ("Met-Ed"), merged with and into Metropolitan Edison Company LLC, a Pennsylvania limited liability company and a wholly-owned Subsidiary of Parent ("Met-Ed LLC"), with Met-Ed LLC surviving such merger as a wholly-owned Subsidiary of Parent (the "Met-Ed Merger 1"), and (c) West Penn Power Company, a Pennsylvania corporation and a wholly-owned Subsidiary of Parent ("West Penn"), merged with and into West Penn Power Company LLC, a Pennsylvania limited liability company and a wholly-owned Subsidiary of Parent ("West Penn LLC"), with West Penn LLC surviving such merger as a wholly-owned Subsidiary of Parent (the "West Penn Merger 1" and together with the Penelec Merger 1 and the Met-Ed Merger 1, the "First Mergers").

D. Following consummation of the First Mergers but prior to the execution of this Agreement, Penelec LLC and Met-Ed LLC executed and consummated a Membership Interest Purchase Agreement with Parent wherein each of Penelec LLC and Met-Ed LLC sold all of their respective Class B membership interests in Mid-Atlantic Interstate Transmission LLC, a Delaware limited liability company, to Parent in exchange for cash (the "Class B Sale").

E. Following consummation of the Class B Sale but prior to the execution of this Agreement, (a) West Penn LLC and Keystone Appalachian Transmission Company, a Virginia corporation ("KATCo"), executed and consummated a Contribution Agreement, pursuant

to which West Penn LLC contributed certain transmission assets to KATCo in exchange for shares of KATCo Class B common stock and (b) immediately thereafter, West Penn LLC and Parent executed and consummated a Share Purchase Agreement, pursuant to which West Penn LLC sold all of its shares of KATCo Class B common stock to Parent in exchange for cash (the steps in clauses (a) and (b) of this Paragraph E, collectively, the "KATCo Transmission Sale"), after which KATCo continued to be a wholly-owned Subsidiary of Parent.

F. Following consummation of the KATCo Transmission Sale but prior to the execution of this Agreement, (a) Parent contributed all the equity interests in Penelec LLC to Holdings as a contribution to capital, then (b) Holdings contributed all the equity interests of Penelec LLC to NewCo in exchange for additional NewCo shares, then (c) Penelec LLC merged with and into NewCo with NewCo surviving the merger as a wholly-owned Subsidiary of Holdings (the "Penelec Merger 2").

G. Immediately following the Penelec Merger 2 but prior to the execution of this Agreement, (a) Parent contributed all the equity interests in Met-Ed LLC to Holdings as a contribution to capital, then (b) Holdings contributed all the equity interests of Met-Ed LLC to NewCo in exchange for additional NewCo shares, then (c) Met-Ed LLC merged with and into NewCo with NewCo surviving the merger as a wholly-owned Subsidiary of Holdings (the "Met-Ed Merger 2").

H. Immediately following the Met-Ed Merger 2 but prior to the execution of this Agreement, (a) Parent contributed all the equity interests in West Penn LLC to Holdings as a contribution to capital, then (b) Holdings contributed all the equity interests of West Penn LLC to NewCo in exchange for additional NewCo shares, then (c) West Penn LLC merged with and into NewCo with NewCo surviving the merger as a wholly-owned Subsidiary of Holdings (the "West Penn Merger 2").

I. Immediately following the West Penn Merger 2 and pursuant to the terms and subject to the conditions of this Agreement, (a) Penn Power will merge with and into NewCo, with NewCo surviving the merger as a wholly-owned Subsidiary of Holdings (the "Penn Power Merger"), and (b) as consideration for such Penn Power Merger, NewCo will pay cash to Ohio Edison in an amount equal to the net book value of Penn Power (the "Merger Consideration").

J. Prior to the date of this Agreement, the Parties have provided applicable notice to or obtained applicable approval of the Federal Energy Regulatory Commission and the Pennsylvania Public Utility Commission with respect to the Penn Power Merger.

K. The board of directors or managers, as applicable, of each of Penn Power NewCo, Parent, Ohio Edison and Holdings has approved and declared fair to and in the best interests of each such entity, this Agreement and the transactions contemplated hereby, including the Penn Power Merger, upon the terms and subject to the conditions set forth herein, and has directed that this Agreement be submitted to a vote of the sole shareholder or sole member, as applicable, entitled to vote thereon.

L. Ohio Edison in its capacity as the sole shareholder of Penn Power, has approved and adopted this Agreement and the transactions contemplated hereby, including the Penn Power Merger, upon the terms and subject to the conditions set forth herein.

M. NewCo, in its capacity as the sole shareholder of Penn Power following the Penn Power Merger, has approved and adopted this Agreement and the transactions contemplated hereby, including the Penn Power Merger, upon the terms and subject to the conditions set forth herein.

N. The Parties intend that the Merger Consideration and the Penn Power Merger will together qualify as a reorganization under Section 368(a) of the Code for U.S. federal income Tax purposes, and this Agreement is intended to constitute a "plan of reorganization" within the meaning of Treasury Regulations Section 1.368-2(g).

O. The Parties desire to make certain covenants and agreements in connection with the Penn Power Merger and also to prescribe various conditions thereto.

AGREEMENT

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I

CERTAIN DEFINITIONS AND INTERPRETIVE MATTERS

1.1 Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Agreement" has the meaning set forth in the Preamble.

"Class B Sale" has the meaning set forth in the Recitals.

"Closing" has the meaning set forth in Section 3.1.

"Closing Date" has the meaning set forth in Section 3.1.

"Code" means the Internal Revenue Code of 1986, as amended.

"First Mergers" has the meaning set forth in the Recitals.

"Formations" has the meaning set forth in the Recitals.

"Governmental Body" means any federal, state, local, municipal, foreign or other government or governmental or regulatory body thereof, or political subdivision thereof, or self-regulatory organization, whether foreign, European Union, multi-national or other supra-national,

national, federal, regional, state or local or any agency, instrumentality, authority, department, commission, official, board or bureau thereof, or any court, arbitrator, arbitration panel or similar judicial body.

"Holdings" has the meaning set forth in the Preamble.

"Holdings Formation" has the meaning set forth in the Recitals.

"Holdings Membership Interests" has the meaning set forth in the Recitals.

"Intended Tax Treatment" has the meaning set forth in Section 4.2.

"KATCo" has the meaning set forth in the Recitals.

"KATCo Transmission Sale" has the meaning set forth in the Recitals.

"Law" means any national, federal, state or local law, constitution, convention, statute, code, ordinance, rule, regulation, common law, treaty, decree, Order or other binding directive issued, enacted, promulgated, entered into, agreed or imposed by any Governmental Body.

"Legal Proceeding" means any judicial, administrative or arbitral claim, litigation, action, suit, audit, hearing, binding arbitration, mediation or other proceeding (public or private) by, before or otherwise involving a Governmental Body.

"Merger Consideration" has the meaning set forth in the Recitals.

"Met-Ed" has the meaning set forth in the Recitals.

"Met-Ed LLC" has the meaning set forth in the Recitals.

"Met-Ed Merger 1" has the meaning set forth in the Recitals.

"Met-Ed Merger 2" has the meaning set forth in the Recitals.

"NewCo" has the meaning set forth in the Preamble.

"NewCo Formation" has the meaning set forth in the Recitals.

"Ohio Edison" has the meaning set forth in the Preamble.

"Order" means any order, injunction, judgment, decree, ruling, writ, assessment or arbitration award of a Governmental Body of competent jurisdiction.

"Parent" has the meaning set forth in the Preamble.

"Parties" has the meaning set forth in the Preamble.

"PBCL" means the Pennsylvania Business Corporation Law (15 Pa. C. S. §§1101-4162), as amended from time to time.

"PDOS " means the Pennsylvania Department of State.

"Penelec" has the meaning set forth in the Recitals.

"Penelec LLC" has the meaning set forth in the Recitals.

"Penelec Merger 1" has the meaning set forth in the Recitals.

"Penelec Merger 2" has the meaning set forth in the Recitals.

"Penn Power" has the meaning set forth in the Preamble.

"Penn Power Merger" has the meaning set forth in the Recitals.

"Penn Power Merger Effective Time" has the meaning set forth in Section 2.2(b).

"Penn Power Shares" has the meaning set forth in the Recitals.

"Penn Power Statement of Merger" has the meaning set forth in Section 2.2(a).

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Body or other entity.

"Subsidiary" of a Person (such Person for purposes of this definition, the "parent company") means any other Person (i) of which a majority of the outstanding voting securities or other voting equity interests, or a majority of any other interests having the power to direct or cause the direction of the management and policies of such other Person, are owned, directly or indirectly, by such parent company or one or more of the other Subsidiaries of such parent company or a combination thereof or (ii) with respect to which such parent company or any of its Subsidiaries is a general partner or managing member.

"Tax Return" means any return, report, claim for refund, estimate, information return or statement or other similar document relating to or required to be filed with any Governmental Body with respect to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Taxes" means all federal, state, local or foreign taxes or charges in the nature of taxes imposed by a Governmental Body, including all income, gross receipts, capital, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation, property and estimated taxes, and all interest, penalties, fines, and additions to tax imposed by any Governmental Body in connection with any of the foregoing.

"West Penn" has the meaning set forth in the Recitals.

"West Penn LLC" has the meaning set forth in the Preamble.

"West Penn Merger 1" has the meaning set forth in the Recitals.

"West Penn Merger 2" has the meaning set forth in the Recitals.

1.2 Other Definitional and Interpretive Matters. Unless otherwise expressly provided herein, for purposes of this Agreement, the following rules of interpretation shall apply:

(a) Currency. All Dollar amounts contemplated by this Agreement, to the extent applicable, shall be rounded down to the nearest penny.

(b) Gender and Number. Any reference in this Agreement to gender shall include all genders, and words imparting the singular number only shall include the plural and vice versa.

(c) Headings. The provision of a Table of Contents and headings herein are for convenience of reference only and shall not affect or be utilized in construing or interpreting this Agreement. All references in this Agreement to any "Exhibit," "Article," "Section" or other subsection are to the corresponding Exhibit, Article, Section or other subsection of this Agreement, unless otherwise specified.

(d) Herein. The words such as "herein," "hereinafter," "hereof," and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires.

(e) Including. The word "including" or any variation thereof means "including, without limitation" and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

(f) Or. The word "or" is not exclusive, unless the context otherwise requires.

ARTICLE II

MERGER OF PENN POWER AND NEWCO

2.1 The Penn Power Merger. Upon the terms and subject to the conditions set forth in this Agreement and in accordance with the PBCL, Penn Power shall be merged with and into NewCo at the Penn Power Merger Effective Time. At the Penn Power Merger Effective Time, the separate corporate existence of Penn Power shall cease, and NewCo shall continue as the surviving corporation and shall succeed to and assume all the rights and obligations of Penn Power in accordance with the PBCL.

2.2 Effective Time.

(a) Filings. Subject to the provisions of this Agreement, as soon as practicable on the Closing Date, but, in any event, subsequent to consummation of the Penelec Merger 2, the Met-Ed Merger 2 and the West Penn Merger 2, the Parties shall cause the Penn Power Merger to

be consummated by filing with the PDOS a statement of merger with respect to the Penn Power Merger substantially in the form attached hereto as Exhibit A (the "Penn Power Statement of Merger"), executed in accordance with the relevant provisions of the PBCL. As soon as practicable on the Closing Date, the Parties shall make all other filings or recordings required under the PBCL with respect to the Penn Power Merger.

(b) Effective Time of the Penn Power Merger. The Penn Power Merger shall become effective at such time as the Penn Power Statement of Merger is duly filed with the PDOS, or at such other time as Parent and Holdings shall agree in writing and NewCo shall specify in the Penn Power Statement of Merger (the time the Penn Power Merger becomes effective being the "Penn Power Merger Effective Time").

2.3 Effects of the Penn Power Merger.

(a) The Penn Power Merger. At the Penn Power Merger Effective Time, the effects of the Penn Power Merger shall be as provided in this Agreement, the Penn Power Statement of Merger and the PBCL.

(b) Further Assurances. If at any time after the Penn Power Merger Effective Time NewCo, as the surviving corporation, determines, in its sole discretion, or is advised, that any documents (including any deeds, bills of sale or instruments of conveyance), assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm or record or otherwise vest in NewCo its right, title or interest in, to or under any of the rights, properties or assets of Penn Power acquired or to be acquired by the NewCo as a result of, or in connection with, the Penn Power Merger, then the officers and directors of the NewCo will be, and hereby are, authorized to execute and deliver, in the name and on behalf of Penn Power, all such deeds, bills of sale, instruments of conveyance, assignments and assurances and to take and do, in the name and on behalf of each of such corporations or otherwise, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title or interest in, to and under such rights, properties or assets in NewCo or otherwise to carry out the terms, conditions or intent of this Agreement.

2.4 Organizational Documents. Effective at the Penn Power Merger Effective Time, (i) the bylaws of NewCo, as in effect immediately prior to the Penn Power Merger Effective Time, shall be the bylaws of NewCo, as the surviving corporation, until amended in accordance with applicable Law and (ii) the articles of incorporation of NewCo, as in effect immediately prior to the Penn Power Merger Effective Time, shall be the articles of incorporation of NewCo, as the surviving corporation, until amended in accordance with applicable Law.

2.5 Directors and Officers. The directors and officers of NewCo as of immediately prior to the Penn Power Merger Effective Time shall be the board of directors and officers of NewCo, as the surviving corporation, and shall hold office in accordance with its articles of incorporation and bylaws until their successors are duly elected or appointed and qualified or until their earlier death, resignation, removal or cessation of employment by Parent.

2.6 Effects of the Penn Power Merger on Equity of NewCo and Penn Power. At the Penn Power Merger Effective Time, by virtue of the Penn Power Merger and without any action on

the part of any holder of Penn Power Shares or any holder of shares of capital stock of NewCo: (a) each share of capital stock of NewCo issued and outstanding prior to the Penn Power Merger Effective Time shall remain outstanding following the Penn Power Merger Effective Time and is to be an identical share of capital stock of NewCo, as the surviving corporation, after the Penn Power Merger Effective Time, (b) all of the issued and outstanding Penn Power Shares shall no longer be outstanding, shall automatically be cancelled and shall cease to exist and be converted into the right to receive the Merger Consideration and (c) each share of stock of Penn Power held in the treasury of Penn Power shall automatically be cancelled and shall cease to exist, and no consideration shall be delivered in exchange therefor. The stock transfer ledger of Penn Power shall be closed and there shall be no further registration of transfers on the transfer books of NewCo of any Penn Power Shares that were outstanding immediately prior to the Penn Power Merger Effective Time.

ARTICLE III

CLOSING

3.1 Closing. The closing of the Penn Power Merger and the other transactions contemplated hereby (the "Closing") will take place remotely on the date of this Agreement by electronic exchange of documents and signatures, unless another time, date and/or place is agreed to in writing by Parent. The date on which the Closing occurs is referred to in this Agreement as the "Closing Date." For the avoidance of doubt, (a) the consummation of the Penelec Merger 2, the Met-Ed Merger 2 and the West Penn Merger 2 have occurred prior to the Closing of Penn Power Merger, and (b) except with the prior written consent of Parent, under no circumstances shall the Closing of Penn Power Merger occur except in connection with and subsequent to the prior closings of the Penelec Merger 2, Met-Ed Merger 2 and West Penn Merger 2.

3.2 Payment of Merger Consideration. At the Closing, NewCo shall pay to Ohio Edison, by wire transfer of immediately available funds to the account or accounts designated by Ohio Edison, the Merger Consideration.

ARTICLE IV

MISCELLANEOUS

4.1 Termination and Abandonment. This Agreement may be terminated and the Penn Power Merger abandoned by Parent (notwithstanding any approval of Penn Power, Parent, Holdings, Ohio Edison or NewCo's board of directors, managers or equityholders or the filing of the Penn Power Statement of Merger) at any time prior to the Penn Power Merger Effective Time.

4.2 Tax Consequences. The Parties intend that the Merger Consideration and the Penn Power Merger will together qualify as a reorganization under Section 368(a) of the Code for U.S. federal income Tax purposes (the "Intended Tax Treatment"). Except with the prior written consent of Parent, the Parties shall prepare all Tax Returns, and take actions in the course of any Tax audit, Tax review or Tax litigation relating thereto, consistent with the Intended Tax Treatment.

4.3 Entire Agreement; Amendments and Waivers. This Agreement (including the Exhibits hereto) represents the entire understanding and agreement between the Parties with respect

to the subject matter hereof. This Agreement may only be amended, restated, supplemented or otherwise modified or waived by a written instrument signed by the Parties, subject to the applicable provisions of the PBCL and Delaware General Corporations Law. No action taken pursuant to this Agreement, including any investigation by or on behalf of any Party, shall be deemed to constitute a waiver by the Party taking such action of compliance with any representation, warranty, covenant or obligation contained herein. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any Party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such Party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

4.4 Governing Law. This Agreement, and all actions, causes of action, claims, cross-claims, third-party claims or Legal Proceedings of any kind (whether at law, in equity, in contract, in tort or otherwise) that may be based upon, arise out of or relate to this Agreement (including the Exhibits) shall be governed by and construed in accordance with the Laws of the Commonwealth of Pennsylvania, regardless of the Laws that might otherwise govern under applicable principles of conflicts of Laws.

4.5 Severability. If any condition, term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any Law or public policy, all other conditions, terms or provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties shall cooperate and negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

4.6 Binding Effect; Third-Party Beneficiaries; Assignment.

(a) This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third-party beneficiary rights in any Person not a Party to this Agreement.

(b) No assignment of this Agreement or of any rights or obligations hereunder may be made, directly or indirectly (by operation of Law or otherwise), by any Party, without the prior written consent of Parent. Any attempted assignment without obtaining such required consent shall be null and void.

4.7 Counterparts; Delivery by Facsimile or Email.

(a) This Agreement and any amendment, restatement, supplement or other modification hereto or waiver hereunder, (i) may be executed in any number of counterparts (including by means of facsimile or email in .pdf format), each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement and (ii) to the extent signed and delivered by means of a facsimile

machine or scanned pages via e-mail, shall be treated in all manner and respect as an original contract and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person.

(b) At the request of any Party, each other Party shall re-execute original forms hereof and deliver them to all other Parties. No Party shall raise the use of a facsimile machine or email to deliver a signature or the fact that any signature or agreement was transmitted or communicated through the use of facsimile machine or email as a defense to the formation of a contract, and each such Party forever waives any such defense.

(c) This Agreement is not binding unless and until signature pages are executed, delivered and confirmed as released by an authorized representative of each Party.

[*The remainder of this page is intentionally left blank*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers or authorized signatories thereunto duly authorized, as of the date first written above.

PARENT:

FirstEnergy Corp.

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers or authorized signatories thereunto duly authorized, as of the date first written above.

HOLDINGS:

FirstEnergy Pennsylvania Holding Company LLC

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers or authorized signatories thereunto duly authorized, as of the date first written above.

NEWCO:

FirstEnergy Pennsylvania Electric Company

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers or authorized signatories thereunto duly authorized, as of the date first written above.

PENN POWER:

Pennsylvania Power Company

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers or authorized signatories thereunto duly authorized, as of the date first written above.

OHIO EDISON:

Ohio Edison Company

By: _____
Name: _____
Title: _____

EXHIBIT A

PENN POWER STATEMENT OF MERGER

ERMAL FATUSHA

EXHIBIT EF-3

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is made and entered into effective as of [_____], by and between FirstEnergy Corp., an Ohio corporation (the "Purchaser"), and West Penn Power Company LLC, a Pennsylvania limited liability company (the "Seller"). The Seller and the Purchaser are referred to collectively in this Agreement as the "Parties."

The Purchaser desires to purchase from Seller, and Seller desires to sell to the Purchaser, [_____] shares of the class B common stock of Keystone Appalachian Transmission Company, a Virginia corporation (the "Company"), (such shares, the "Purchased Stock").

NOW, THEREFORE, in consideration of the covenants set forth herein, and in reliance on the representations and warranties contained herein, the Parties, intending to be legally bound, hereby agree as follows:

1. Transfer of Shares. On and as of the date of this Agreement (the "Closing Date"), and effective immediately following the Closing, the Seller hereby sells, transfers and assigns to the Purchaser free and clear of all liens and encumbrances (other than restrictions in the Stockholders Agreement and applicable federal and state securities laws) all right, title, and interest in and to the Purchased Stock, and does hereby irrevocably constitute and appoint any officer of the Company as attorney-in-fact to effect and confirm the transfer of said shares on the books and records of the Company, with full power of substitution. The Seller shall deliver stock certificates, if any, representing the Purchased Stock to the Purchaser on the Closing Date.

2. Purchase Price. Purchaser shall purchase the Purchased Stock for an aggregate amount equal to the net book value of the Purchased Stock as of the Closing (as reflected in Seller's financial records and calculated in accordance with Schedule 2.01) (the "Purchase Price"). At the Closing, the aggregate Purchase Price shall be paid by the Purchaser to Seller, by wire transfer of immediately available funds.

3. Representations and Warranties of Seller. The Seller represents and warrants to the Purchaser as follows:

(a) Title to Shares. Seller has title to the Purchased Stock, free and clear of liens and encumbrances (other than restrictions in the Stockholders Agreement and federal and state securities laws). Seller has full right and authority to transfer and deliver all of the Purchased Stock owned by the Seller to the Purchaser as contemplated by this Agreement.

(b) Authority. Seller has the power and authority to execute and deliver this Agreement, to perform his obligations under this Agreement, and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement, the performance of the obligations of Seller hereunder, and the consummation of the transactions contemplated hereby do not violate or result in a breach of any agreement to which Seller is a party or otherwise bound. This Agreement has been duly and validly executed and delivered by Seller and constitutes the

legal, valid and binding obligation of Seller and is enforceable in accordance with its terms, subject to bankruptcy, insolvency, and general equitable principles.

4. Representations and Warranties of Purchaser. The Purchaser represents and warrants to the Seller as follows:

(a) Authority. Purchaser has the power and authority to execute and deliver this Agreement, to perform his obligations under this Agreement, and to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by the Purchaser and constitutes the legal, valid, and binding obligation of the Purchaser and is enforceable in accordance with its terms, subject to bankruptcy, insolvency, and general equitable principles.

(b) Investment. Purchaser (a) understands that the Purchased Stock to be received hereunder has not been, and will not be, registered under the Securities Act of 1933, as amended (the "Securities Act") or under any state securities laws, and is being offered and sold in reliance upon federal and state exemptions for transactions not involving any public offering, (b) is acquiring the Purchased Stock solely for this own account for investment purposes, and not with a view to the distribution thereof, (c) is a sophisticated investor with knowledge and experience in business and financial matters, (d) has received certain information concerning the Company and has had the opportunity to obtain additional information as desired in order to evaluate the merits and the risks inherent in holding the Purchased Stock, (e) is able to bear the economic risk and lack of liquidity inherent in holding the Purchased Stock, and (f) is an accredited investor as set forth in Regulation D promulgated under the Securities Act. Furthermore, Purchaser hereby acknowledges that the Seller make no representations or warranties with respect to the Company.

5. Further Actions. From time to time, as and when reasonably requested by a party hereto, any other party hereto shall execute and deliver such documents and instruments and shall take such further or other actions as such party may deem necessary or desirable to carry out the intent and purposes of this Agreement, to convey, transfer, assign, and deliver to the Purchaser, and its successors and assigns, the Purchased Stock, and to consummate and give effect to the transactions contemplated hereby.

6. Entire Agreement. This Agreement contains the entire agreement and understanding between the Seller and the Purchaser with respect to the transaction contemplated by this Agreement and supersedes all prior or contemporaneous agreements, understandings, or representations with respect thereto.

7. Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this Agreement is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

8. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT, NEITHER THE PURCHASER NOR THE SELLER MAKE ANY OTHER REPRESENTATIONS AND WARRANTIES, AND EACH HEREBY DISCLAIMS ANY OTHER REPRESENTATIONS AND WARRANTIES MADE BY HIMSELF OR ANY OF

HIS RESPECTIVE AGENTS, FINANCIAL AND LEGAL ADVISORS OR OTHER REPRESENTATIVES OR AFFILIATES, WITH RESPECT TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT OR THE CLOSING.

9. Governing Law. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the Commonwealth of Virginia without regard to its conflict of law rules.

10. Waivers and Amendments. Any waiver of any term or condition of this Agreement, or any amendment or supplementation of this Agreement, shall be effective only if in writing executed by the party against whom such waiver, amendment, or supplementation is sought to be charged. A waiver of any breach or failure to enforce any of the terms or conditions of this Agreement shall not in any way affect, limit, or waive a party's rights hereunder at any time to enforce strict compliance thereafter with every term or condition of this Agreement.

11. Severability. If any term, provision, covenant, or restriction of this Agreement is held by a court of competent jurisdiction or other tribunal to be invalid, void, unenforceable, or against its public or regulatory policy, the remainder of the terms, provisions, covenants, and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

12. Counterparts. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument.

[Signatures on Next Page]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

PURCHASER:

FirstEnergy Corp.

By: _____
Name:
Title:

SELLER:

West Penn Power Company LLC

By: _____
Name:
Title:

SCHEDULE 2

ESTIMATED NET BOOK VALUE OF THE PURCHASED STOCK

ERMAL FATUSHA

EXHIBIT EF-4

FORM OF
MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS MEMBERSHIP INTEREST PURCHASE AGREEMENT (this "Agreement") is made and entered into effective as of [_____], 2023, by and among FirstEnergy Corp., an Ohio corporation (the "Purchaser"), and each of Pennsylvania Electric Company LLC, a Pennsylvania limited liability company and successor-in-interest to Pennsylvania Electric Company ("Penelec"), and Metropolitan Edison Company LLC, a Pennsylvania limited liability company and successor-in-interest to Metropolitan Edison Company ("Met-Ed" and together with Penelec, the "Sellers" and individually the "Seller"). The Sellers and the Purchaser are referred to collectively in this Agreement as the "Parties."

The Sellers own the membership interests of the Class B Membership Interests of Mid-Atlantic Interstate Transmission, LLC, a Delaware limited liability company (the "Company") set forth on Exhibit A attached hereto.

The Purchaser desires to purchase from each Seller, and each Seller desires to sell to the Purchaser, all of the membership interests of the Company's Class B Membership Interests held by each Seller (such membership interests, the "Purchased Class B Membership Interests"), which constitutes 100% of the Company's Class B Membership Interests.

NOW, THEREFORE, in consideration of the covenants set forth herein, and in reliance on the representations and warranties contained herein, the Parties, intending to be legally bound, hereby agree as follows:

1. Transfer of Membership Interests. On and as of the date of this Agreement (the "Closing Date"), and effective immediately following the Closing, the Sellers hereby sell, transfer and assign to the Purchaser free and clear of all liens and encumbrances (other than restrictions in the Amended and Restated Limited Liability Company Operating Agreement and applicable federal and state securities laws) all right, title, and interest in and to the Purchased Class B Membership Interests, and do hereby irrevocably constitute and appoint any officer of the Company as attorney-in-fact to effect and confirm the transfer of said membership interests on the books and records of the Company, with full power of substitution.

2. Purchase Price. The Purchaser shall purchase the Purchased Class B Membership Interests for an aggregate amount equal to the net book value of the Purchased Class B Membership Interests at Closing (the "Purchase Price"). The number of membership interests of Purchased Class B Membership Interests being sold by each Seller and the respective amount of the Purchase Price being paid to each Seller is set forth on Exhibit A attached hereto. At the Closing, the

aggregate Purchase Price shall be paid by the Purchaser to each Seller, by wire transfer of immediately available funds.

3. Representations and Warranties of the Seller. The Sellers represent and warrant to the Purchaser as follows:

(a) Title to Membership Interests. Each Seller has good and marketable title to the Purchased Class B Membership Interests held by it, free and clear of liens and encumbrances (other than restrictions in the Amended and Restated Limited Liability Company Operating Agreement and federal and state securities laws). Each Seller has full right and authority to transfer and deliver all of the Purchased Class B Membership Interests owned by it to the Purchaser as contemplated by this Agreement

(b) Investment. The Purchaser (a) understands that the Purchased Class B Membership Interests to be received hereunder has not been, and will not be, registered under the Securities Act of 1933, as amended (the "Securities Act") or under any state securities laws, and is being offered and sold in reliance upon federal and state exemptions for transactions not involving any public offering, (b) is acquiring the Purchased Class B Membership Interests solely for this own account for investment purposes, and not with a view to the distribution thereof, (c) is a sophisticated investor with knowledge and experience in business and financial matters, (d) has received certain information concerning the Company and has had the opportunity to obtain additional information as desired in order to evaluate the merits and the risks inherent in holding the Purchased Class B Membership Interests, (e) is able to bear the economic risk and lack of liquidity inherent in holding the Purchased Class B Membership Interests, and (f) is an accredited investor as set forth in Regulation D promulgated under the Securities Act. Furthermore, the Purchaser hereby acknowledges that the Seller make no representations or warranties with respect to the Company.

(c) Authority. Each Seller has the power and authority to execute and deliver this Agreement, to perform his obligations under this Agreement, and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement, the performance of the obligations of each Seller hereunder, and the consummation of the transactions contemplated hereby do not violate or result in a breach of any agreement to which such Seller is a party or otherwise bound. This Agreement has been duly and validly executed and delivered by each Seller and constitutes the legal, valid and binding obligation of each Seller and is enforceable in accordance with its terms, subject to bankruptcy, insolvency, and general equitable principles.

4. Representations and Warranties of the Purchaser. The Purchaser represents and warrants to the Sellers as follows:

(a) Authority. The Purchaser has the power and authority to execute and deliver this Agreement, to perform his obligations under this Agreement, and to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by the Purchaser and constitutes the legal, valid, and binding obligation of the Purchaser and is enforceable in accordance with its terms, subject to bankruptcy, insolvency, and general equitable principles.

5. Further Actions. From time to time, as and when reasonably requested by a party hereto, any other party hereto shall execute and deliver such documents and instruments and shall take such further or other actions as such party may deem necessary or desirable to carry out the intent and purposes of this Agreement, to convey, transfer, assign, and deliver to the Purchaser, and its successors and assigns, the Purchased Class B Membership Interests, and to consummate and give effect to the transactions contemplated hereby.

6. Entire Agreement. This Agreement contains the entire agreement and understanding among the Sellers and the Purchaser with respect to the transaction contemplated by this Agreement and supersedes all prior or contemporaneous agreements, understandings, or representations with respect thereto.

7. Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this Agreement is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

8. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT, NEITHER THE PURCHASER NOR THE SELLERS MAKE ANY OTHER REPRESENTATIONS AND WARRANTIES, AND EACH HEREBY DISCLAIMS ANY OTHER REPRESENTATIONS AND WARRANTIES MADE BY HIMSELF OR ANY OF HIS RESPECTIVE AGENTS, FINANCIAL AND LEGAL ADVISORS OR OTHER REPRESENTATIVES OR AFFILIATES, WITH RESPECT TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT OR THE CLOSING.

9. Governing Law. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Delaware without regard to its conflict of law rules.

10. Waivers and Amendments. Any waiver of any term or condition of this Agreement, or any amendment or supplementation of this Agreement, shall be effective only if in writing executed by the party against whom such waiver, amendment, or supplementation is sought to be charged. A waiver of any breach or failure to enforce any of the terms or conditions of this Agreement shall not in any way affect, limit, or waive a party's rights hereunder at any time to enforce strict compliance thereafter with every term or condition of this Agreement.

11. Severability. If any term, provision, covenant, or restriction of this Agreement is held by a court of competent jurisdiction or other tribunal to be invalid, void, unenforceable, or against its public or regulatory policy, the remainder of the terms, provisions, covenants, and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

12. Counterparts. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument.

[Signatures on Next Page]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

PURCHASER:

FirstEnergy Corp.

By: _____
Name:
Title:

SELLERS:

Pennsylvania Electric Company LLC,
as successor-in-interest to Pennsylvania Electric Company

By: _____
Name:
Title:

Metropolitan Edison Company LLC,
as successor-in-interest to Metropolitan Edison Company

By: _____
Name:
Title:

EXHIBIT A

CAPITALIZATION AND DISTRIBUTION

Capitalization of Class B Membership Interests

Holder	**Number of Class B Membership Interests**	**Percentage of Class B Membership Interests**
Pennsylvania Electric Company LLC	[●]	[60.34%]
Metropolitan Edison Company LLC	[●]	[39.66%]
TOTAL:	**[●]**	**100%**

Distribution of Purchase Price

To	**Amount (in USD)**
Pennsylvania Electric Company LLC	$ [●]
Metropolitan Edison Company LLC	$ [●]
TOTAL:	$ [●]

ERMAL FATUSHA

EXHIBIT EF-5

THIRD REVISED AND RESTATED UTILITY MONEY POOL AGREEMENT

This Third Revised and Restated Utility Money Pool Agreement (the "Agreement"), dated as of February [ ], 2023 (the "Effective Date"), is made and entered into by and among FirstEnergy Corp. ("FirstEnergy"), an Ohio corporation and a registered holding company under the Public Utility Holding Company Act of 2005 (the "Act"), FirstEnergy Service Company ("FirstEnergy Service," an Ohio corporation and a non-utility subsidiary of FirstEnergy, participating solely inits role as administrator of the money pool and not as a lender or borrower), and the FirstEnergy Utility Subsidiaries identified on the signature page hereto (each a "Party" and collectively, the "Parties").

WITNESSETH:

WHEREAS, the Parties desire to establish a Money Pool (the "Utility Money Pool") to coordinate and provide for certain of their short-term cash and working capital requirements; and

WHEREAS, the utility subsidiaries that will participate in the Utility Money Pool (each a "Subsidiary" and collectively, the "Subsidiaries") will from time to time have need to borrow funds on a short-term basis, and certain of the Parties will from time to time have funds available to loan on a short-term basis.

NOW, THEREFORE, in consideration of the premises and the mutual agreements, covenants and provisions contained herein, and intending to be legally bound hereby, the Parties hereto agree as follows:

ARTICLE I

CONTRIBUTIONS AND BORROWINGS

Section 1.01 Contributions to Utility Money Pool. Each Party will determine each day, on the basis of cash flow projections and other relevant factors, in such Party's sole discretion, the amount of funds it has available for contribution to the Utility Money Pool, and will contribute such funds to the Utility Money Pool. The determination of whether a Party at any time has surplus funds to lend to the Utility Money Pool or shall lend funds to the Utility Money Pool will be made by such Party's chief financial officer or treasurer, or by a designee thereof, on the basis of cash flow projections and other relevant factors, in such Party's sole discretion. Each Party may withdraw any of its funds at any time upon notice to FirstEnergy Service as administrative agent of the Utility Money Pool.

Section 1.02 Rights to Borrow. Subject to the provisions of Section l.04(c) of this Agreement, short-term borrowing needs of the Parties, with the exception of FirstEnergy, and FirstEnergy Service, will be met by funds in the Utility Money Pool to the extent such funds are available. Each Party (other than FirstEnergy and FirstEnergy Service) shall have the right to make short-term borrowings from the Utility Money Pool from time to time, subject to the availability of funds and the limitations and conditions set forth herein and in the applicable orders of the Securities and Exchange Commission ("SEC"). Each Party (other than FirstEnergy

and FirstEnergy Service) may request loans from the Utility Money Pool from time to time during the period from the date hereof until this Agreement is terminated by written agreement of the Parties; provided, however, that the aggregate amount of all loans requested by any Party hereunder shall not exceed the applicable borrowing limits set forth in applicable orders of the SEC and other regulatory authorities, resolutions of such Party's Board of Directors, such Party's governing corporate documents, and agreements binding upon such Party. No loans through the Utility Money Pool will be made to, and no borrowings through the Utility Money Pool will be made by, FirstEnergy and FirstEnergy Service.

Section 1.03 Source of Funds.

(a) Funds will be available through the Utility Money Pool from the following sources for use by the Parties from time to time: (1) surplus funds in the treasuries of Parties other than FirstEnergy, (2) surplus funds in the treasury of FirstEnergy (such funds in clauses (1) and (2) being referred to as "Internal Funds"), and (3) proceeds from bank borrowings by Parties and the sale of commercial paper by FirstEnergy and each other Party ("External Funds"), in each case to the extent permitted by applicable laws and regulatory orders. Funds will be made available from such sources in such other order as FirstEnergy Service, as administrator of the Utility Money Pool, may determine will result in a lower cost of borrowing to companies borrowing from the Utility Money Pool, consistent with the individual borrowing needs and financial standing of the Parties providing funds to the Utility Money Pool.

(b) Borrowing Parties will borrow pro rata from each lending Party in the proportion that the total amount loaned by such lending Party bears to the total amount then loaned through the Utility Money Pool. On any day when more than one fund source (e.g., Internal Funds and External Funds), with different rates of interest, is used to fund loans through the Utility Money Pool, each borrowing Party will borrow pro rata from each fund source in the same proportion that the amount of funds provided by that fund source bears to the total amount of short-term funds available to the Utility Money Pool.

Section 1.04 Authorization.

(a) Each loan shall be authorized by the lending Party'schief financial officer or treasurer, or by a designee thereof.

(b) FirstEnergy Service, as administrator of the Utility Money Pool, will provide each Party with periodic activity and cash accounting reports that include, among other things, reports of cash activity, the daily balance of loans outstanding and the calculation of interest charged.

(c) All borrowings from the Utility Money Pool shall be authorized by the borrowing Party's chief financial officer or treasurer, or by a designee thereof. No Party shall be required to effect a borrowing through the Utility Money Pool if such Party determines that it can (and is authorized to) effect such borrowing at lower cost directly from banks or through the sale of its own commercial paper.

Section 1.05 Interest. The daily outstanding balance of all loans to any Subsidiary shall accrue interest as follows:

(a) If only Internal Funds comprise the daily outstanding balance of all loans outstanding during a calendar month, the interest rate applicable to such daily balances shall be

the greater of the one month LIBOR rate or the Secured Overnight Financing Rate ("SOFR") rate as quoted in the Money Rates section of The Wall Street Journal or the money marketrate that a lending Subsidiary could have obtained if it placed its excess cash in such an investment (as calculated monthly, the "Average Composite"),provided that such LIBOR rate shall no longer be used after December 31, 2023.

(b) If only External Funds comprise the daily outstanding balance of all loans outstanding during a calendar month, the interest rate applicable to such daily outstanding balance shall be the lender's cost for such External Funds calculated monthly or, if more than one Party had made available External Funds at any time during the month, the applicable interest rate shall be a composite rate, equal to the weighted average of the costs incurred by the respective Parties for such External Funds calculated monthly.

(c) In cases where the daily outstanding balances of all loans outstanding at any time during the month include both Internal Funds and External Funds, the interest rate applicable to the daily outstanding balances for the month shall be equal to the weighted average of the (i) cost of all Internal Funds contributed by Parties, as determined pursuant to Section 1.05(a) of this Agreement, and (ii) the cost of all such External Funds, as determined pursuant to Section 1.05(b) of this Agreement.

(d) The interest rate applicable to Loans made by a Subsidiary to the Utility Money Pool under Section 1.01 of this Agreement shall be the Average Composite as determined pursuant to Section 1.05(a) of this Agreement.

(e) Loans may be made solely from Internal Funds or solely from External Funds, rather than pursuant to Section 1.05(c), if such practice would result in a lower cost of borrowing.

Section 1.06 Certain Costs. The cost of compensating balances and fees paid to banks to maintain credit lines by Parties lending External Funds to the Utility Money Pool shall initially be paid by the Party maintaining such line. A portion of such costs, or all of such costs if a Party establishes a line of credit solely to lend funds to the Utility Money Pool, shall be retroactively allocated every quarter to the Subsidiaries borrowing such External Funds through the Utility Money Pool in proportion to their respective daily outstanding borrowings of such External Funds.

Section 1.07 Repayment. Each Subsidiary receiving a loan from the Utility Money Pool hereunder shall repay the principal amount of such loan, together with all interest accrued thereon, on demand and in any event within 364 days of the date on which such loan was made. All loans made through the Utility Money Pool may be prepaid by the borrower without premium or penalty.

Section 1.08 Form of Loans to Subsidiaries. Loans to the Subsidiaries from the Utility Money Pool shall be made as open-account advances, pursuant to the terms of this agreement. A separate promissory note will not be required for each individual transaction. If the Parties deem it necessary or appropriate, a master promissory note evidencing the terms of the transactions may be signed by each borrowing Party. Any such note shall: (a) be dated as of the date of the initial borrowing; (b) mature on demand or on a date agreed by the Parties to the transaction, but in any event not later than one year after the date of the applicable borrowing;

and (d) be repayable in whole at any time or in part from time to time, without premium or penalty.

ARTICLE II

OPERATION OF UTILITY MONEY POOL

Section 2.01 Operation. Operation of the Utility Money Pool, including record keeping and coordination of loans, will be handled by FirstEnergy Service under the authority of the appropriate officers of the Parties. FirstEnergy Service shall be responsible for the determination of all applicable interest rates and charges to be applied to advances outstanding at any time hereunder, shall maintain records of all advances, interest charges and accruals and interest and principal payments for purposes hereof, and shall prepare periodic reports thereof for the Parties. FirstEnergy Service will administer the Utility Money Pool on an "at cost" basis. Separate records shall be kept by FirstEnergy Service for the Utility Money Pool established by this Agreement and any other money pool administered by FirstEnergy Service.

Section 2.02 Investment of Surplus Funds in the Utility Money Pool. Funds not required for the Utility Money Pool loans (with the exception of funds required to satisfy the Utility Money Pool's liquidity requirements) will ordinarily be invested in one or more short-term investments, including (i) interest-bearing accounts with banks; (ii) obligations issued or guaranteed by the U.S. government and/or its agencies and instrumentalities, including obligations under repurchase agreements; (iii) obligations issued or guaranteed by any state or political subdivision thereof, provided that such obligations are rated not less than A by a nationally recognized rating agency; (iv) commercial paper rated not less than A-1 by S&P or P-1 by Moody's, or their equivalent by a nationally recognized rating agency; (v) money market funds; (vi) bank certificates of deposit;(vii) Eurodollar funds; and (viii) such other investments as are permitted by Section 9(c) of the Act and Rule 40 thereunder.

Section 2.03 Allocation of Interest Income and Investment Earnings. The interest income and other investment income earned by the Utility Money Pool on loans and investment of surplus funds will be allocated among the Parties in accordance with the proportion each Party's contribution of funds in the Utility Money Pool bears to the total amount of funds in the Utility Money Pool and the cost of any External Funds provided to the Utility Money Pool by such Party. Interest and other investment earnings will be computed on a daily basis and settled once per month.

Section 2.04 Event of Default. If any Subsidiary shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors, or any proceeding shall be instituted by or against any Party seeking to adjudicate it bankrupt or insolvent, then FirstEnergy Service, on behalf of the Utility Money Pool, may, by notice to the Subsidiary, terminate the Utility Money Pool's commitment to the Subsidiary and/or declare the principal amount then outstanding of, and the accrued interest on, the loans and all other amounts payable to the Utility Money Pool by the Subsidiary hereunder to be forthwith due and payable, whereupon such amounts shall be immediately due and payable without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by each Subsidiary.

ARTICLE III

MISCELLANEOUS

Section 3.01 Amendment and Restatement. This Agreement amends, restates and replaces the Second Revised and Restated Utility Money Pool Agreement dated as of January 31, 2017, (the "Existing Agreement"), to reflect the addition of a new Party and certain other changes.

Section 3.02 Amendments. Any such amendment to this Agreement shall be adopted except in a writing executed by Parties and subject to all applicable approvals by the SEC and the applicable state utility regulatory commission.

Section 3.03 Legal Responsibility. Nothing herein contained shall render any Party liable for the obligations of any other Party hereunder and the rights, obligations and liabilities of the Parties are several in accordance with their respective obligations, and not joint.

Section 3.04 Rules for Implementation. The Parties may develop a set of guidelines for implementing the provisions of this Agreement, provided that the guidelines are consistent with all of the provisions of this Agreement.

Section 3.05 Governing Law. This Agreement shall be governed by and construed in accordance with, the laws of the State of Ohio.

Section 3.06 Amended and Restated Agreement. This Agreement amends and restates the Existing Agreement in its entirety, as such upon the occurrence of the Effective Date, the Existing Agreement and the provisions thereof shall terminate and cease to be of any force and effect; provided, however, any outstanding borrowings under the Existing Agreement shall become borrowings under this Agreement.

Section 3.07 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and together which shall constitute one instrument. The Parties specifically recognize that from time-to-time other utility subsidiaries of FirstEnergy may become a Party to this Agreement by executing a copy of this Agreement and it will be effective as if all the Parties had re-signed.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party hereto as of the date first above written.

FirstEnergy Corp.

By: _____
Steven R. Staub, Vice President and Treasurer

FirstEnergy Service Company

By: _____
Steven R. Staub, Vice President and Treasurer

American Transmission Systems, Incorporated
Allegheny Generating Company
Metropolitan Edison Company*
FirstEnergy Pennsylvania Electric Company
KeyStone Appalachian Transmission Company
Mid-Atlantic Interstate Transmission, LLC
Monongahela Power Company
Ohio Edison Company
Pennsylvania Electric Company*
Pennsylvania Power Company*
The Cleveland Electric Illuminating Company
The Potomac Edison Company
The Toledo Edison Company
Trans-Allegheny Interstate Line Company
West Penn Power Company*

By: _____
Steven R. Staub, Vice President and Treasurer

Jersey Central Power & Light Company

By: _____
Weizhong Wang, Treasurer

*Upon completion of the consolidation of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company into FirstEnergy Pennsylvania Electric Company, these certain FirstEnergy utilities will cease to be Parties of the Agreement; provided, however, any outstanding borrowings or lending of these certain FirstEnergy utilities shall become borrowings or lending of FirstEnergy Pennsylvania Electric Company.

ERMAL FATUSHA

EXHIBIT EF-6

FORM OF JOINDER AGREEMENT

The undersigned is executing and delivering this joinder agreement (the "Joinder Agreement") pursuant to the Limited Liability Agreement of Mid-Atlantic Interstate Transmission, LLC., a Delaware limited liability company, dated as of June 10, 2015 (as amended, supplemented or otherwise modified in accordance with the terms thereof, the "LLC Agreement"). Capitalized terms used but not defined in this Joinder Agreement shall have the respective meanings ascribed to them in the LLC Agreement.

By executing and delivering this Joinder Agreement to the LLC Agreement, the undersigned hereby agrees to become a party to, to be bound by, and to comply with the provisions of the LLC Agreement in the same manner as if the undersigned were an original signatory to such agreement as a Member. In connection therewith, effective as of the date hereof the undersigned hereby makes the representations and warranties contained in the LLC Agreement. Accordingly, the undersigned has executed and delivered this Joinder Agreement as of [_____], 202[3].

[*Signature Page Follows*]

IN WITNESS WHEREOF, the undersigned has executed this Joinder Agreement as of the date written above.

FirstEnergy Corp.

By: _____
Name:
Title:

[*Signature Page to MAIT Joinder Agreement*]