



McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166

Charis Mincavage
Direct Dial: 717.237.5437
Direct Fax: 717.260.1725
cmincavage@mcneeslaw.com

July 31, 2023

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA ELECTRONIC FILING

RE: Joint Application Of American Transmission Systems, Incorporated, MidAtlantic Interstate Transmission, LLC, And Trans-Allegheny Interstate Line Company For All Of The Necessary Authority, Approvals, And Certificates Of Public Convenience Required To Lawfully Effectuate (1) The Purchase And Sale Agreement Of An Incremental Thirty Percent Equity Interest In FirstEnergy Transmission, LLC By North American Transmission Company II L.P.; (2) The Transfer Of Class B Membership Interests In Mid-Atlantic Interstate Transmission, LLC Held By FirstEnergy Corp. To FirstEnergy Transmission, LLC; (3) Where Necessary, Associated Affiliated Interest Agreements; And (4) Any Other Approvals Necessary To Complete The Contemplated Transaction; Docket Nos. A-2023-3040481; A-2023-3040482; A-2023-3040483; G-2023-3040484; G-2023-3040485; G-2023-3040486

Dear Secretary Chiavetta:

Attached for filing with the Pennsylvania Public Utility Commission is the Joint Prehearing Memorandum of the Met-Ed Industrial Users Group ("MEIUG") and the Penelec Industrial Customer Alliance ("PICA"), in the above-referenced proceeding.

As evidenced by the attached Certificate of Service, all parties to this proceeding are being duly served with a copy of this document. Thank you.

Sincerely,

A handwritten signature in black ink that reads 'Charis Mincavage'.

Charis Mincavage
MCNEES WALLACE & NURICK LLC

c: Conrad A. Johnson, Administrative Law Judge (via e-mail)
Emily I. DeVoe, Administrative Law Judge (via e-mail)
Nicholas Miskanic, Legal Assistant (via e-mail)
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below, in accordance with the requirements of Section 1.54 (relating to service by a participant).

VIA EMAIL

Tori L. Giesler, Esq.
Angelina M. Umstead, Esq.
FirstEnergy Service Company
2800 Pottsville Pike
P.O. Box 16001
Reading, PA 19612-6001
tgiesler@firstenergycorp.com
aumstead@firstenergycorp.com

Lindsay A. Berkstresser, Esq.
Garrett P. Lent, Esq.
Nicholas A. Stobbe, Esq.
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601
lberkstresser@postschell.com
glent@postschell.com
nstobbe@postschell.com

Sharon E. Webb, Esq.
Small Business Advocate
Commonwealth of Pennsylvania
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
swebb@pa.gov

Darryl A. Lawrence, Esq.
Harrison Brightman, Esq.
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101
ra-oca@paoca.org
hbreitman@paoca.org
dlawrence@paoca.org

Kevin J. McKeon, Esq.
Hawke McKeon & Sniscak LLP
100 North Tenth Street
Harrisburg, PA 17101
kjmckeon@hmslegal.com



Charis Mincavage

Counsel to the Met-Ed Industrial Users Group
and the Penelec Industrial Customer Alliance

Dated this 31st day of July 2023, in Harrisburg, Pennsylvania.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | |
|---|------------------------------|
| Joint Application Of American Transmission Systems, Incorporated, Mid-Atlantic Interstate Transmission, LLC, And Trans-Allegheny Interstate Line Company For All Of The Necessary Authority, Approvals, And Certificates Of Public Convenience Required To Lawfully Effectuate (1) The Purchase And Sale Agreement Of An Incremental Thirty Percent Equity Interest In FirstEnergy Transmission, LLC By North American Transmission Company II L.P.; (2) The Transfer Of Class B Membership Interests In Mid-Atlantic Interstate Transmission, LLC Held By FirstEnergy Corp. To FirstEnergy Transmission, LLC; (3) Where Necessary, Associated Affiliated Interest Agreements; And (4) Any Other Approvals Necessary To Complete The Contemplated Transaction | : Docket Nos. A-2023-3040481 |
| | : A-2023-3040482 |
| | : A-2023-3040483 |
| | : G-2023-3040484 |
| | : G-2023-3040485 |
| | : G-2023-3040486 |
| | : |
| | : |
| | : |
| | : |
| | : |
| | : |
| | : |
| | : |
| | : |
| | : |
| | : |
| | : |
| | : |
| | : |
| | : |
| | : |
| | : |
| | : |
| | : |
| | : |
| | : |

**JOINT PREHEARING MEMORANDUM OF
THE MET-ED INDUSTRIAL USERS GROUP AND
THE PENELEC INDUSTRIAL CUSTOMER ALLIANCE**

Pursuant to the July 7, 2023, Prehearing Conference Order for Telephonic Conference issued by Administrative Law Judges ("ALJ") Conrad A. Johnson and Emily I. DeVoe, the Met-Ed Industrial Users Group ("MEIUG") and the Penelec Industrial Customer Alliance ("PICA") hereby submit this Prehearing Memorandum in the above-captioned proceeding.

I. HISTORY OF THE PROCEEDING

On May 5, 2023, American Transmission Systems, Incorporated ("ATSI"), Mid-Atlantic Interstate Transmission, LLC ("MAIT"), and Trans-Allegheny Interstate Line Company ("TrAILCo") ("Joint Applicants") filed an Application ("Application") with the Commission

seeking certain authority, approvals, and certificates of public convenience associated with: (1) the Purchase and Sale Agreement dated February 2, 2023 ("PSA") between FirstEnergy Corp. ("FirstEnergy"), North American Transmission Company II L.P. ("NATCo II"), and the Brookfield Guarantors, pursuant to which FirstEnergy agreed to sell to NATCo II at the closing an incremental 30% equity interest in FirstEnergy Transmission, LLC ("FET") for a purchase price of \$3.5 billion ("FET Transaction"); and (2) the contribution by FirstEnergy of its passive Class B Membership Interests in MAIT, currently held by Metropolitan Edison Company ("Met-Ed") and Pennsylvania Electric Company ("Penelec"), to FET, in exchange for a new class of FET Special Purpose Membership Interests ("MAIT Class B Interests Transfer") (collectively, the "Transactions"). Application at 1-2.

Upon consummation of the FET Transaction, NATCo II will own a 49.9% equity interest in FET, and FirstEnergy will retain a 50.1% majority interest in FET and will continue to operate the Joint Applicants' transmission facilities. *Id.* at 3. At the closing of the MAIT Class B Interests Transfer, FET will become the sole owner of all membership interests in MAIT. *Id.* at 15.

On June 5, 2023, MEIUG and PICA filed a Joint Petition to Intervene and Protest in this proceeding. A description of MEIUG and PICA is set forth in Paragraph 1 of their Petition to Intervene. A Prehearing Conference has been scheduled in this proceeding for August 7, 2023.

II. ANTICIPATED ISSUES AND SUB-ISSUES

A review of the Joint Applicants' Application indicates a need for Commission review of at least the following issues:

- a. Whether a certificate of public convenience is needed for the proposed Transactions to occur;
- b. Whether the proposed Application is in the public interest;

- c. Whether the proposed Application provides public benefits to the Joint Applicants' ratepayers;
- d. Whether the proposed Application protects the Joint Applicants' ratepayers from inappropriate Transaction costs; and
- e. Whether the proposed Application is in accordance with the requirements of the Public Utility Code.

MEIUG and PICA anticipate pursuing these issues during this proceeding, as necessary, and reserve the right to raise further issues and to respond to all matters raised by other parties.

III. PROPOSED WITNESSES

MEIUG and PICA are currently evaluating whether they will sponsor testimony in this proceeding. If MEIUG and PICA opt to sponsor testimony, they will immediately inform the ALJs and the parties of any intended witnesses and their areas of testimony. MEIUG and PICA also intend to participate in this proceeding through the submission of discovery, cross-examination of other parties' witnesses, and the submission of briefs, exceptions, and reply exceptions, if necessary.

IV. LIST OF EXHIBITS OR DOUMENTS

MEIUG and PICA will not be presenting any exhibits or documents during the August 7, 2023, Prehearing Conference. MEIUG and PICA reserve their right to present any exhibits or documents as part of the evidentiary hearings in this proceeding.

V. PROPOSED SCHEDULE AND DISCOVERY RULES

MEIUG and PICA will cooperate with the ALJs and the parties at the Prehearing Conference to develop an appropriate procedural schedule. MEIUG and PICA will also cooperate with the ALJs and the parties to develop appropriate discovery rules in accordance with the Commission's regulations and any ALJ directives.

VI. POSSIBILITY OF SETTLEMENT

MEIUG and PICA are willing to participate in discussions with the parties to amicably resolve the issues in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By  _____

Susan E. Bruce (I.D. No. 80146)
Charis Mincavage (I.D. No. 82039)
McNEES WALLACE & NURICK LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
Phone: (717) 232-8000
Fax: (717) 237-5300
sbruce@mcneeslaw.com
cmincavage@mcneeslaw.com

Counsel to the Met-Ed Industrial Users
Group and the Penelec Industrial
Customer Alliance

Dated: July 31, 2023