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July 31, 2023

*Via Electronic Filing*

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor (filing room)  
PO Box 3265  
Harrisburg, PA 17105-3265

Re: 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 and G-2023-3040486; **PREHEARING CONFERENCE MEMORANDUM OF NORTH AMERICAN TRANSMISSION COMPANY II L.P.**

Dear Secretary Chiavetta:

Enclosed you will find the Prehearing Conference Memorandum of North American Transmission Company II L.P. in the above-captioned matters. Copies have been served in accordance with the attached Certificate of Service.

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
July 31, 2023  
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If you have any questions regarding this filing, please contact me.

Very truly yours,



Kevin J. McKeon  
Phillip D. Demanchick Jr.

*Counsel for North American Transmission  
Company II L.P.*

PDD/das  
Enclosures

cc: Honorable Conrad Johnson ([cojohnson@pa.gov](mailto:cojohnson@pa.gov))  
Honorable Emily DeVoe ([edevoe@pa.gov](mailto:edevoe@pa.gov))  
Per the Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

|                                            |   |                            |
|--------------------------------------------|---|----------------------------|
| Joint Application Of American              | : |                            |
| Transmission Systems, Incorporated, Mid-   | : |                            |
| Atlantic Interstate Transmission, LLC, And | : |                            |
| Trans-Allegheny Interstate Line Company    | : | Docket Nos. A-2023-3040481 |
| For All Of The Necessary Authority,        | : | A-2023-3040482             |
| Approvals, And Certificates Of Public      | : | A-2023-3040483             |
| Convenience Required To Lawfully           | : | G-2023-3040484             |
| Effectuate (1) The Purchase And Sale       | : | G-2023-3040485             |
| Agreement Of An Incremental Thirty         | : | G-2023-3040486             |
| 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                                | : |                            |

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**PREHEARING CONFERENCE MEMORANDUM OF  
NORTH AMERICAN TRANSMISSION COMPANY II L.P.**

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**TO: ADMINISTRATIVE LAW JUDGES CONRAD JOHNSON AND EMILY DEVOE**

Pursuant to the July 7, 2023 Prehearing Conference Order issued in the above-captioned proceedings, North American Transmission Company II L.P. (“NATCo II” or the “Investor”) submits this Prehearing Conference Memorandum.

**I. PROCEDURAL HISTORY**

On May 5, 2023, American Transmission Systems, Incorporated (“ATSI”), Mid-Atlantic Interstate Transmission, LLC (“MAIT”), and Trans-Allegheny Interstate Line Company (“TrAILCo”) (collectively, the “Joint Applicants”) filed a Joint Application 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 (“FET”) By NATCo II; (2) The Transfer Of Class B Membership Interests In MAIT Held By FirstEnergy Corp. (“FirstEnergy”) To FET; (3) Where Necessary, Associated Affiliated Interest Agreements; and (4) Any Other Approvals Necessary To Complete The Contemplated Transaction (“Application”).

The Joint Applicants are seeking approvals from the Pennsylvania Public Utility Commission (“PaPUC”) regarding (1) the Purchase and Sale Agreement dated February 2, 2023 (the “PSA”) between FirstEnergy, NATCo II, and the Brookfield Guarantors,<sup>1</sup> pursuant to which FirstEnergy agreed to sell to NATCo II at the closing an incremental thirty (30) percent equity interest in FET for a purchase price of \$3.5 billion (the “FET Transaction”); and (2) the contribution of FirstEnergy’s passive Class B membership interests in MAIT to FET in exchange for a new class of FET Special Purpose Membership Interests (the “Special Purpose Membership Interests”) (the “MAIT Class B Interests Transfer”)<sup>2</sup> (hereinafter, the FET Transaction and the MAIT Class B Interests Transfer are collectively referred to as the “Transaction”).

On May 25, 2023, the Office of Small Business Advocate filed a Notice of Intervention, Public Statement, and Verification. On June 1, 2023, NATCo II filed its Petition to Intervene and Verification. On June 5, 2023, the Office of Consumer Advocate filed its Protest and Public

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<sup>1</sup> The “Brookfield Guarantors” refers to Brookfield Super-Core Infrastructure Partners L.P., Brookfield Super-Core Infrastructure Partners (NUS) L.P., and Brookfield Super-Core Infrastructure Partners (ER) SCSp.

<sup>2</sup> The non-voting Class B Membership Interests in MAIT are currently held by Metropolitan-Edison Company (“Met-Ed) and Pennsylvania Electric Company (“Penelec”). Met-Ed and Penelec have requested all necessary PaPUC approvals to transfer the subject Class B Membership Interests to FirstEnergy, as a part of the consolidation of FirstEnergy’s Pennsylvania electric distribution companies (“EDCs”) pending at Docket Nos. A-2023-3038771, A-2023-3038792, A-2023-3038793, A-2023-3038794, A-2023-3038795, A-2023-3038807, A-2023-3038808, G-2023-3038818, G-2023-3038819, G-2023-3038820, G-2023-3038821, G-00020956 (the “PA Consolidation”). The transfer of the MAIT Class B Membership Interests contemplated by this Application is limited to the subsequent transfer of these interests from FirstEnergy to FET, which will occur after the approval and closing of the PA Consolidation.

Statement. Also, on June 5, 2023, the Met-Ed Industrial Users Group and the Penelec Industrial Customer Alliance filed a Joint Petition to Intervene and Protest.

On June 5, 2023, the Joint Applicants filed Proofs of Publication indicating that customers were provided with notification of the Application by a one-time newspaper publication.

This matter was assigned to the Office of Administrative Law Judge (“OALJ”) and further assigned to Administrative Law Judges Conrad A. Johnson and Emily I. DeVoe (collectively, “Presiding Officers”). On July 7, 2023, the Presiding Officers issued a Prehearing Conference Order for Telephonic Conference (“Prehearing Conference Order”) scheduling a telephonic prehearing conference for Monday, August 7, 2023, at 10:00 a.m. Pursuant to the Prehearing Conference Order, NATCo II is submitting its Prehearing Conference Memorandum.

## **II. SERVICE LIST**

For purposes of service to NATCo II in the above-captioned proceedings, please direct all communications to:

Kevin J. McKeon, Esq.  
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NATCo II agrees to accept service of documents by e-mail only. Should hard copies become necessary as the proceeding progresses, such copies can be sent to the address above.

## **III. ISSUES**

The Joint Applicants are requesting that the PaPUC issue all necessary authority, approvals and certificates of public convenience required to lawfully effectuate the Transaction. More specifically, the Joint Applicants are seeking, to the extent necessary, the issuance of a certificate

of public convenience pursuant to Chapter 11 of the Public Utility Code, 66 Pa. C.S. § 1101, *et seq.*, approval of several affiliated interest agreements to facilitate the Transaction pursuant to Chapter 21 of the Public Utility Code, 66 Pa. C.S. § 2101, *et seq.*, and a finding that the Transaction will not result in anti-competitive or discriminatory conduct in the retail market for electricity in Pennsylvania pursuant to Section 2811(e) of the Public Utility Code, 66 Pa. C.S. § 2811(e).

NATCo II submits that the PaPUC should issue all necessary authority, approvals and certificates of public convenience required to lawfully effectuate the Transaction. By way of their Application, the Joint Applicants have demonstrated that the Transaction will strengthen FirstEnergy's corporate profile and allow FirstEnergy to attract additional capital to support major infrastructure investments in FirstEnergy's regulated distribution and transmissions businesses and have numerous public benefits. Moreover, the Joint Applicants have demonstrated that NATCo II possesses the technical, financial, and legal fitness that will supplement and bolster the Joint Applicants' existing fitness to own and operate electric transmission facilities.

NATCo II is prepared to address any issues that may arise during the course of the proceeding to demonstrate that the Transaction is necessary or proper for the service, accommodation, convenience, or safety of the public and that it should be approved by the PaPUC.

#### **IV. WITNESSES**

The Joint Applicants have called Mr. Jeffrey Rosenthal as a witness. Mr. Rosenthal is employed by Brookfield Asset Management Ltd. ("BAM Ltd") as a Vice Chair and Operating Partner. BAM Ltd manages the various investment entities and funding vehicles that are ultimately controlled by Brookfield Corporation (BAM Ltd and Brookfield Corporation, collectively, "Brookfield"). NATCo II is ultimately controlled by Brookfield.

Mr. Rosenthal’s pre-filed written testimony discusses Brookfield’s operations and background, its business philosophy, practices, financial strength, and Brookfield’s focus on infrastructure and regulated utilities investment. Mr. Rosenthal also discusses the reasons for NATCo II’s first investment in FET in May 2022 and why it is undertaking the acquisition of an additional thirty percent (30%) membership interest in FET. Lastly, Mr. Rosenthal discusses the leadership and financial strength of Brookfield in the context of how NATCo II’s incremental investment will be managed and financed.

Although the Joint Applicants have included Mr. Rosenthal’s testimony as part of their case in chief, Joint Applicants and NATCo II have agreed that, subject to the Presiding Officers’ approval, counsel for NATCo II will represent Mr. Rosenthal at any scheduled hearing. NATCO II does not presently anticipate calling any other witnesses. However, NATCo II reserves the right to call witnesses as may be necessary during this proceeding. NATCo II will notify the Presiding Officers and the parties of record should it determine that any other witnesses will be called.

**V. LITIGATION SCHEDULE**

The Joint Applicants have proposed the following schedule for the filing of testimony, hearings, and briefs in the above-captioned proceedings. NATCo II supports the Joint Applicants’ proposed schedule as set forth below.

|                          |                               |
|--------------------------|-------------------------------|
| August 28, 2023          | Intervenors' Direct Testimony |
| September 28, 2023       | Rebuttal Testimony            |
| October 16, 2023         | Surrebuttal Testimony         |
| Week of October 30, 2023 | Oral Rejoinder and Hearings   |
| November 20, 2023        | Main Briefs                   |
| December 8, 2023         | Reply Briefs                  |

**VI. DISCOVERY**

NATCo II does not propose any modifications to the PaPUC’s discovery regulations, 52 Pa. Code §§ 5.321, *et seq.*

**VII. SETTLEMENT**

NATCo II is open, available and amenable to settlement discussions with the parties in accordance with 52 Pa. Code § 5.231(a).

**VIII. CONCLUSION**

**WHEREFORE**, North American Transmission Company II L.P. respectfully submits this Prehearing Conference Memorandum.

Respectfully,



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*Counsel for North American Transmission  
Company II L.P.*

Dated: July 31, 2023



## CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

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Kevin J. McKeon  
Phillip D. Demanchick Jr.

Dated this 31<sup>st</sup> day of July, 2023.