Joint Application of American Transmission Systems, Incorporated, Mid-Atlantic Interstate Transmission, LLC, and Trans-Allegheny Interstate Line Company	Docket No.: A-2023-3040481
In-Person Initial Hearing	

Pages 32 - 63

Judge's Chambers

Piatt Place

Suite 220

301 5th Avenue

Pittsburgh, PA

Wednesday, November 1, 2023

Commencing at 10:05 a.m.

INDEX TO EXHIBITS

Docket No. A-2023-3040481

Hearing Date: November 1, 2023

NUMBER	FOR IDENTIFICATION	IN EVIDENCE
Joint Applicant's Statement		
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Direct Testimony of Mark D. Mroczynski		
CONFIDENTIAL Joint Applicant's Statement		
Exhibit Number 2 Direct Testimony of Stephen R. Staub including Exhibits SRS-1* through SRS-5	45	48*
CONFIDENTIAL Joint Applicant's Statement		
Exhibit Number 3 Direct Testimony of Jeffrey Rosenthal including Confidential Exhibit JR-1*	46	48*
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Exhibit Number 4 Direct Testimony of Toby Bishop including Exhibits TB-1 and TB-2	46	48

Lafayette K. Morgan, Jr.

* SRS-1 is Confidential. JR-1 is Highly Confidential

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-_____ A-2023-_____ A-2023-_____ G-2023-_____

Direct Testimony of Mark D. Mroczynski

RE:
Overview of the Applicants and Operations
Overview of the Transaction
Benefits of the Transaction
Effects on Competition

DIRECT TESTIMONY OF MARK D. MROCZYNSKI

I. INTRODUCTION AND BACKGROUND

Q. Please state your name and business address.

A. My name is Mark D. Mroczynski. My business address is 76 South Main Street, Akron, OH 44308.

Q. By whom are you employed and in what capacity?

A. I am employed as acting Vice President, Operations for FirstEnergy Service Company ("FESC"), which is a direct, wholly owned subsidiary of FirstEnergy Corp. ("FirstEnergy").

Q. Please describe your job responsibilities.

A. In my current position, I oversee the functions of Transmission and Distribution Operations and Support, Regulatory Compliance and Services, Corporate and External Affairs, Community Involvement, Regulated Generation, Environmental and Commodity Operations.

Q. What is your educational and professional background?

A. I earned a Bachelor of Science degree in mechanical engineering from The University of Akron, and a Master of Business Administration degree from Kent State University. I am a registered professional engineer in Ohio and Pennsylvania. From 1988 to 2004, I was employed by J&L Specialty Steel in leadership roles in Operations, Engineering and Supply Chain.

Q. Have you previously testified before the PaPUC?

A. Yes. While employed with J&L Specialty Steel as a member of IECPA, I testified in a rate proceeding involving Duquesne Light Company.

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

A. I am testifying on behalf of American Transmission Systems, Incorporated ("ATSI"), Mid-Atlantic Interstate Transmission, LLC ("MAIT") and Trans-Allegheny Interstate Line Company ("TrAILCo") (collectively, the "Joint Applicants" or "Transmission Subsidiaries").

Q. What do the Joint Applicants propose in this Application?

A. The Joint Applicants seek approval for FirstEnergy to sell an incremental 30% equity interest in FirstEnergy Transmission, LLC ("FET") to North American Transmission Company II, L.P. ("NATCo II"),[1] and for FirstEnergy to also transfer the MAIT Class B Membership Interests to FET in exchange for "Special Purpose Membership Interests"[2] in FET (the "Transaction").

Q. Please describe and summarize the purpose and content of your testimony.

A. The purpose of my testimony is to provide an overview of FirstEnergy, including the Joint Applicants, an overview of the Transaction, an explanation of the impact of the Transaction on the Joint Applicants operations, and a description of the benefits the Transaction will

[1] As discussed in the direct testimony of Jeffrey Rosenthal (Joint Applicants Statement No. 3), NATCo II is a controlled investment vehicle entity of Brookfield Super-Core Infrastructure Partners GP LLC ("Brookfield GP"), an indirect wholly owned subsidiary of Brookfield Corporation (f/k/a Brookfield Asset Management Inc.) and Brookfield Asset Management Ltd (BAM Ltd). BAM Ltd manages the various investment entities and funding vehicles that are ultimately controlled by Brookfield Corporation (BAM Ltd and Brookfield Corporation, collectively, "Brookfield").

[2] These interests are defined and explained in the direct testimony of Mr. Steven Staub (Joint Applicants Statement No. 2).

provide from an operational perspective. Section II of my testimony will provide an overview of FirstEnergy, FET, and the Joint Applicants. In Section III, I will provide an overview of the proposed Transaction, and discuss the impacts of the Transaction on the operations of the Joint Applicants. In Section IV, I will discuss the affirmative public benefits of the Transaction from an operations perspective. In Section V, I will discuss the fact that the Transaction will not have any impacts on competition.

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

A. Yes, I am sponsoring the following exhibits with my testimony:

- *Joint Applicants Exhibit MDM-1:* Pre-Transaction Corporate Organization Chart, Steps 1 and 2 of the Transaction, and Post-Transaction Corporate Organization Chart.
- *Joint Applicants Exhibit MDM-2*: Map depicting ATSI Territory in Pennsylvania;
- *Joint Applicants Exhibit MDM-3:* Map depicting MAIT Territory in Pennsylvania; and
- *Joint Applicants Exhibit MDM-4:* Map depicting TrAILCo Assets in Pennsylvania.

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

A. Yes.

Q. Please identify any other witnesses submitting direct testimony on behalf of the Joint Applicants in this proceeding.

A. The Application is supported by the prepared direct testimony of three additional witnesses:

- Steven Staub (Joint Applicants Statement No. 2), who will provide an overview of accounting and tax impacts associated with the Transaction, details regarding the mechanics of the Transaction from a financing perspective, as well as the financial benefits resulting from the Transaction.
- Jeffrey Rosenthal (Joint Applicants Statement No. 3), who will describe Brookfield's experience and fitness for the Transaction as one of the world's largest infrastructure investors.
- Toby Bishop (Joint Applicants Statement No. 4), who will describe and elaborate on the economic benefits from the Transaction to the Commonwealth of Pennsylvania.

II. OVERVIEW OF FIRSTENERGY AND ITS RELEVANT SUBSIDIARIES

Q. Please describe FirstEnergy.

A. FirstEnergy is an Ohio corporation and a public utility holding company headquartered in Akron, Ohio, whose shares are publicly traded on the New York Stock Exchange under the ticker symbol "FE". FirstEnergy and its subsidiaries are involved in the regulated transmission, distribution, and generation of electricity. FirstEnergy's reportable operating segments are comprised of the regulated distribution and regulated transmission segments. FirstEnergy's ten utility operating companies comprise one of the nation's largest investor-owned electric systems, based on serving over six million customers in the Midwest and Mid-Atlantic regions. FirstEnergy's transmission operations include over 24,000 miles of transmission lines and two regional transmission operation centers (Akron Control Center and Fairmont Control Center). All of FirstEnergy's facilities are located within PJM Interconnection, L.L.C. ("PJM") and operate under the reliability oversight of the North

American Electric Reliability Corporation ("NERC") and the Federal Energy Regulatory Commission ("FERC").

Q. Please describe FET.

A. FET is a Delaware limited liability company and a subsidiary of FirstEnergy, which holds 80.1% of its issued and outstanding membership interests. NATCo II owns the remaining 19.9% of the issued and outstanding membership interests in FET. FET does not directly own or operate jurisdictional facilities but has three subsidiaries - the Joint Applicants - that own and operate high-voltage transmission facilities in the PJM Region and are subject to regulation by FERC, NERC, ReliabilityFirst, and applicable state regulatory authorities, including the PaPUC. FET also owns an interest in Potomac-Appalachian Transmission Highline, LLC ("PATH"), which is a joint venture with a subsidiary of American Electric Power Company, Inc. PATH is not a public utility subject to the PaPUC's jurisdiction and does not own or operate any transmission facilities or other assets. The Joint Applicants' transmission facilities are subject to functional control by PJM as the regional transmission organization, and transmission service using the Joint Applicants' transmission facilities is provided by PJM under the PJM Open Access Transmission Tariff ("OATT"). Joint Applicants Exhibit MDM-1 at p. 1 is a pre-Transaction corporate organization chart of the entities relevant to the Transaction. This exhibit depicts the current ownership structure of FET and its Pennsylvania subsidiaries, including the existing 19.9% interest that NATCo II owns in FET.

Q. Please describe ATSI.

A. ATSI, a wholly owned subsidiary of FET, is an Ohio corporation and a transmission-only public utility which owns, operates, and maintains transmission facilities in Ohio and

western Pennsylvania located within the PJM Balancing Authority Area ("BAA"). ATSI owns and operates high-voltage transmission facilities consisting of approximately 7,900 circuit miles of transmission lines in the PJM region. ATSI is a transmission owner ("TO") member of PJM. ATSI is not a generation provider and also provides no retail utility service. ATSI plans, operates, and maintains its transmission system in accordance with NERC reliability standards. Joint Applicants Exhibit MDM-2 is a map depicting where ATSI operates in Pennsylvania.

Q. Please describe MAIT.

A. MAIT, organized under Delaware law, is a limited liability company and a transmission-only public utility which owns, operates, and maintains transmission facilities in Pennsylvania located within the PJM BAA. MAIT is managed by its Class A member, FET, and Penelec and Met-Ed, each a wholly owned subsidiary of FirstEnergy, hold passive Class B ownership interests in MAIT. MAIT owns and operates high-voltage transmission facilities consisting of approximately 4,300 circuit miles of transmission lines in the PJM region. MAIT is a TO member of PJM. MAIT is not a generation provider and also provides no retail utility service. MAIT plans, operates, and maintains its transmission system in accordance with NERC reliability standards. Joint Applicants Exhibit MDM-3 is a map depicting where MAIT operates.

Q. Please describe TrAILCo.

A. TrAILCo, a wholly owned subsidiary of FET, is a Maryland and Virginia corporation and a transmission-only public utility which owns, operates, and maintains transmission facilities in Maryland, West Virginia, Pennsylvania, and Virginia located within the PJM BAA. TrAILCo owns and operates high-voltage transmission facilities consisting of

approximately 260 circuit miles of transmission lines, including a 500 kV transmission line extending approximately 150 miles from southwestern Pennsylvania through West Virginia to a point of interconnection with Virginia Electric and Power Company in northern Virginia. TrAILCo also owns several other substation assets. TrAILCo is a TO member of PJM. TrAILCo is not a generation provider and also provides no retail utility service. TrAILCo plans, operates, and maintains its transmission system in accordance with NERC reliability standards and has FERC authority to operate in all of FirstEnergy's service territory. Joint Applicants Exhibit MDM-4 is a map depicting where TrAILCo operates, including its Pennsylvania operations.

Q. Please describe the nature of the PaPUC's jurisdiction over Joint Applicants.

A. Each of ATSI,[3] MAIT,[4] and TrAILCo[5] have been issued certificates of public convenience by the PaPUC that authorize each entity to operate as a public utility in Pennsylvania. Subject to these authorizations, I am advised by counsel that each of these entities are subject to the PaPUC's jurisdiction regarding the reliability, safety, and siting and

[3] *Application Of Pennsylvania Power Co. For (1) A Certificate Of Public Convenience Authorizing The Transfer Of Certain Transmission Assets To American Transmission Systems, Inc., And (2) Approval Of Certain Affiliated Interest Agreements Necessary To Effect The Transfer*, Docket No. A-110450F0016 (Final Order entered July 14, 2000); *Application of American Transmission Systems, Incorporated for a Certificate of Public Convenience conferring upon American Transmission Systems, the Status of a Pennsylvania Public Utility*, Docket No. A-2016-2566365 (Order entered Dec. 8, 2016).

[4] *Joint Application of Mid-Atlantic Interest Transmission, LLC ("MAIT"); Metropolitan Edison Company ("Met-Ed") And Pennsylvania Electric Company ("Penelec") For: (1) A Certificate of Public Convenience Under 66 Pa.C.S. § 1102(a)(3) Authorizing The Transfer Of Certain Transmission Assets From Met-Ed And Penelec To MAIT; (2) A Certificate Of Public Convenience Conferring Upon MAIT The Status Of A Pennsylvania Public Utility Under 66 Pa.C.S. § 102; And (3) Approval Of Certain Affiliate Interest Agreements Under 66 Pa.C.S. § 2102, Docket Nos. A-2015-2488903, et al*. (Opinion and Order entered Aug. 24, 2016) ("MAIT Order").

[5] *In Re: Application of Trans-Allegheny Interstate Line Company (TrAILCo) For approval: 1) for a certificate of public convenience to offer, render, furnish or supply transmission service in the Commonwealth of Pennsylvania; 2) authorization and certification to locate, construct, operate and maintain certain high-voltage electric substation facilities; 3) authority to exercise the power of eminent domain for the construction and installation of aerial electric transmission facilities along the proposed transmission line routes in Pennsylvania; 4) approval of an exemption from municipal zoning regulation with respect to the construction of buildings; and 5) approval of certain related affiliated interest arrangements*, Docket Nos. A-110171, et al., 2008 Pa. PUC LEXIS 35 (Order entered Nov. 13, 2008).

construction of transmission facilities in Pennsylvania; however, the rates and terms of service for each of these entities are subject to the exclusive jurisdiction of FERC.

III. OVERVIEW OF THE PROPOSED TRANSACTION

Q. Please summarize the Transaction.

A. As noted above, the Transaction involves: (a) the purchase of an incremental 30% equity interest in FET by NATCo II; and (b) the transfer of the MAIT Class B Membership Interests then-owned by FirstEnergy to FET in exchange for Special Purpose Membership Interests in FET. See Joint Applicants Exhibit MDM-1 at pp. 2-3.

Q. Please describe the aspect of the Transaction involving NATCo II's purchase of an incremental 30% equity interest in FET.

A. On February 2, 2023, FirstEnergy, along with FET, entered into the Purchase and Sale Agreement dated February 2, 2023 (the "PSA") with NATCo II and the Brookfield Guarantors,[6] pursuant to which FirstEnergy agreed to sell to NATCo II at the closing, and NATCo II agreed to purchase from FirstEnergy, an incremental 30% equity interest in FET for a purchase price of $3.5 billion. The purchase price may be payable, in part, by the issuance of a promissory note in the principal amount of up to $1.75 billion. The remaining amount of the purchase price will be payable in cash at the closing of the transaction. A copy of the PSA is attached to the direct testimony of Mr. Steven Staub as Joint Applicants Exhibit SRS-1.

[6] 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.

Q. Please describe the aspect of the Transaction involving FirstEnergy's transfer of MAIT Class B Membership Interests to FET in exchange for Special Purpose Membership Interests in FET.

A. As a part of this Transaction, the Joint Applicants are requesting PaPUC approval to transfer the MAIT Class B Membership Interests from FirstEnergy to FET in exchange for certain Special Purpose Membership Interests in FET. Met-Ed and Penelec currently together hold 100% of the MAIT Class B membership interests and expect to sell their respective interests in MAIT to FirstEnergy subject to PaPUC approval of the PA Consolidation filing. Further details regarding this aspect of the Transaction are provided in the direct testimony of Steven Staub (Joint Applicants Statement No. 2), and these witnesses' associated exhibits.

Q. What impact will the Transaction as a whole have on NATCo II's interest in FET?

A. Upon consummation of the Transaction, NATCo II's equity interest in FET will increase from 19.9% to 49.9%; FirstEnergy will retain the remaining 50.1% ownership interest. The Transaction is subject to customary closing conditions, including approval from this Commission as well as FERC and the Virginia Public Service Commission, and completion of review by the Committee on Foreign Investment in the United States.

Q. What rights and obligations does NATCo II currently have with respect to its existing 19.9% interest in FET?

A. NATCo II's existing ownership of 19.9% of the membership interests in FET provides it with certain rights and obligations under the Third Amended and Restated Limited Liability Company Agreement of FirstEnergy Transmission, LLC, which is referred to as the "Original Operating Agreement" in the PSA. The Original Operating Agreement

provided NATCo II with rights as are necessary to protect its economic investment interests.

Q. What additional rights and obligations does NATCo II obtain in purchasing the additional interest?

A. The PSA contemplates the execution of the Fourth Amended and Restated Limited Liability Company Agreement of FirstEnergy Transmission, LLC (the "LLCA"), which is provided as Joint Applicants Exhibit SRS-2. The LLCA provides that FirstEnergy will continue to manage and operate FET and will remain the beneficial holder of the largest voting interest in FET and, indirectly, the Joint Applicants. The LLCA, however, provides NATCo II with rights as are necessary to protect its economic investment interests, such that NATCo II is provided the right to appoint Directors on the FET Board of Directors as set forth in Section 2.2 of the LLCA and as explained further in the direct testimony of Jeffrey Rosenthal (Joint Applicants Statement No. 3). In addition, for so long as NATCo II maintains at least a 30% equity interest in FET, it is provided with additional consent rights applicable to FET and the Joint Applicants, such as establishing or amending the capital budget of the Joint Applicants, entering into or amending the terms of employment for individuals employed by FESC that provide management services for FET or the Joint Applicants, and certain regulatory filings made by FET or the Joint Applicants. These rights and obligations are discussed further in the Application as well as the direct testimony of Jeffrey Rosenthal (Joint Applicants Statement No. 3).

Q. What is the proposed ownership structure of FET and the Joint Applicants?

A. Upon completion of the Transaction, (i) FirstEnergy will own a 50.1% interest in FET, and indirect controlling interests in each of the Joint Applicants; (ii) NATCo II will own a

49.9% interest in FET, and indirect interests in each of the Joint Applicants; (iii) FET will retain its present ownership interest in each of ATSI, TrAILCo, and PATH and, as a result of the transfer of 100% of the MAIT Class B Membership Interests to FET, FET will become the sole owner of MAIT; and (iv) NATCo II will obtain additional rights and obligations with respect to FET and the Joint Applicants. Joint Applicants Exhibit MDM-1 at p. 4 depicts the contemplated post-Transaction ownership structure of FET and illustrates NATCo II's incremental purchase of a 30% equity interest in FET. It also reflects the transfer of the MAIT Class B membership interests from FirstEnergy to FET in exchange for Special Purpose Membership Interests membership interests in FET.

Q. Will the direct corporate parent company of MAIT, ATSI, and TrAILCo change as a result of the proposed Transaction?

A. No. FET will remain the sole direct parent of ATSI and TrAILCo and, upon consummation of the Transaction, FET will become the sole direct parent of MAIT.

Q. Why is the transaction being proposed at this time and in this manner?

A. Mr. Staub explains in his direct testimony (Joint Applicants Statement No. 2) that the primary purpose of the Transaction will improve FirstEnergy's balance sheet and credit metrics. As Mr. Staub explains, a strong balance sheet is needed to raise investor capital at a reasonable cost. FirstEnergy will be better positioned to attract the capital necessary to undertake its planned capital investments in Pennsylvania in order to enhance reliability, modernize the electric grid, accommodate the rapid changes that are expected in the electric utility industry, and finance those future capital investments. Based on this need, FirstEnergy's management team continuously evaluates internal structures and processes so that high quality customer service can be provided in a reasonable and cost-efficient

manner. The proposed Transaction will enhance FirstEnergy's ability to execute its capital investments, not only through the Joint Applicants, but also through its distribution operations.

IV. AFFIRMATIVE PUBLIC BENEFITS OF THE TRANSACTION

Q. Will the proposed Transaction result in benefits for the public?

A. Yes. There are a number of benefits from this Transaction that are in the public interest, which are discussed in detail in the Application and the Joint Applicants' testimonies. I will specifically discuss: (1) continuity benefits that will result from FirstEnergy's continued ownership and involvement in FET; (2) joint ownership benefits that will result from Brookfield's incremental involvement in the ownership and operation of the Joint Applicants as the ultimate controlling entity of NATCo II; (3) transmission operations benefits; and (4) employee, environmental, social, and governance benefits. Although each of the benefits identified by the Joint Applicants may not be specifically quantifiable, they will positively impact the public generally. Each of the other witnesses also addresses various benefits from their respective expertise areas.

a. Continuity Benefits

Q. You previously described the current operations of the Joint Applicants. Will the Transaction have an adverse impact upon the operations of these entities?

A. No, it will not. In addition to the commitments contained in the PSA that these entities continue to provide safe, reasonable, and reliable transmission service during the time between the PSA's execution and closing of the Transaction, the Joint Applicants are committed to continuing to provide safe, reasonable, and reliable transmission service after the Transaction closes.

Q. Please describe the commitments contained in the PSA that provide for the continuity of operations.

A. The continuity agreements outlined in the PSA among FirstEnergy, FET, NATCo II, and the Brookfield Guarantors, include the obligations and commitments of each party during the interim period leading up to the closing of the Transaction. Specifically, FirstEnergy is required to ensure that FET and the Joint Applicants each continue to operate in the ordinary course of business, maintain their insurance policies and permits, and preserve their goodwill. Among other commitments, the PSA also includes provisions for sharing information and accessing documents to facilitate due diligence for access to information and records.

Q. Please describe the Joint Applicants' commitments that, after the Transaction closes, the Joint Applicants will continue to provide safe, reasonable, and reliable transmission service and facilities in Pennsylvania.

A. FirstEnergy and Brookfield are committed to supporting continued investment in the ATSI, MAIT and TrAILCo transmission systems. This investment will improve reliability and resiliency while also providing for renewable generation connection and capacity to add new customer loads.

b. <u>Operations Benefits</u>

Q. Please describe the benefits of joint ownership in FET by FirstEnergy and NATCo II from an operational perspective.

A. As explained in the direct testimony of Mr. Jeffrey Rosenthal (Joint Applicants Statement No. 3), Brookfield is one of the world's largest infrastructure investors that owns and operates assets across the transport, data, utilities, and midstream sectors. Brookfield is a

valuable partner to the Joint Applicants and has accumulated operational best practices shared across its portfolio companies. Relative to the operation of the Joint Applicants, Brookfield can share with FirstEnergy its knowledge of operational best practices with respect to optimal capital deployment, process excellence, and portfolio planning and analytics with respect to FET and the Joint Applicants.

Q. How did NATCo II's initial investment of 19.9% impact capital investment?

A. NATCo II's initial equity investment in FET provided financial flexibility for FirstEnergy to deploy additional capital across FirstEnergy's regulated utilities, including the Pennsylvania electric utilities and the Joint Applicants.

Q. Will NATCo II's purchase of an incremental 30% interest in FET have similar beneficial impacts?

A. Yes, the Transaction is expected to have similar beneficial impacts with respect to FET's and the Joint Applicants' abilities to attract debt and equity capital for the reasons explained in greater detail in the direct testimony of Mr. Staub (Joint Applicants Statement No. 2). This will provide further financial flexibility that will permit more efficient capital deployment for distribution and transmission operations, and permit FirstEnergy to further enhance the reliability of the distribution and transmission grids and support wholesale customers.

Q. Will the transmission facilities of the Joint Applicants remain under the operational control of PJM after the Transaction closes?

A. Yes.

Q. How will the proposed Transaction improve the safety, reliability, and quality of existing service?

A. The proceeds from the Transaction will support and provide the ability for FirstEnergy to deploy continued capital investments in its distribution and transmission systems. Increased capital investments in the transmission system will enhance and strengthen reliability through upgraded and new infrastructure and technology, thus improving the safety and reliability of existing service. The Transaction will also support improving the operational flexibility of FirstEnergy's transmission system, enhancing its reliability, robustness, security, and resistance to extreme weather events.

Q. What benefits can FET gain from Brookfield's experience?

A. Brookfield deploys significant capital across its many investments both in the infrastructure space and other segments such as real estate and renewable power. With respect to its initial investment in FET, Brookfield has collaborated with FET management on several topics such as portfolio planning, project delivery, and asset strategy. FET expects this collaboration to continue and grow. Brookfield brings best practices from the other industries and, through a cooperative working partnership, helps FET to optimize its practices. Brookfield also has relationships with engineering companies, major equipment suppliers and field service contractors. These relationships and expertise are expected to help FET and the Joint Applicants leverage cost and delivery improvements beyond what we could achieve on our own.

Q. Could the Transaction beneficially impact the implementation of renewable projects in Pennsylvania moving forward?

A. Yes. Transmission system investment can provide improved operational flexibility and system performance that may allow for more efficient connection and utilization of new generating sources such as renewable energy.

Q. Please explain how enhanced investments in transmission facilities could increase service reliability at the transmission, sub-transmission and distribution levels across Pennsylvania.

A. A strong resilient transmission system is the backbone for its connected wholesale customers. Continued investment to improve the system performance and operational flexibility will inherently positively impact the performance of the connected loads, including the distribution systems. This impact can include enhanced networking of transmission lines serving wholesale customers, margin to accommodate new or increased customer loads, and flexibility to connect and utilize new renewable or low emitting generating units.

c. <u>Employee, Environmental, Social, and Governance Benefits</u>

Q. Please describe FirstEnergy's current employee, environmental, social, and governance strategy.

A. FirstEnergy's Energizing the Future ("EtF") Program, which launched in 2014, prioritizes improvements that emphasize modern experiences, new growth, affordable energy bills, and the transition to a clean, resilient, and secure electric grid. As part of the EtF Program, FirstEnergy seeks to cultivate a more innovative, diverse, and sustainable company centered on the pillars of employee, environmental, social, and governance ("EESG")

priorities, which align with FirstEnergy's core values of integrity, safety, diversity, equity and inclusion, performance excellence, and stewardship. To date, FirstEnergy has pursued its EESG initiatives by, among other things, investing in sustainable grid improvements that support grid modernization, incremental renewable generation, and electric vehicle infrastructure, securing diverse suppliers and an employee workforce that emphasizes the importance of an inclusive and equitable culture, and ensuring that company leadership adheres to FirstEnergy's core values to foster a positive and inclusive work environment. Altogether, FirstEnergy is comprised of a diverse team of employees who are committed to making the environment better and communities stronger.

Q. Please explain how the proposed Transaction would benefit the handling of EESG matters for FET and its subsidiaries.

A. FirstEnergy and its subsidiaries are dedicated to staying true to its mission and core values while supporting its EESG priorities. Brookfield's incremental investment is expected to facilitate the deployment of additional capital for strategic EESG initiatives in the regulated transmission segment that will help enable a clean, reliable, resilient, and secure electric grid, including initiatives related to transmission asset health, integrating digital technology, exploring real time technologies in data collection, and smart investments to modernize the grid to integrate future renewables. Moreover, Brookfield is committed to its own ESG practices, which focus on, among other things, mitigating the impact to the environment, ensuring a diverse and equitable work culture, and upholding strong governance practices. FET and the Joint Applicants will benefit from working with a collaborative partner to achieve FirstEnergy's EESG goals and the sharing of ESG best practices by Brookfield.

V. STANDARDS OF CONDUCT AND EFFECTS ON COMPETITION

Q. What impact does the proposed Transaction have on Standards of Conduct?

A. However, under the LLCA, NATCo II (and any Co-Investors and their respective Representatives as defined in the PSA) will be bound by the FERC Standards of Conduct and affiliate restrictions, will be required to complete training regarding the FERC Standards of Conduct and affiliate restrictions, and will be required to annually maintain full compliance with the FERC Standards of Conduct and affiliate restrictions. In addition, neither FET nor the Joint Applicants will be required to disclose or otherwise provide information to the extent such information is required to be kept confidential by FERC's Standards of Conduct or affiliate restrictions in accordance with applicable law. These provisions are further explained in the LLCA, which is provided as Joint Applicants Exhibit SRS-2 and discussed in further detail by Steven Staub.

Q. What impact does the proposed Transaction have on competition?

A. NATCo II's purchase of an incremental 30% equity interest in FET is not expected to have an adverse effect on competition in the wholesale power market. The Joint Applicants will continue to be transmission-only public utilities subject to regulation by FERC and applicable state regulatory authorities. Moreover, because the underlying transmission facilities will remain under the functional control of PJM under PJM's OATT following the Transaction's approval (as is presently the case), the Transaction will have no adverse effect on competition in the wholesale power market.

Q. What effect will the Transaction have on electric competition in the Commonwealth of Pennsylvania?

A. The Transaction will have no effect on electric competition for customers of FirstEnergy's subsidiaries operating in Pennsylvania, nor electric generation suppliers. Existing contracts will be maintained and customers of each of FirstEnergy's Pennsylvania subsidiaries will continue to have access to the same competitive market as they do today.

VI. CONCLUSION

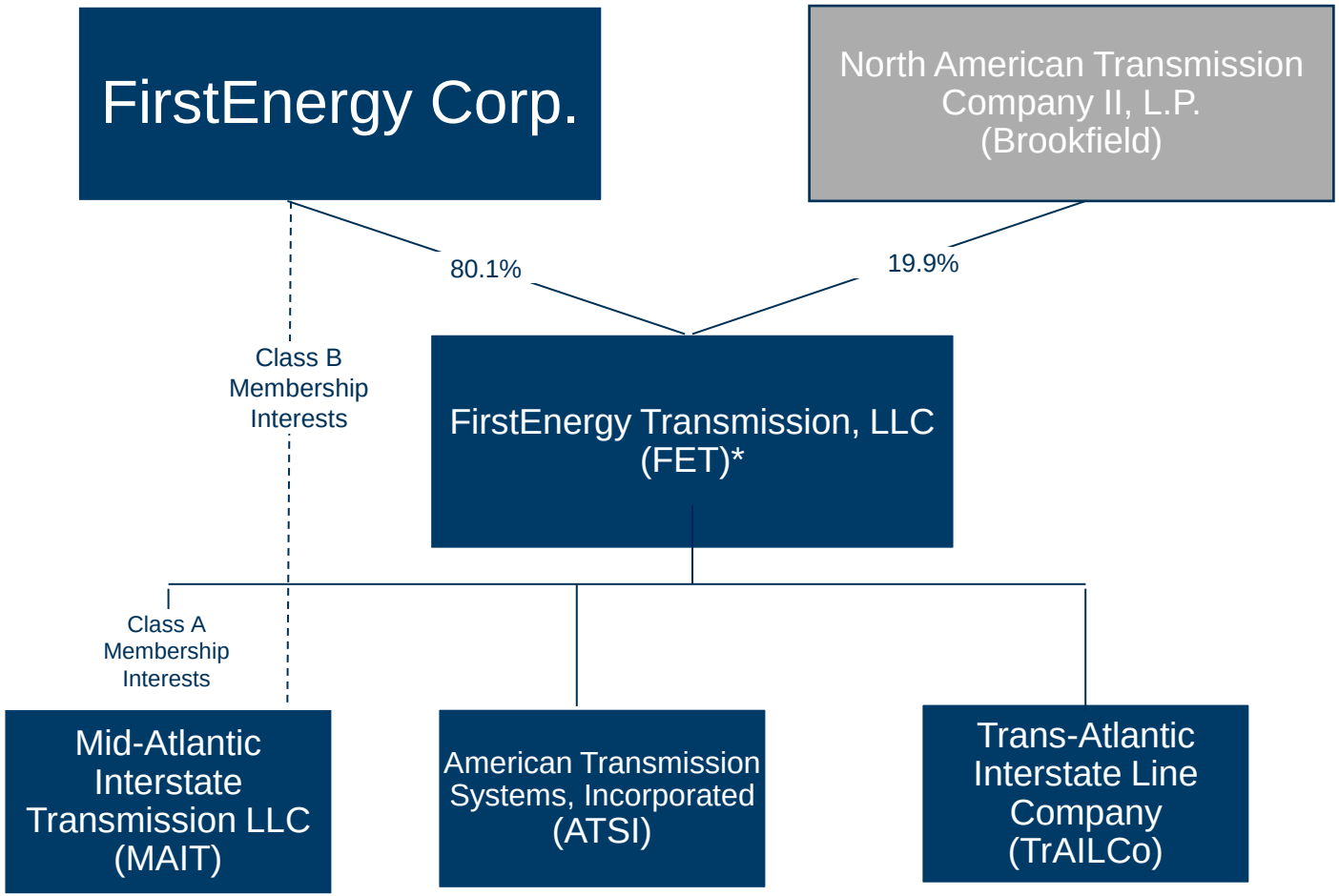
Q. Does this conclude your direct testimony?

A. Yes.

Joint Applicants Exhibit
MDM-1

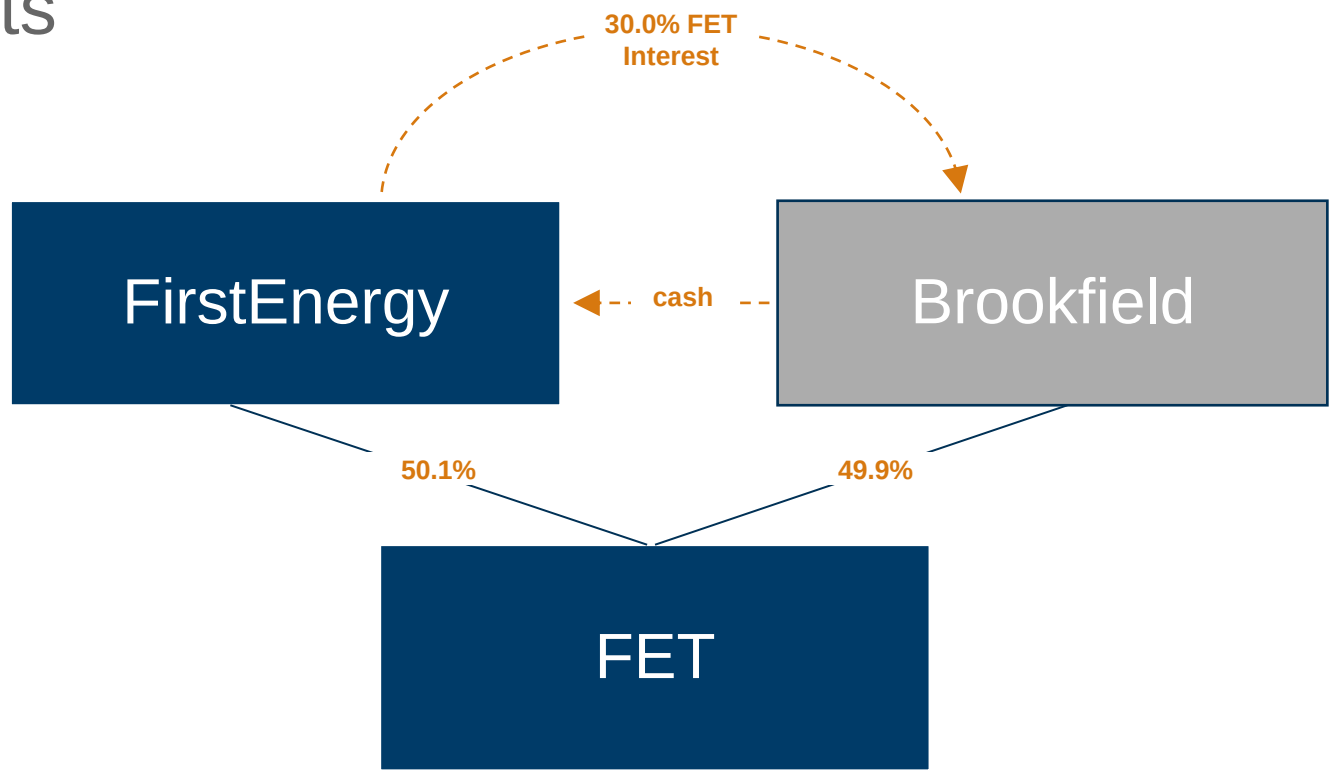
Current FirstEnergy Organization

(Pertinent In-Scope Entities Only)

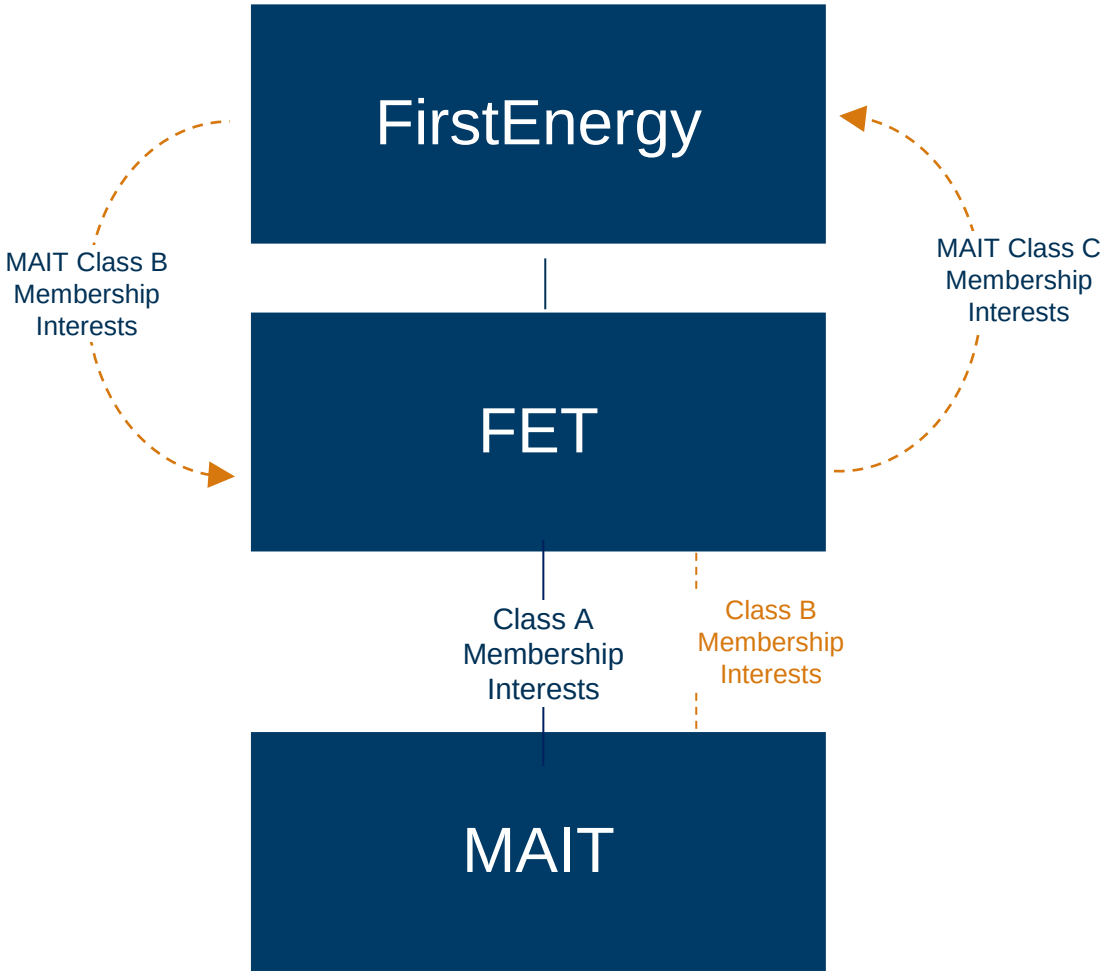


*FET also owns Potomac-Appalachian Transmission Highline, LLC ("PATH"), which is not a jurisdictional entity.

Step One – Brookfield Purchases Additional FET Interests

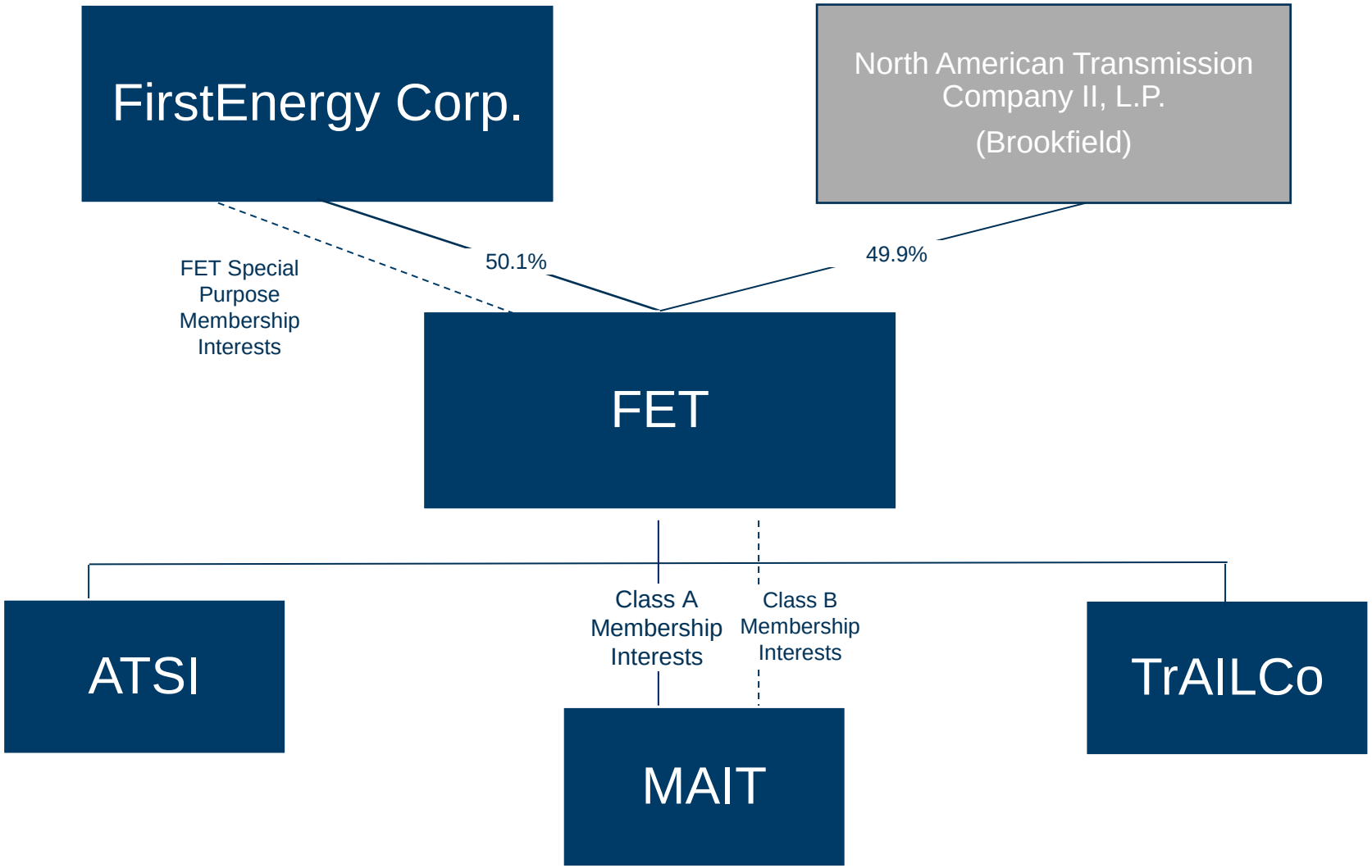


Step Two: FE Corp. Contributes MAIT Class B Interests to FET



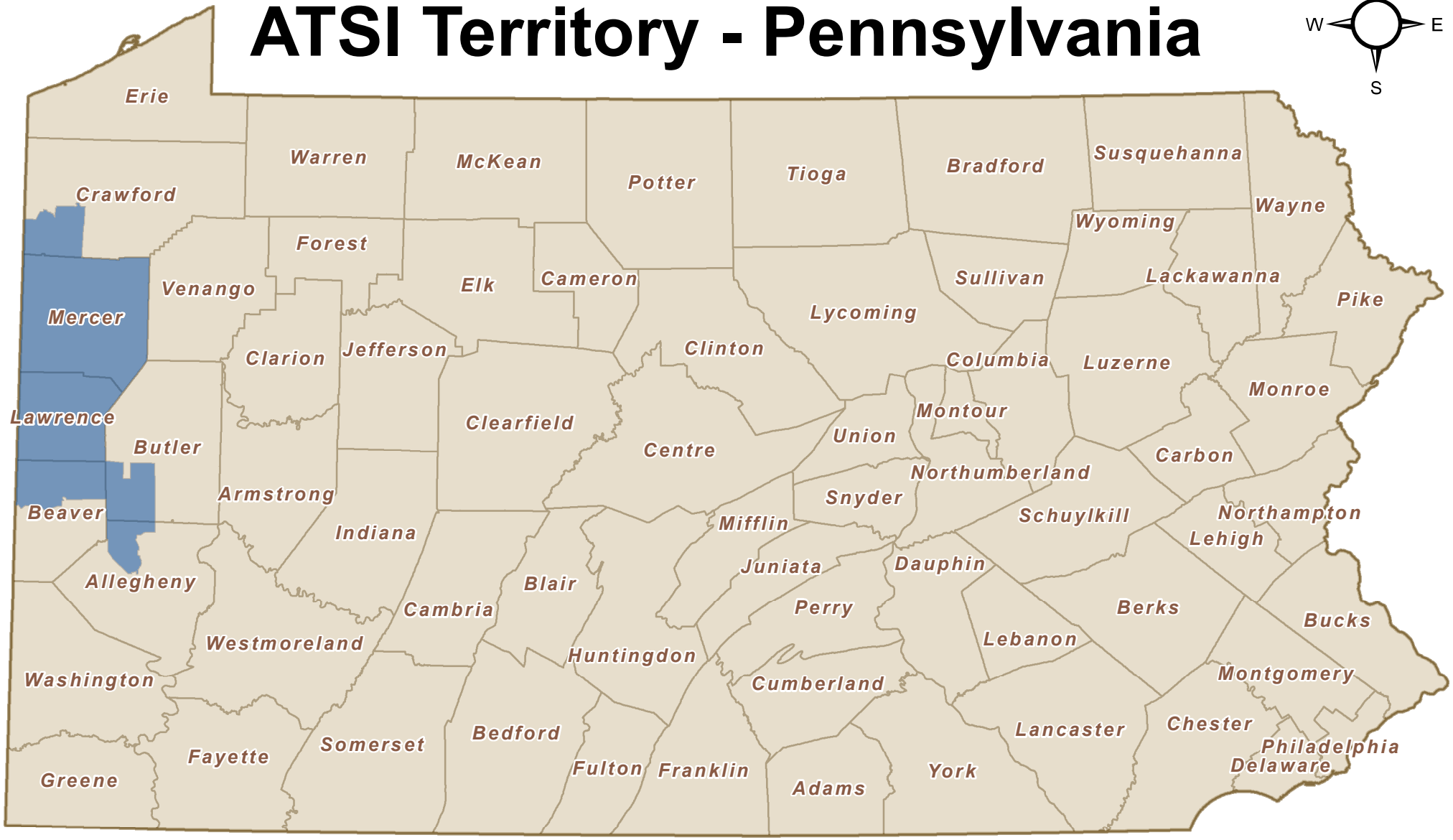
FirstEnergy Organization after Transaction

(Pertinent In-Scope Entities Only)



Joint Applicants Exhibit
MDM-2

ATSI Territory - Pennsylvania



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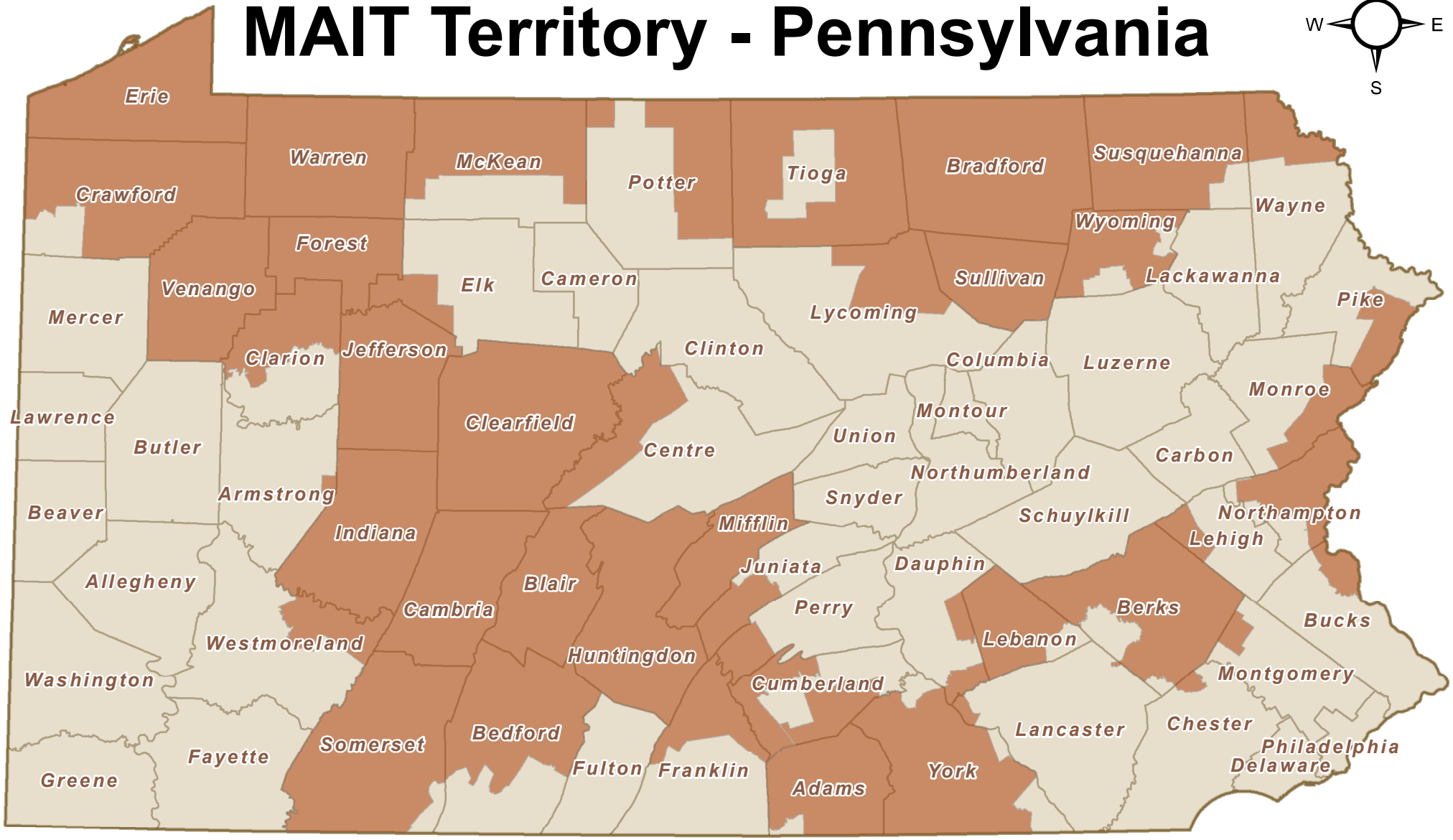
Joint Applicants Exhibit
MDM-3

MAIT Territory - Pennsylvania



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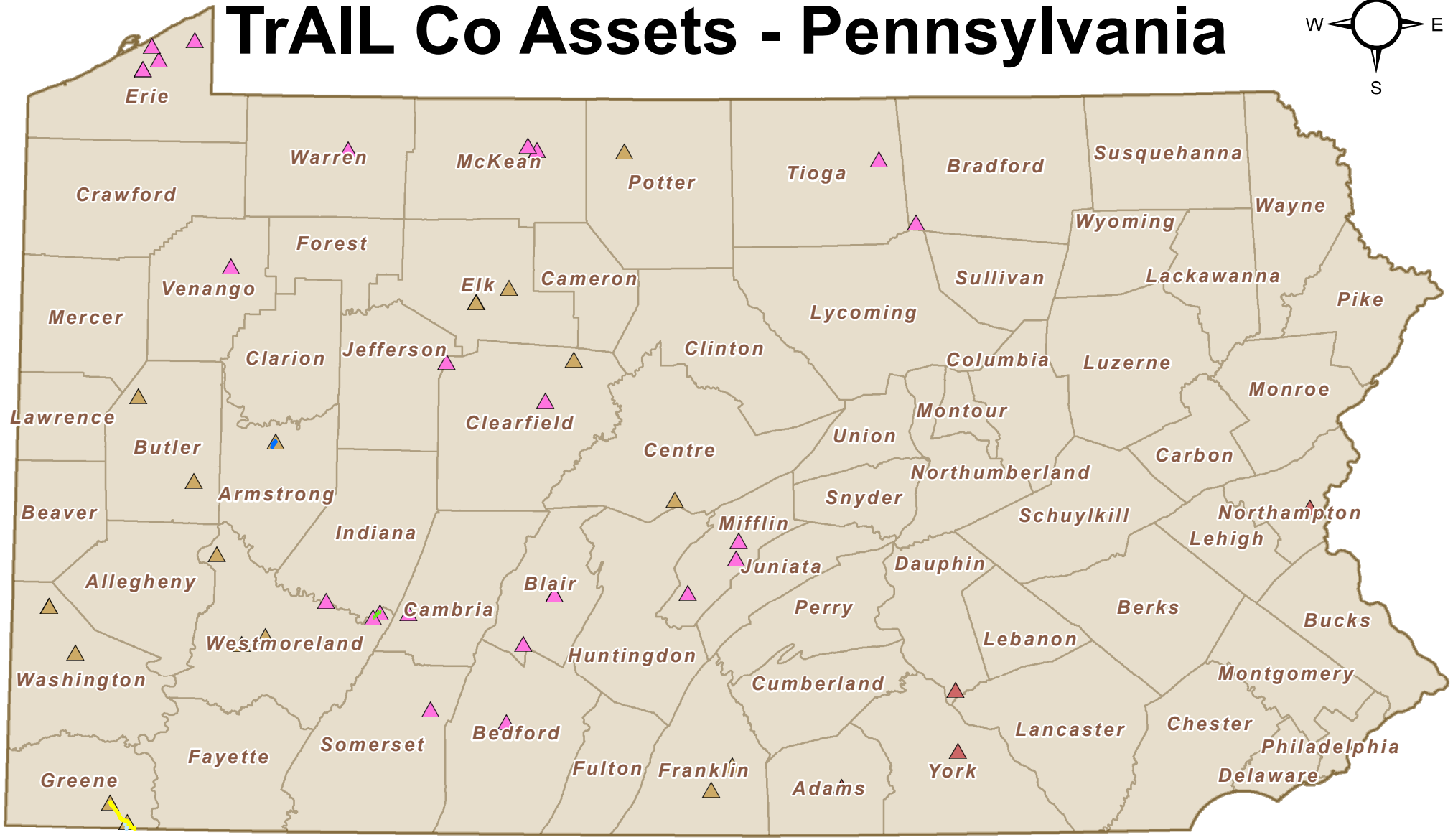
Joint Applicants Exhibit
MDM-4

TrAIL Co Assets - Pennsylvania



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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-_____ A-2023-_____ A-2023-_____ G-2023-_____

Direct Testimony of Steven R. Staub

RE:
Pre- and Post Transaction Financial Structure
Tax and Accounting Overview of the Transaction
Financial Benefits of the Transaction

DIRECT TESTIMONY OF STEVEN R. STAUB

I. INTRODUCTION AND BACKGROUND

Q. Please state your name and business address.

A. My name is Steven R. Staub. My business address is 76 South Main Street, Akron, OH 44308.

Q. By whom are you employed and in what capacity?

A. I am employed as Vice President and Treasurer of FirstEnergy Service Company ("FESC"), which is a direct, wholly owned subsidiary of FirstEnergy Corp. ("FirstEnergy").

Q. Please describe your job responsibilities.

A. I am responsible for Treasury activities, including capital markets, cash management, interest rate derivatives, investment management, and debt compliance. I am also responsible for business development activities, including mergers, acquisitions, and divestitures. My responsibilities extend to each of the companies owned by FirstEnergy, including its transmission and distribution operating companies.

Q. What is your educational and professional background?

A. I am a graduate of the University of Pittsburgh, with undergraduate degrees in Business/Accounting and Political Science. I also have received a Master of Business Administration from the University of Pittsburgh and a Master of Taxation from Robert Morris University.

Q. Have you previously testified before the Pennsylvania Public Utility Commission ("PaPUC") or any other regulatory proceedings?

A. Yes. I have testified in multiple regulatory proceedings before state public utility commissions. Specifically, I have testified before the PaPUC (Docket No. R-2014-2428742, Docket No. R-2014-2428743, Docket No. R-2014-2428744, Docket No. R-2014-2428745); the Public Service Commission of West Virginia (Case No. 12-1571-E-PC, Case No. 14-0702-E-42T); the New Jersey Board of Public Utilities (Docket No. ER1211105, Docket No. PUC16310-2012N); and the Ohio Public Utilities Commission (Case No. 14-1297-EL-SSO).

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

A. I am testifying on behalf of American Transmission Systems, Incorporated ("ATSI"), Mid-Atlantic Interstate Transmission, LLC ("MAIT") and the Trans-Allegheny Interstate Line Company ("TrAILCo") (collectively, the "Joint Applicants").

Q. Please describe and summarize the purpose and content of your testimony.

A. The purpose of my testimony is to describe the financial implications of the proposed transaction under which FirstEnergy will sell an incremental 30% equity interest in FirstEnergy Transmission, LLC ("FET") to North American Transmission Company II, L.P. ("NATCo II"),[1] and FirstEnergy will also transfer MAIT's Class B membership interests to FET in exchange for Special Purpose Membership interests ("Special Purpose

[1] As discussed in the direct testimony of Jeffrey Rosenthal (Joint Applicants Statement No. 3), NATCo II is a controlled investment vehicle entity of Brookfield Super-Core Infrastructure Partners GP LLC ("Brookfield GP"), an indirect wholly-owned subsidiary of Brookfield Corporation (f/k/a Brookfield Asset Management Inc.) and Brookfield Asset Management Ltd (BAM Ltd). BAM Ltd manages the various investment entities and funding vehicles that are ultimately controlled by Brookfield Corporation (BAM Ltd and Brookfield Corporation, collectively "Brookfield").

Membership Interests") in FET (collectively, the "Transaction"). I will first provide an overview of the current ownership structure of FirstEnergy, FET, and the Joint Applicants affected by this transaction. I will then provide an overview of the Transaction as well as the accounting and tax impacts associated with the Transaction. Finally, I will discuss the affirmative public benefits of the Transaction from a financial perspective.

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

A. Yes, I am sponsoring the following exhibits with my testimony:

- *Joint Applicants Exhibit SRS-1*: Purchase and Sale Agreement, dated as of February 2, 2023, by and among FirstEnergy, FET, NATCo II and Brookfield Guarantors[2];
- *Joint Applicants Exhibit SRS-2:* Fourth Amended and Restated Limited Liability Company Agreement of FET;
- *Joint Applicants Exhibit SRS-3:* Second Amended and Restated Limited Liability Company Operating Agreement of MAIT;
- *Joint Applicants Exhibit SRS-4:* Contribution Agreement; and
- *Joint Applicants Exhibit SRS-5:* FET Income Tax Allocation Agreement, for which the Joint Applicants seek approval as an affiliated interest agreement.

II. CURRENT FINANCIAL STRUCTURE

Q. Please describe the current ownership structure of FirstEnergy, FET, and the Transmission Subsidiaries.

A. FirstEnergy is an Ohio corporation and a public utility holding company headquartered in Akron, Ohio, whose shares are publicly traded on the New York Stock Exchange under the

[2] 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.

ticker symbol "FE". FirstEnergy and its subsidiaries are principally involved in the regulated transmission, distribution, and generation of electricity. FET is a Delaware limited liability company and a subsidiary of FirstEnergy, which holds 80.1% of FET's issued and outstanding membership interests. NATCo II owns the remaining 19.9% of the issued and outstanding membership interests in FET. FET does not directly own or operate jurisdictional facilities, but has three subsidiaries, ATSI, MAIT, and TrAILCo, which own and operate high-voltage transmission facilities in the PJM Interconnection, L.L.C. ("PJM") region and are subject to regulation by the Federal Energy Regulatory Commission ("FERC") and applicable state regulatory authorities, including the PaPUC. ATSI and TrAILCo are wholly owned transmission-only subsidiaries of FET. MAIT is a transmission-only subsidiary that is managed by its Class A member, FET. Pennsylvania Electric Company ("Penelec") and Metropolitan Edison Company ("Met-Ed"), each a wholly owned subsidiary of FirstEnergy, currently hold passive Class B membership interests in MAIT.[3] Mark Mroczynski in his testimony describes in more detail the operational structure and capabilities of ATSI, MAIT and TrAILCo, as well as sponsors an exhibit, Exhibit MDM-1, that depicts the current ownership structure of FET and the Joint Applicants.

Q. When and how did NATCo II acquire a 19.9% membership interest in FET?

A. On May 31, 2022, FET sold membership interests to NATCo II representing a 19.9% ownership interest in FET for $2.375 billion in cash. The Operating Agreement between

[3] As of the date of this filing, the Class B membership interests in MAIT are held by Penelec and Met-Ed. It should be noted, however, that in a concurrent proceeding, at Docket No. A-2023-3038771 (hereafter "PA Consolidation proceeding"), Penelec, Met-Ed and other FirstEnergy subsidiaries are seeking approval for, among other things, the sale of the Class B membership interests in MAIT from Penelec and Met-Ed, respectively, to FirstEnergy. If approved, FirstEnergy will hold the Class B membership interests in MAIT prior to the closing of the Transaction.

FirstEnergy and NATCo II provides that FirstEnergy will continue to manage FET and will remain the beneficial holder of the largest voting interest in FET and, indirectly, the FET Transmission Subsidiaries. However, the Operating Agreement does provide NATCo II with rights as are necessary to protect its economic investment interests.

Q. What percentage of MAIT's ownership is attributable to Class A versus Class B membership interests?

A. As of March 31, 2023, Class A membership interests (100% owned by FET) account for approximately 50% of MAIT's ownership, while Class B membership interests (100% owned by Penelec and Met-Ed) account for the remaining 50%. However, because the MAIT Class A holder (FET) continues to make capital contributions while MAIT Class B holders (Penelec and Met-Ed) do not, and all of MAIT's earnings are routinely distributed out pro rata, MAIT's Class B membership interests as a percentage of total outstanding membership interests are slowly being reduced.

Q. Please explain in more detail the MAIT Class B membership interests held by Penelec and Met-Ed and the proposed transfer of those interests to FirstEnergy.

A. As of March 31, 2023, Penelec owns 59.89% of the passive Class B membership interests of MAIT, while Met-Ed owns the remaining 40.11% of the passive Class B membership interests of MAIT. The MAIT Class B membership interests are passive and do not confer operating control or 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 voting rights over "special matters," which protect the value of their investment including decisions pertaining to bankruptcy, mergers, any sale of substantially all assets of MAIT, and any amendments to

MAIT's Amended and Restated Limited Liability Company Operating Agreement. As described more fully in the PA Consolidation proceeding presently pending before the PaPUC, Met-Ed and Penelec intend to sell their respective MAIT Class B membership interests to FirstEnergy in exchange for cash.

III. OVERVIEW OF THE PROPOSED TRANSACTION

Q. Please summarize the Transaction.

A. As noted above, the Transaction involves two parts: (a) the purchase of an incremental 30% equity interest in FET by NATCo II; and (b) the transfer of the MAIT Class B membership interests then-owned by FirstEnergy (assuming approval in the PA Consolidation proceeding) to FET in exchange for Special Purpose Membership Interests in FET.

Q. Please describe NATCo II's purchase of a 30% incremental equity interest in FET.

A. On February 2, 2023, FirstEnergy, along with FET, entered into the FET Purchase and Sale Agreement, included as Exhibit SRS-1 to my testimony, with NATCo II and the Brookfield Guarantors, pursuant to which FirstEnergy agreed to sell to NATCo II at the closing, and NATCo II agreed to purchase from FirstEnergy an incremental 30% equity interest in FET for a purchase price of $3.5 billion. The purchase price may be payable in part by the issuance of a promissory note in the principal amount of up to $1.75 billion. The remaining amount of the purchase price will be payable in cash at the closing of the Transaction. Upon closing, NATCo II's interest in FET will increase from 19.9% to 49.9%, while FirstEnergy will retain the remaining 50.1% ownership interests of FET. Mr. Mroczynski's Exhibit MDM-4 depicts the post-Transaction ownership structure of FET and the Joint Applicants.

Q. Following the closing of the Transaction, what will Brookfield be entitled to?

A. In exchange for NATCo II's increased percentage ownership, Brookfield, as the ultimate controlling entity of NATCo II, will be entitled to additional rights and obligations with respect to the operation of FET and its Transmission Subsidiaries that are proportional to the size of its ownership percentage. These rights and obligations are set forth in the Fourth Amended and Restated Limited Liability Company Agreement of FET, provided as Exhibit SRS-2 to my testimony.

Q. Please describe the process through which MAIT Class B membership interests will be transferred to FET in exchange for Special Purpose Membership Interests in FET.

A. Assuming approval in the PA Consolidation proceeding of the transfer of MAIT Class B membership interests to FirstEnergy, FirstEnergy will contribute those Class B membership interests in MAIT to FET in exchange for a new class of equity in FET, the Special Purpose Membership Interests. As described more fully in Exhibit SRS-2, the payments received by FET in respect of the MAIT Class B membership interests will be distributed to the holder of the FET Special Purpose Membership Interests (i.e., FirstEnergy). However, capital calls cannot be made in respect of the FET Special Purpose Membership Interests. FET's ownership of MAIT's Class A and Class B interests will be memorialized in the Second Amended and Restated Limited Liability Company Operating Agreement of MAIT shown as Exhibit SRS-3 to my testimony, while FirstEnergy's ownership of FET's Special Purpose Membership Interests will be effectuated by the Contribution Agreement shown as Exhibit SRS-4 to my testimony.

Q. What rights are available to FirstEnergy by virtue of being granted FET's Special Purpose Membership Interests?

A. As the holder of the FET Special Purpose Membership Interests, FirstEnergy will distribute all income earned by FET on account of its MAIT Class B Interests but will not have a right to receive ordinary distributions from or make additional capital contributions to FET. Additionally, until the fifth anniversary of the closing of the Transaction, so long as the Special Purpose Membership Interests remain outstanding, FirstEnergy is entitled to appoint at least one FET Director. At least one of the FET directors shall be annually designated for appointment to the FET Board collectively by the holders of FirstEnergy's common membership interests in FET and the holders of the Special Purpose Membership Interests (i.e., FirstEnergy acting in its individual capacity as each), voting together as a single class. Other than the aforementioned right to appoint one director, the Special Purpose Membership Interests will not have any voting or consent rights, except with respect to amendments to the FET Fourth Amended and Restated LLC Agreement that would have a disproportionately adverse impact on the holders of the Special Purpose Membership Interests.

IV. TAX AND ACCOUNTING OVERVIEW OF THE TRANSACTION

Q. What are the tax implications of the Transaction for the Joint Applicants?

A. All tax implications of the transaction will be recognized by FirstEnergy. Neither FET nor any of the Joint Applicants will recognize any tax gain, or incur income tax liability, as a result of the Transaction.

Q. How will the taxes of the Joint Applicants be treated following closure of the Transaction for ongoing purposes?

A. Upon closing, FET and the Joint Applicants will be deconsolidated from FirstEnergy's consolidated federal income tax group as a result of FirstEnergy's ownership in FET decreasing below 80%. Effective on the first day following the date of the sale of the 30% interest in FET (the "Closing Date"), FET and its subsidiaries will form a new consolidated federal income tax group that will file a consolidated federal income tax return for tax periods beginning after that date which will be separate from the FirstEnergy consolidated federal income tax return. The first taxable year of the new FET consolidated federal income tax group will begin on the first day following the Closing Date and end on December 31 of the same year. Subsequent federal income tax returns of the new FET consolidated federal income tax group will be filed on a calendar year basis.

Q. What are the implications of FET and its subsidiaries deconsolidating from FirstEnergy's consolidated federal income tax group?

A. FET and its subsidiaries, including the Joint Applicants, will no longer be included in the FirstEnergy consolidated federal income tax return for tax periods that begin after the Closing Date. However, FET and its subsidiaries will continue to be included in the FirstEnergy consolidated federal income tax return through the Closing Date. This means that taxable income or losses of FET and its subsidiaries through the Closing Date will continue to be reported on the FirstEnergy consolidated federal income tax return, and FET and its subsidiaries will make or receive payments for pre-Closing Date tax periods

pursuant to the FirstEnergy Income Tax Allocation Agreement dated January 26, 2023 (the "FE Income Tax Allocation Agreement").[4]

Q. Will FET and its subsidiaries, including the Joint Applicants, enter into a new tax sharing agreement upon their deconsolidation from the FirstEnergy consolidated federal income tax group?

A. Yes. FET and the Joint Applicants will execute a new tax sharing agreement, a form of which is set forth as Exhibit No. SRS-5, that will set forth the terms for allocating the consolidated tax liability of the FET consolidated federal income tax group, for reimbursing FET for payment of such tax liability, and for compensating any member of the group for use of its tax losses or credits. The new tax sharing agreement is substantially similar to the existing FE Income Tax Allocation Agreement. FET, as the parent company of the FET consolidated federal income tax group, will be responsible for filing the consolidated federal income tax return of the group. FET and its subsidiaries will continue to be a party to the FE Income Tax Allocation Agreement with respect to certain state combined return groups and for the tax periods (or the portion thereof) ending on or before the Closing Date. The Joint Applicants request approval of the new tax sharing agreement as an affiliated interest agreement pursuant to 66 Pa.C.S. § 2102 to become effective for all tax periods beginning after the Closing Date. The new agreement is reasonable because it reflects necessary updates to the agreement as a result of FET and its subsidiaries'

[4]The PaPUC approved the existing tax sharing agreement on January 3, 2023. *See Request for the approval of affiliated interest agreement between Metropolitan Edison Co., Pennsylvania Electric Co., Pennsylvania Power Co., West Penn Power Co., and FirstEnergy Corp., regarding a Revised Amended and Restated Income Tax Allocation Agreement,* Docket No. G-2022-3034933.

deconsolidation from the FirstEnergy consolidated federal income tax group as described above.

Q. Please summarize the accounting for FirstEnergy's sale of an incremental 30% equity interest in FET to NATCo II.

A. At closing, the Transaction will be accounted for as an equity transaction by FirstEnergy. Under Generally Accepted Accounting Principles ("GAAP"), changes in a parent company's ownership interest while the parent retains its controlling financial interest in its subsidiary(s) is accounted for as an equity transaction, with no gain or loss recognized in consolidated net income or comprehensive income. Here, FirstEnergy will retain its controlling financial interest in FET. The carrying amount of NATCo II's interest, which is noncontrolling under GAAP, will be adjusted on FirstEnergy's financial statements to reflect the change in its ownership interest in FET. Any difference between the fair value of the consideration received and the amount by which NATCo II's noncontrolling equity interest is adjusted will be recognized as additional equity of FirstEnergy.

Q. What is the significance of FirstEnergy retaining its controlling financial interest in FET?

A. Under GAAP, a parent entity consolidates a subsidiary(s) when the parent holds a controlling financial interest in the subsidiary(s). Because FirstEnergy will continue to hold a controlling financial interest in FET upon closing of the Transaction, FirstEnergy will continue to consolidate FET in its consolidated financial statements under GAAP.

Q. What is the accounting for the transfer of MAIT shares owned by FirstEnergy to FET?

A. Upon acquisition of the Class B membership interests, FirstEnergy will record its interest in MAIT by debiting Investment in Subsidiary Companies (Class B - MAIT) and crediting cash for the same value FirstEnergy paid to acquire the combined interests. When FirstEnergy transfers the Class B membership interests in MAIT to FET, FirstEnergy will credit Investment in Subsidiary Companies (Class B – MAIT) and debit Investment in Subsidiary Companies (Special Purpose Membership – FET). MAIT will be a wholly owned subsidiary of FET after the Transaction closes. There will be no change in FET's or any of the Joint Applicants' equity as a result of the transfer of membership interests.

V. TRANSACTION BENEFITS

Q. Why is the proposed Transaction necessary at this time?

A. As Mr. Mroczynski explains in his testimony, a significant amount of capital investment will be needed to meet the growing challenges of the evolving electric grid. As such, these challenges will require utilities to have broad access to capital markets. Strong financial metrics are, in turn, needed to attract investor capital. However, strong financial metrics are difficult to achieve without a strong and stable balance sheet. The 30% incremental sale of FirstEnergy's equity investment in FET is part of FirstEnergy's strategic initiative to improve its balance sheet with a goal of obtaining solid investment grade unsecured credit ratings,[5] resulting in greater financial flexibility to fund necessary capital investments across the FirstEnergy electric system, including within the Joint Applicants'

[5] As of April 30, 2023, FirstEnergy's unsecured credit ratings were BB+, Ba1, BBB- by Standard & Poor's, Moody's and Fitch, respectively.

transmission footprint. The Transaction is a cost-effective option for FirstEnergy to raise additional capital and accelerate the improvement of its credit profile. Improvements in these areas for FirstEnergy are expected to translate into positive downstream impacts to each of its subsidiaries, including the Joint Applicants and FirstEnergy's regulated distribution operating companies.

Q. Why did FirstEnergy decide to sell 49.9% of FET to NATCo II in two steps, 19.9% then 30%, rather than just 49.9% at once?

A. In 2021, FirstEnergy announced two transactions intended to strengthen its balance sheet. The first transaction was a $1 billion common equity transaction with an investor subsidiary of Blackstone, Inc., an alternative investment company headquartered in New York City. The second transaction was the sale of a 19.9% equity interest in FET to NATCo II. At the time, it was anticipated that those two transactions would sufficiently improve FirstEnergy's financial metrics. However, increasing inflationary pressure, market volatility, and other macro-economic factors continued to challenge FirstEnergy's financial results. Additionally, changes to applicable tax laws impacted FirstEnergy's long-term financial outlook. FirstEnergy is committed to achieving solid investment grade credit ratings and, subsequent to closing the 2021 transactions, decided to take additional steps to improve its balance sheet and financial metrics; the incremental sale of a 30% equity interest in FET was determined to be the most cost-effective option to raise additional equity and lower debt.

Q. What is the benefit of transferring MAIT's Class B membership interests to FET?

A. The transfer of MAIT's Class B membership interests to FET streamlines MAIT's ownership structure into one owner and creates a more efficient division between FirstEnergy's transmission and distribution businesses.

Q. How will the additional 30% sale of FET to NATCo II benefit FirstEnergy and its customers?

A. The Transaction will improve FirstEnergy's financial strength and its ability to finance the necessary transmission and distribution system investments over the next decade as explained in Mr. Mroczynski's testimony. Increasing levels of investment will be needed to enhance the transmission and distribution grid and, as such, I believe it will be increasingly important for utilities to maintain investment grade credit metrics to attract an adequate supply of investor capital.

Q. You mentioned earlier that the Transaction is expected to positively impact FirstEnergy's balance sheet and credit rating. Please explain.

A. First, the additional sale will allow FirstEnergy to improve its balance sheet, which will in turn broaden its access to capital markets, both debt and equity, on the basis that the proposed Transaction is expected to improve FirstEnergy's financial metrics to a level that is consistent with investment grade credit ratings. A better credit rating is an indicator of lower investor risk. Therefore, a better credit rating. will enhance FirstEnergy's, and its subsidiaries', ability to attract credit on commercially reasonable terms, thereby improving financial flexibility with respect to transmission and distribution development.

Q. You also mentioned FirstEnergy's subsidiaries will benefit from FirstEnergy's credit rating improving. Please explain.

A. By way of example, Moody's derives a credit profile for each company under the same holding company umbrella by taking into consideration the potential of parent intervention, both positive and negative. Standard & Poor's ("S&P"), on the other hand, employs a group approach that assigns the same corporate credit rating to all members of a corporate holding company system. Therefore, the improvement in the holding company's credit rating results in improved credit ratings of its subsidiaries as well. Higher credit ratings generally translate into a lower cost of capital, which is a direct benefit to customers of regulated utilities.

Q. How will the Transaction affect FirstEnergy's and its subsidiaries' ability to access capital and/or debt?

A. The anticipated improvements to credit metrics are expected to result in positive impacts to not only FirstEnergy's, but also its subsidiaries', ability to access capital markets. FirstEnergy's regulated transmission and distribution utilities will continue to finance their respective ongoing capital expenditure programs with cash from operations, and, when needed, on a short-term basis with their access to revolving credit facilities as well as FirstEnergy's regulated money pool. On a long-term basis, FirstEnergy's regulated utilities will continue to finance their respective plant-in-service with long-term capital consisting of equity and long-term debt in combination that comports with regulatory requirements and investment grade credit metrics. An improvement in the credit ratings of FirstEnergy's regulated utilities, facilitated by the proposed Transaction, is expected to improve the utilities' individual ability to raise additional funds at a lower cost of capital.

The equity requirements of the regulated utilities will come from either retained earnings or equity infusions from FirstEnergy (or FirstEnergy and Brookfield through FET, in the case of the Joint Applicants). In the case of FET, any future required equity needs will be financed by both Brookfield and FirstEnergy in proportion to their respective ownership share. As such, the proposed Transaction will augment FirstEnergy's ability to finance its electric business because it will provide FirstEnergy with added flexibility to raise capital through multiple avenues, whether public or private.

Q. How will increased access to capital and/or debt benefit FirstEnergy and its downstream customers?

A. Better access to capital markets creates benefits for FirstEnergy's customers and FirstEnergy's shareholders, because it allows FirstEnergy and its subsidiaries to issue debt and/or equity at the lowest cost possible. Reducing the cost of incremental debt needed to finance transmission and distribution investments at FirstEnergy's regulated subsidiaries directly benefits customers since interest expense is a cost-of-service component that is recovered through jurisdictional rates. FirstEnergy's ability to efficiently raise equity capital facilitates investment in needed electric infrastructure and helps to reduce the costs of debt to our regulated entities. This will also enhance FirstEnergy's ability to attract equity capital, when necessary, for regulated investments.

Q. Are there any financial benefits that FirstEnergy has realized as a result of the initial 19.9% sale in FET to NATCo II that you anticipate will continue or increase if the Transaction is approved?

A. Yes, the initial 19.9% sale contributed to FirstEnergy's ability to improve its then debt-to-total capitalization ratio of approximately 74% to a ratio of approximately 67% (on a

GAAP basis). The proposed Transaction will help FirstEnergy further improve this ratio to approximately 60% as well as drive additional improvements to several other financial indicators (e.g., FFO/Debt, CFO Pre-WC/Debt, interest coverage ratio) that are supportive of an investment grade credit rating.

Q. You earlier referenced the discussion in Mark Mroczynski's testimony about the anticipated need for FirstEnergy's regulated utilities to make a significant amount of capital investment. Can you offer any information about what these expected investment levels look like in coming years that may help contextualize this investment and how the Transaction may help support it?

A. Yes. Looking at this specifically from a standpoint of investments that are expected within FirstEnergy's Pennsylvania footprint, FirstEnergy is anticipating the pipeline of necessary capital investments for various projects associated with its transmission and distribution system to exceed $14 billion over the next decade. As I already explained, this Transaction will enhance FirstEnergy's ability to execute these initiatives at the lowest possible cost to its customers.

Q. Are there any other benefits from the anticipated pipeline of investments that the proposed Transaction will facilitate in the state of Pennsylvania that you have not discussed?

A. Yes. As explained in the direct testimony of Mr. Toby Bishop (Joint Applicants Statement No. 4), FirstEnergy's ability to execute these investments, enhanced by the Transaction, will produce significant gross economic benefits throughout Pennsylvania. While those investments have not been fully mapped out, it is FirstEnergy's intent that these

investments would be targeted towards those areas of its system that would most benefit from a reliability and resiliency standpoint.

VI. CONCLUSION

Q. Does this conclude your testimony?

A. Yes.

Joint Applicants Exhibit
SRS-1
(Public Version)

PURCHASE AND SALE AGREEMENT

dated as of February 2, 2023

by and among

FIRSTENERGY CORP.,

FIRSTENERGY TRANSMISSION, LLC

NORTH AMERICAN TRANSMISSION COMPANY II L.P.,

NORTH AMERICAN TRANSMISSION FINCO L.P.,

BROOKFIELD SUPER-CORE INFRASTRUCTURE PARTNERS L.P.,

BROOKFIELD SUPER-CORE INFRASTRUCTURE PARTNERS (NUS) L.P.

and

BROOKFIELD SUPER-CORE INFRASTRUCTURE PARTNERS (ER) SCSP

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Exhibit

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT, dated as of February 2, 2023 (this "Agreement"), is entered into by and among FirstEnergy Corp., an Ohio corporation ("Parent"), FirstEnergy Transmission, LLC, a Delaware limited liability company (the "Company"), North American Transmission Company II L.P., a Delaware limited partnership ("Investor"), Brookfield Super-Core Infrastructure Partners L.P., a limited partnership organized under the laws of Ontario, Brookfield Super-Core Infrastructure Partners (NUS) L.P., a limited partnership organized under the laws of Ontario and Brookfield Super-Core Infrastructure Partners (ER) SCSp, a special limited partnership organized under the laws of Luxemburg (each, a "Guarantor" and collectively, the "Guarantors"), solely for the purposes of Sections 5.5, 5.6(c) and 8.1(a) and Article X, and North American Transmission FinCo L.P., a Delaware limited partnership ("NATFinCo"), solely for purposes of Section 1.4. The Company, Parent, Investor and (i) solely for the purposes of Sections 5.5, 5.6(c), and 8.1(a) and Article X, each Guarantor, and (ii) solely for the purposes of Section 1.4, NATFinCo, are each sometimes referred to herein as a "Party" and, collectively, as the "Parties". Defined terms used herein and not otherwise defined herein have the respective meanings set forth in Section 10.17.

W I T N E S S E T H

WHEREAS, pursuant to the Purchase and Sale Agreement, dated November 4, 2021 (the "Initial PSA"), by and among Parent, the Company, Investor, and Guarantors, Investor acquired 19.9% of the Membership Interests of the Company (such investment, the "Initial Investment"), and Parent owns the remaining 80.1% of the Membership Interests of the Company;

WHEREAS, pursuant to the Initial PSA, the Company, Parent and Investor entered into that certain Third Amended and Restated Limited Liability Company Agreement of the Company, dated May 31, 2022 (the "Original Operating Agreement"); and

WHEREAS, on the terms and subject to the conditions set forth herein, Parent wishes to sell to Investor, and Investor wishes to purchase, directly or indirectly, from Parent, additional Membership Interests equaling 30.0% of the Membership Interests of the Company (such Membership Interests, the "Purchased Interests") (the "Second Investment,)" such that, after giving effect to the transactions contemplated hereby, Investor will, directly or indirectly, own 49.9% of the Membership Interests of the Company, and Parent will own 50.1% of the Membership Interests of the Company.

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, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I

PURCHASE AND SALE TRANSACTION; PURCHASE PRICE; THE CLOSING

Section 1.1 Purchase and Sale. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, Investor shall purchase, directly or indirectly, from Parent, and

Parent shall sell to Investor, the Purchased Interests, free and clear of all Liens other than (a) those created pursuant to Contracts to which Investor or any of its Affiliates is a party and (b) those that may be deemed to exist pursuant to securities Laws of general applicability.

Section 1.2 Purchase Price. The aggregate purchase price to be paid by Investor for the Purchased Interests is an amount equal to $3,500,000,000.00 (the "Purchase Price"). The Purchase Price shall be payable in part by the issuance by NATFinCo to Parent of a promissory note substantially in the form attached hereto as Exhibit B (the "Parent Note"), having a principal amount on the Closing Date of equal to the lesser of (i) $1,750,000,000.00 minus the Equity Financing funded to Investor or its Affiliates from Co-Investors at or prior to the Closing that is available to be used to pay the Purchase Price, and (ii) any lesser amount as may be determined by Investor in its sole discretion (the actual principal amount of the Parent Note, the "Parent Note Amount"), and the balance of the Purchase Price not covered by the Parent Note Amount shall be payable in cash. At least twelve (12) Business Days prior to the Closing Date, Investor shall notify Parent of the Parent Note Amount.

Section 1.3 Closing.

The closing of the transactions contemplated hereby (the "Closing") shall take place remotely via the exchange of documents (and shall be deemed to be held at the offices of Jones Day, 901 Lakeside Avenue E., Cleveland, Ohio 44114) at 10:00 a.m., New York City time, on the final Business Day of the month in which the satisfaction or waiver (by the Party entitled to the benefit thereof, to the extent permitted by applicable Law) of the conditions set forth in Article VI (other than those conditions that by their terms or nature are to be first satisfied at the Closing, but subject to the satisfaction or waiver of those conditions at such time) occurs; provided that if such satisfaction or waiver occurs later than the twelfth (12) Business Day prior to the final Business Day of such month, the Closing shall take place on the final Business Day of the subsequent month. The date on which the Closing occurs is referred to herein as the "Closing Date." Notwithstanding anything in this Agreement to the contrary, the Closing may take place on or at such other date, time or place as is agreed to in writing by the Parties; provided that in no event shall the Closing occur prior to November 30, 2023.

Section 1.4 The Closing Transactions. Subject to the terms and conditions set forth in this Agreement, the Parties shall consummate the following transactions at the Closing:

(a) Investor shall pay, or cause to be paid, to Parent an amount equal to (i) the Purchase Price minus (ii) the Parent Note Amount, by wire transfer of immediately available funds to an account designated in writing to Investor prior to the Closing by Parent;

(b) Investor shall cause NATFinCo to, and NATFinCo shall, deliver and issue to Parent the Parent Note;

(c) Investor shall cause Brookfield Corporation to deliver and issue that certain Note Guaranty (the "Note Guaranty"), in the form attached hereto as Exhibit D;

(d) Parent shall transfer to Investor the Purchased Interests, evidenced by an assignment and assumption of the Purchased Interests substantially in the form attached hereto as Exhibit C (the "Assignment and Assumption Agreement"), duly executed by an authorized

representative of Parent, such that after giving effect to such transfer, Investor shall own all right, title and interest to a number of Membership Interests constituting an additional 30.0% ownership interest in the Company, such that, after giving effect to the transactions contemplated hereby, Investor will own 49.9% of the Membership Interests of the Company, and Parent will own 50.1% of the Membership Interests of the Company;

(e) the Company shall deliver, or cause to be delivered, to each of Parent and Investor, a copy of the A&R Operating Agreement, duly executed by an authorized representative of the Company, evidencing, effective as of the Closing, the transfer and sale of the Purchased Interests and the other amendments thereto contemplated therein;

(f) Parent shall deliver, or cause to be delivered, to each of the Company and Investor, a counterpart copy of the A&R Operating Agreement, duly executed by an authorized representative of Parent;

(g) Parent shall deliver to Investor a counterpart copy of the Assignment and Assumption Agreement, duly executed by an authorized representative of Parent;

(h) Investor shall deliver to Parent a counterpart copy of the Assignment and Assumption Agreement, duly executed by an authorized representative of Investor;

(i) Investor shall deliver, or cause to be delivered, to each of the Company and Parent, a counterpart copy of the A&R Operating Agreement, duly executed by an authorized representative of Investor;

(j) Parent shall deliver all documentation necessary to effect the MAIT Class B Contribution, which will become effective at 10:01 a.m. New York City time on the Closing Date; provided, that such documentation shall be in form and substance reasonably satisfactory to Investor; and

(k) the Company, Parent and Investor shall make such other deliveries as are required by Article VI.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the disclosure schedules of Parent and the Company attached to this Agreement (each, a "Schedule" and, collectively, the "Disclosure Schedules"), subject to Section 10.10, or as disclosed in the Parent SEC Reports (excluding any disclosures set forth in any risk factors section or any disclosure of risks included in any "forward-looking statements" disclaimer to the extent that such disclosures are general or cautionary in nature), the Company represents and warrants to Investor that as of the date of this Agreement and as of the Closing (unless the particular representation speaks expressly as of another date, in which case such representation is made as of such other date):

Section 2.1 Formation and Power; Authorization.

(a) The Company is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware, and the Company and each of its Subsidiaries has all requisite power and authority necessary to own, lease and operate its properties and to carry on its business as now conducted.

(b) The Company and each of its Subsidiaries is qualified to do business and is in good standing in every jurisdiction in which its ownership of property or the conduct of its business as now conducted requires it to qualify, except where the failure to be so qualified or in good standing would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(c) Complete and correct copies of the Organizational Documents of the Company and its Subsidiaries, in each case as in effect as of the date of this Agreement, have been made available to Investor.

(d) The execution, delivery and performance of this Agreement by the Company and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite company action by the Company, and no other company proceedings on the part of the Company is necessary to authorize the execution, delivery or performance of this Agreement by the Company. This Agreement has been duly and validly executed and delivered by the Company, and, assuming that this Agreement is a valid and binding obligation of the other Parties, this Agreement constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as limited by the application of bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other Laws relating to or affecting creditors' rights or general principles of equity (the "Bankruptcy and Equity Exception").

Section 2.2 Subsidiaries.

(a) Schedule 2.5(a) sets forth each Person in which the Company, directly or indirectly, owns any Equity Interests, including (i) the name of such Person, (ii) such Person's jurisdiction of organization and (iii) the name and amount of each such Equity Interests owned, directly or indirectly, by the Company. Other than the Subsidiaries of the Company, each of which are set forth on Schedule 2.5(a), the Company does not, directly or indirectly, own beneficially or of record, or hold the right to acquire, any Equity Interests in any Person.

(b) Each of the Company's Subsidiaries is duly organized, incorporated or formed (as applicable) and validly existing under the Laws of its jurisdiction of organization, incorporation, formation and operation (as applicable).

Section 2.3 No Violation. Assuming that (x) the notices, authorizations, approvals, Orders, Permits or consents set forth on Schedule 2.4 are made, given or obtained (as applicable), (y) the Regulatory Approvals are obtained, and (z) any filings required by any applicable federal or state securities or "blue sky" Laws are made, the execution, delivery and performance of this Agreement by the Company and the consummation of the transactions contemplated hereby do not (a) violate, conflict with or breach the Organizational Documents of the Company or any of its Subsidiaries, (b) result in the imposition or creation of any Lien on the Membership Interests, (c) violate or breach any Law applicable to the Company or any of its Subsidiaries or by which

any property or asset of the Company or any of its Subsidiaries is bound, (d) result in any breach of, constitute a default (or an event that, with notice or lapse of time or both, would become a default) under, create (or, with notice or lapse of time or both, would create) in any party thereto the right to accelerate, amend, terminate or cancel, require any consent under, or give rise to the creation of any Lien (other than a Permitted Lien) on any property or asset of the Company or any of its Subsidiaries under, any Material Contract or Lease (or any Interim Period Contract) or (e) violate, breach, contravene or conflict with the DPA, except, with respect to clauses (c) and (d) above, for any such violations, breaches, defaults or other occurrences that are not material to the Company and its Subsidiaries taken as a whole.

Section 2.4 Governmental Bodies; Consents. Neither the Company nor any of its Subsidiaries is required to file, seek or obtain any notice, authorization, approval, Order, Permit, filing or consent of or with any Governmental Body in connection with the execution, delivery and performance by the Company of this Agreement or the consummation of the transactions contemplated hereby, except (a) the requirement to obtain the Regulatory Approvals, (b) such filings as may be required by any applicable federal or state securities or "blue sky" Laws, (c) where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, (i) is not material to the Company and its Subsidiaries taken as a whole, and (ii) would not reasonably be expected to prevent the consummation of transactions contemplated hereby prior to the Outside Date, (d) as may be necessary as a result of any facts or circumstances relating to Investor or any of its Affiliates, and (e) notices and filings required to be made or given after the Closing.

Section 2.5 Equity Interests.

(a) All of the outstanding Equity Interests of the Company and each of its Subsidiaries are owned legally and beneficially and of record by Parent, Investor, the Company or a Subsidiary of the Company as set forth on Schedule 2.5(a), free and clear of all Liens other than (i) those created pursuant to Contracts to which Investor or any of its Affiliates is a party, and (ii) those that may be deemed to exist pursuant to securities Laws of general applicability. The Membership Interests (including the Purchased Interests) constitute all of the issued and outstanding Equity Interests of the Company, and all of the outstanding Equity Interests of the Company and its Subsidiaries have been duly authorized and validly issued, in compliance with all applicable securities Laws and not in violation of the Organizational Documents of the Company or any of its Subsidiaries or any subscription rights, purchase options, call options, rights of first refusal or other similar rights of any Person, and (to the extent such concepts are applicable to such Equity Interests) are fully paid and nonassessable. Except as set forth in the Organizational Documents of the Company and except for this Agreement and the transactions contemplated hereby, there are no outstanding options, warrants, subscriptions, rights (including preemptive rights), purchase rights, calls or Contracts of any character relating to, or requiring, the issuance, transfer, acquisition, redemption, repurchase, delivery or sale of any issued or unissued shares of capital stock or other Equity Interests, convertible or exchangeable securities (including securities that upon conversion or exchange would require the issuance of any Equity Interest), "phantom" equity rights, equity appreciation rights, equity-based performance units, rights to subscribe, purchase rights, calls or commitments made by the Company or any of its Subsidiaries or similar rights relating to the issuance, purchase, sale or repurchase of any Equity Interests issued by the Company or any of its Subsidiaries containing any equity features, or Contracts by which the Company or

any of its Subsidiaries is bound to issue, deliver or sell, or cause to be issued, delivered or sold, additional Equity Interests, or options, warrants, rights to subscribe to, purchase rights, calls or commitments made by the Company or any of its Subsidiaries relating to any Equity Interests of the Company or any of its Subsidiaries.

(b) Upon consummation of the transfer and sale of the Purchased Interests by Parent to Investor, (i) Investor will hold good and valid title to all of the Purchased Interests free and clear of all Liens other than those created pursuant to Contracts to which Investor or any of its Affiliates is a party, and (ii) the Purchased Interests will constitute a 30.0% ownership interest in the Company.

Section 2.6 Financial Statements; No Undisclosed Liabilities.

(a) Schedule 2.6(a) sets forth true, correct and complete copies of the Company's and the Subsidiaries of the Company's (i) unaudited consolidated balance sheet as of September 30, 2022 (the "Balance Sheet Date") and the related unaudited consolidated statements of income, changes in stockholders' equity and cash flow for the one-year period then ended (the "Unaudited Financial Statements") and (ii) audited consolidated balance sheets and related audited consolidated statements of income, changes in stockholders' equity, and cash flow for the fiscal years ended 2021, 2020 and 2019 (together with the Unaudited Financial Statements, the "Financial Statements"). Each of the Financial Statements has been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods involved ("GAAP"), except as may be otherwise specified in such Financial Statements and except that Unaudited Financial Statements may not contain footnotes required by GAAP, and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of Unaudited Financial Statements, to the absence of notes and normal year-end audit adjustments. The books and records of the Company and its Subsidiaries have been kept and maintained in all material respects in accordance with applicable Laws.

(b) The Company and its Subsidiaries do not have any liabilities or obligations, whether accrued, contingent, absolute or otherwise ("Liabilities"), except (i) Liabilities accrued on or reserved against, or otherwise expressly identified, in the Financial Statements, (ii) Liabilities that have arisen since the Balance Sheet Date in the Ordinary Course of Business, (iii) Liabilities arising after the date of this Agreement in connection with the transactions contemplated hereby, (iv) any executory obligations under Contracts (not including Liabilities arising from a breach thereof or default thereunder), and (v) other Liabilities that would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries, taken as a whole.

(c) The Company and each of its Subsidiaries maintains, and at all times since January 1, 2019, has maintained, a system of internal controls over financial reporting sufficient in all material respects to provide reasonable assurances regarding the reliability of financial reporting related to the Company and its Subsidiaries and the preparation of the Financial Statements for external purposes in accordance with GAAP, and includes those policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect in all material respects the transactions and disposition of the assets of the Company and its Subsidiaries;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the assets of the Company and its Subsidiaries that could have a material effect on its financial statements.

Section 2.7 Absence of Certain Developments.

(a) Since the Balance Sheet Date, (i) there has not occurred any event, occurrence or development that has had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and (ii) the business of the Company and its Subsidiaries has been conducted in the Ordinary Course of Business in all material respects.

(b) Without limiting the generality of Section 2.7(a), from the Balance Sheet Date until the date of this Agreement, neither the Company nor any of its Subsidiaries has:

(i) amended or modified its Organizational Documents;

(ii) adopted a plan of liquidation, dissolution, merger, consolidation or other reorganization;

(iii) (A) acquired (whether by merger, stock or asset purchase or otherwise) any assets for consideration in excess of $25,000,000 in the aggregate (excluding any capital expenditures or purchases of raw materials or other similar assets, in each case in the Ordinary Course of Business) or (B) sold, leased, licensed, abandoned, permitted to lapse, assigned to an unrelated third party, transferred or otherwise disposed of any of its tangible or intangible assets with a market value in excess of $25,000,000 in the aggregate, other than (1) purchases of equipment and sales of products of their respective business, or sales of services, in each case in the Ordinary Course of Business, and (2) the disposal of obsolete assets in the Ordinary Course of Business;

(iv) had any of its material properties suffer any casualty loss in excess of $10,000,000 (whether or not covered by insurance) or become subject to any condemnation proceedings;

(v) taken any of the other actions specified in Section 5.1(b)(i), (ii), (iv), (v) or (vi) that, if taken after the date of this Agreement, would require Investor's consent; or

(vi) agreed or committed in writing to do any of the foregoing.

Section 2.8 Real Property.

(a) Except as would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole, the Company or its applicable Subsidiary has good, valid, indefeasible and marketable fee title to, or a valid and binding leasehold interest in (or has analogous property rights under applicable Law), all Owned Real Property, Leased Real Property and Ancillary Real Property, as the case may be, free and clear of all Liens other than Permitted Liens. Neither the Company nor any of its Subsidiaries has (i) leased or otherwise granted to any

Person rights to use or occupy any of the Owned Real Property or the Leased Real Property that impairs or would reasonably be expected to impair in any material respect the value, use or occupancy of the Owned Real Property or the Leased Real Property by the Company or any of its Subsidiaries and (ii) any option to acquire any real property or interest therein with respect to the business of the Company or any of its Subsidiaries.

(b) Each of the Leases and Ancillary Real Property Agreements in effect as of the date of this Agreement and each Lease and Ancillary Real Property Agreement executed during the Interim Period in accordance with the terms of this Agreement (if any), is legal, valid and binding on the Company or one of its Subsidiaries to the extent the Company or such Subsidiary is a party thereto, as applicable, and to the knowledge of the Company, each other party thereto, and is in full force and effect and enforceable in accordance with its terms, except (i) as limited by the Bankruptcy and Equity Exception and (ii) where such failure to be valid, binding, enforceable or in full force and effect would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole. Neither the Company nor any of its Subsidiaries is in breach or violation of any Lease or Ancillary Real Property Agreement in effect as of the date of this Agreement or executed during the Interim Period in accordance with the terms of this Agreement, and, to the knowledge of the Company, no third party to any such Lease or Ancillary Real Property Agreement is in breach or violation of any such Lease or Ancillary Real Property Agreement, and no event has occurred which with the passage of time or the giving of notice or both would result in a default, breach or event of noncompliance by the Company or any of its Subsidiaries under any Lease or Ancillary Real Property Agreement, except in each case for any such breaches or violations that would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole.

(c) As of the date of this Agreement, there are no Contracts, options or rights of first refusal or rights of first offer or similar rights in favor of a third party to purchase any parcel of Owned Real Property or any portion of or interest in it.

(d) Neither the Company nor any of its Subsidiaries or Affiliates has received written notice of an existing or pending condemnation, eminent domain or similar proceeding affecting any of the Owned Real Property or the Leased Real Property that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(e) To the knowledge of the Company, there is no existing structural or other physical defect or deficiency in the condition of any Owned Real Property, or any component or portion thereof, and that has not been corrected in the Ordinary Course of Business, except, in each case, as would not have, or reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(f) To the knowledge of the Company, current local zoning ordinances, general plans and other applicable land use regulations and all private covenants, conditions and restrictions, if any, affecting any Owned Real Property permit the use and operation of such Owned Real Property for its current use, except as would not have, or reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Neither the Company nor any of its Subsidiaries or Affiliates has at any time in the three years prior to the date of this Agreement received written notice of any violation of Law or pending or threatened proceedings for the rezoning of any Owned

Real Property or Leased Real Property or any portion thereof, or the taking of any other action by Governmental Bodies concerning such Owned Real Property and Leased Real Property that would materially hinder or prevent the use thereof for its current use, except as would not have, or reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(g) Each of the Company and its Subsidiaries has good, valid and marketable title to, a valid leasehold interest in or a valid right to use all of its tangible assets and properties, other than Owned Real Property, Leased Real Property and Ancillary Real Property, free and clear of all Liens except Permitted Liens, other than any failure to own or hold such tangible property that would not have, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. All such tangible property is in normal operating condition in all material respects for similar facilities of a similar age and in a state of reasonable maintenance and repair suitable for the purposes for which it is being used in the conduct of the business of the Company and its Subsidiaries, except as would not have, or reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 2.9 Tax Matters.

(a) The Company and each of its Subsidiaries have duly and timely filed with the appropriate Tax authority all material Tax Returns that are required to be filed by them pursuant to applicable Laws, all such Tax Returns are true and complete in all material respects, and the Company and each of its Subsidiaries have timely paid all material Taxes due and payable by them regardless of whether shown as due and owing on a Tax Return, other than Taxes that are being contested in good faith through appropriate proceedings so long as adequate reserves are maintained in accordance with GAAP. Any material income Taxes due and payable by any consolidated, combined, unitary or similar income tax group of which Parent is the common parent have been timely paid.

(b) All material Taxes which the Company or any of its Subsidiaries is obligated to withhold from amounts owing (including any interest, expenses or fees) to any Person have been deducted, withheld, and timely paid to the appropriate Governmental Body.

(c) No deficiency or proposed adjustment which has not been paid or resolved for any amount of Tax has been asserted or assessed in writing by any Governmental Body against the Company or any of its Subsidiaries.

(d) Neither the Company nor any of its Subsidiaries has consented to extend the time in which any Tax may be assessed or collected by any Governmental Body, which extension is still in effect, other than pursuant to extensions of time to file Tax Returns obtained in the Ordinary Course of Business.

(e) There are no ongoing or pending Tax audits, examinations or other proceedings by any Governmental Body against the Company or any of its Subsidiaries, and no such dispute, audit, examination, claim or proceeding has been threatened in writing.

(f) Neither the Company nor any of its Subsidiaries has any liability for the Taxes of any Person (other than the Company or its Subsidiaries) (i) as a transferee or successor or (ii) under Treasury Regulations Section 1.1502-6 or any similar provision of state, local or non-U.S. Law

(other than with respect to the U.S. federal consolidated income tax group of which Parent is the common parent).

(g) Neither the Company nor any of its Subsidiaries has been subject to any claim made in writing by any Governmental Body in a jurisdiction where such Company or Subsidiary does not file a particular type of Tax Return or has not paid a particular type of Tax to the effect that such Company or Subsidiary is required to file such Tax Return or pay such type of Tax in that jurisdiction.

(h) There are no Liens for Taxes (other than Permitted Liens of the type described in clause (a) of the definition of Permitted Liens) upon any of the assets of the Company or any of its Subsidiaries.

(i) Neither the Company nor any of its Subsidiaries has participated in any "reportable transaction" (other than a "loss transaction") within the meaning of Treasury Regulations Section 1.6011-4.

(j) Neither the Company nor any of its Subsidiaries has constituted either a "distributing corporation" or a "controlled corporation" in a distribution of stock qualifying for tax-free treatment under Section 355 of the Code in the prior three years.

(k) Neither the Company nor any of its Subsidiaries has executed or entered into any closing agreement pursuant to Section 7121 of the Code or is bound by any "private letter ruling" issued by the IRS.

(l) Neither the Company nor any of its Subsidiaries has any material liability for escheat or unclaimed property obligations.

(m) Neither the Company nor any of its Subsidiaries is, or has ever been, subject to Tax in a jurisdiction outside the country of its organization.

(n) Neither the Company nor any of its Subsidiaries is a party to, bound by, or has any obligation to any other Person under any Tax allocation, Tax sharing or Tax indemnification agreement (other than any such agreement entered into in the Ordinary Course of Business the primary purpose of which is unrelated to Taxes and other than the Intercompany Income Tax Allocation Agreement, dated as of January 26, 2023, among Parent and the other parties thereto).

(o) Neither the Company nor any of its Subsidiaries (nor any predecessor of the Company or any of its Subsidiaries) has waived any statute of limitations in respect of Taxes, nor has any request been made in writing for any such waiver.

(p) Neither the Company nor any of its Subsidiaries will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any: (i) change in method of accounting for a taxable period (or portion thereof) ending on or prior to the Closing Date and made prior to the Closing; (ii) ruling by, or written agreement with, a Governmental Body (including any closing agreement pursuant to Section 7121 of the Code or any similar provision

of Law) issued or executed prior to the Closing; (iii) installment sale or open transaction disposition made prior to the Closing; or (iv) prepaid amount received prior to the Closing.

Section 2.10 Contracts.

(a) Except as set forth on Schedule 2.10 and other than (w) this Agreement, (x) the Original Operating Agreement, (y) the Leases and (z) the Benefit Plans, as of the date of this Agreement neither the Company nor any of its Subsidiaries is a party to any:

(i) Contract relating to any acquisition by the Company or such Subsidiary of any business (whether by asset or stock purchase or otherwise) or any merger, consolidation or similar business combination transaction, in each case, pursuant to which the Company or such Subsidiary has an outstanding obligation to make any payment in excess of $50,000,000 thereunder;

(ii) Contract relating to any disposition by the Company or such Subsidiary of any business (whether by asset or stock purchase or otherwise) or any merger, consolidation or similar business combination transaction, in each case, pursuant to which the Company or such Subsidiary has any outstanding or contingent liabilities in excess of $50,000,000 thereunder;

(iii) Contract that requires the Company or such Subsidiary to post any fidelity or surety bond, completion bond, guarantee, letter of credit or other collateral or credit support obligation, in each case for an amount in excess of $25,000,000;

(iv) Contract under which the Company or such Subsidiary has borrowed any money or issued any note, indenture or other evidence of Indebtedness or guaranteed Indebtedness or Liabilities of others (other than (A) intercompany Indebtedness solely among the Company and its Subsidiaries, (B) intercompany guarantees of Indebtedness of the Company or any of its Subsidiaries or (C) purchases of equipment or materials made under conditional sales Contracts entered into in the Ordinary Course of Business), in each case, having an outstanding principal amount in excess of $50,000,000;

(v) Contract that by its express terms would limit or restrict or otherwise adversely affect the ability of the Company or its Subsidiaries to pay dividends or distributions;

(vi) Contract that contains a non-compete, right of first refusal, right of first offer or most favored nations obligation or restriction binding on the Company or such Subsidiary or that would be binding on Investor, except for (A) any such Contract that can be terminated without material penalty by the Company or such Subsidiary upon notice of 90 days or less, and (B) any such restrictions that constitute only a *de minimis* restraint on the conduct of the business of the Company and its Subsidiaries;

(vii) interest rate or currency swap, exchange, option or hedging Contract which has (A) a notional amount on or after the date hereof in excess of $50,000,000 or (B) a term extending for a period of longer than one year after the date hereof;

(viii) Contract relating to any partnership, joint venture or other similar arrangement in which the Company or such Subsidiary holds equity interests;

(ix) Contract involving the resolution or settlement of any actual or threatened actions, suits or proceedings against or by the Company or such Subsidiary in an amount greater than $25,000,000 in the aggregate that has not been fully performed by the Company or such Subsidiary or otherwise imposes continuing conduct obligations on the Company or such Subsidiary;

(x) Contract to which any Governmental Body is a party providing for payments by or to the Company or any of its Subsidiaries in excess of $10,000,000 per year or that otherwise impose material obligations on the Company or any of its Subsidiaries (excluding any (A) rights-of-ways, easements or similar Contracts entered into in the Ordinary Course of Business, and (B) Contracts relating to purchase or sale of services in the Ordinary Course of Business and that are immaterial to the Company and its Subsidiaries, taken as whole);

(xi) Contract relating to any outstanding commitment for capital expenditures in excess of either (A) $50,000,000 in the aggregate in the current (or any future) fiscal year, or (B) $100,000,000 over the remaining life of such Contract;

(xii) Contract not addressed in clauses (i) through (xi) of this Section 2.10(a) providing for payments by or to the Company or such Subsidiary (A) in excess of $100,000,000 in the aggregate during the term thereof or (B) in excess of $50,000,000 in any fiscal year, except for any such Contract that can be terminated without material penalty by the Company or such Subsidiary upon notice of 90 days or less; or

(xiii) Contract to enter into any of the foregoing.

(b) Each of the Contracts listed or required to be listed on Schedule 2.10 (a "Material Contract") and each Interim Period Contract (if any) is valid and binding on the Company or one of its Subsidiaries to the extent the Company or such Subsidiary is a party thereto, as applicable, and to the knowledge of the Company, on each other party thereto, and is in full force and effect and enforceable in accordance with its terms (subject to the Bankruptcy and Equity Exception), except where such failure to be valid, binding, enforceable and in full force and effect would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole. True and complete copies of each Material Contract has been made available to Investor in the Data Room. Neither the Company nor any of its Subsidiaries is in breach or violation of (or, with notice or lapse of time or both, would become in violation of) any Material Contract or any Interim Period Contract and, to the knowledge of the Company, no third party to any such Contract is in breach or violation of any such Contract, except in either case for any such breaches or violations that would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole. As of the date hereof, none of the Company or its Subsidiaries or Affiliates (as applicable) has received a written notice from the counterparty to any Material Contract of its intention to (i) terminate such Contract, (ii) modify such Contract in a manner adverse to the Company or any of its Subsidiaries, or (iii) make a claim of force majeure (except for (x) in each such case, such notices as have been withdrawn or otherwise resolved prior to the date hereof, and (y) in the case

of clauses (ii) and (iii), as would not be material to the Company and its Subsidiaries, taken as a whole).

Section 2.11 Intellectual Property; IT; Data Security.

(a) The Company and its Subsidiaries own or have the licenses or rights to use all Intellectual Property that is used or held for use in the conduct of the business of the Company and its Subsidiaries as currently conducted, except for any such failures to own or have the right to use that would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries taken as a whole.

(b) To the knowledge of the Company, neither the Company nor any of its Subsidiaries, nor the Company's nor any of its Subsidiaries' respective businesses infringes, misappropriates or otherwise violates any Intellectual Property of any other Person, except where such infringement, misappropriation or violation is not material to the Company and its Subsidiaries taken as a whole.

(c) To the knowledge of the Company, no third party infringes, misappropriates or otherwise violates any material Intellectual Property owned by the Company or any of its Subsidiaries.

(d) To the knowledge of the Company, all of the issued patents and registered trademarks that constitute Intellectual Property to which the Company and its Subsidiaries have rights are valid, subsisting and enforceable.

(e) The material IT Systems used in the operation of the business of the Company and its Subsidiaries are adequate in all material respects for their intended use and for the operation of the business of the Company and its Subsidiaries as currently conducted, and, to the knowledge of the Company, are free of all viruses, worms, Trojan horses and other known contaminants and do not contain any bugs, errors or problems of a nature that, in any case, would materially disrupt their operation or have a material adverse impact on the operation of such IT Systems.

(f) Except as would not be reasonably expected to result, individually or in the aggregate, in liability that would be material to the Company and its Subsidiaries, taken as a whole, during the past three years, to the knowledge of the Company, the Company and its Subsidiaries have not experienced any actual or alleged Security Incident or have been required under applicable Law to give notice to any Governmental Body of a Security Incident. The data, privacy, and security practices of the Company and its Subsidiaries are, and during the past three years, have been, in compliance, in all material respects, with applicable Laws. In the past three years neither the Company nor any of its Subsidiaries has received any written complaint concerning the collection, use or disclosure of any Personal Data, nor, to the knowledge of the Company, has the Company or any of its Subsidiaries been the subject of any investigation or proceeding by any Governmental Body in respect thereof.

Section 2.12 Litigation. There are no actions, suits or proceedings pending against or by, or to the knowledge of the Company, threatened by any Person against the Company or any of its Subsidiaries, at law or in equity, or before or by any Governmental Body, other than any action, suit, or proceeding where no injunctive or equitable relief (which, if granted, would be material to the operation of the business of the Company or of any of its Subsidiaries) is sought and where, if

adversely determined would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole, or prevent or materially impair the ability of the Company to consummate the Closing. Neither the Company nor any of its Subsidiaries is subject to any outstanding Order, other than any such Order that would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries, taken as a whole or prevent or materially impair the ability of the Company to consummate the Closing.

Section 2.13 Employees.

(a) None of the Company or any of its Subsidiaries have, nor within the past six (6) years have had, any employees or directly engaged any individuals as consultants.

(b) The Company and its Subsidiaries are neither party to, nor bound by, any labor agreement, collective bargaining agreement or any other labor-related agreements or arrangements with any labor union, labor organization or works council.

(c) With respect to each individual who directly or indirectly provides services to the Company or any of its Subsidiaries (including the provision of services to the Company and its Subsidiaries by employees of other Affiliates of Parent) (individually, a "Company Service Provider", and collectively, the "Company Service Providers"), the Company is in compliance with all applicable Laws relating to the employment of labor, except to the extent any non-compliance would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries, taken as a whole. To the knowledge of the Company, each current and former Company Service Provider has been properly classified as an employee or independent contractor under all applicable Laws with respect to services provided to the Company. Except as would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries, taken as a whole, there are no administrative charges or court complaints pending or, to the knowledge of the Company, threatened against the Company or any of its Subsidiaries before the U.S. Equal Employment Opportunity Commission or any other Governmental Body concerning alleged employment discrimination or any other matters relating to the employment or engagement of labor.

(d) Except as would not have, or reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, there are no actions, suits or proceedings pending against, or to the knowledge of the Company, threatened by, any current or former Company Service Provider against the Company or any of its Subsidiaries, at law or in equity, or before any Governmental Body.

Section 2.14 Employee Benefit Plans.

(a) Neither the Company nor any of its Subsidiaries sponsors, maintains or contributes to (or is required to contribute to) any Benefit Plan. Neither the Company nor any of its Subsidiaries, nor any of their respective ERISA Affiliates currently maintains or contributes to, or has at any time in the six years prior to the date of this Agreement maintained or contributed to or been obligated to contribute to any plan, program or arrangement covered by Title IV of ERISA or subject to Section 412 of the Code or Section 302 of ERISA, in each case that would result in

Liability to the Company or its Subsidiaries after the Closing. Neither the Company nor any of its Subsidiaries has any Liabilities under Title IV of ERISA.

(b) The consummation of the transactions contemplated hereby, either alone or in combination with any other event, will not (i) result in any payment or benefit becoming due or payable, or required to be provided, to any individual who currently provides, or formerly provided, services to the Company or any of its Subsidiaries; (ii) increase the amount or value of compensation or benefits due or payable to any individual who currently provides, or formerly provided, services to the Company or any of its Subsidiaries or accelerate the time of payment, vesting or funding of any such benefit or compensation; or (iii) result in any amount failing to be deductible by reason of Section 280G of the Code.

Section 2.15 Insurance. With respect to each material insurance policy currently in effect as of the date of this Agreement maintained by or for the benefit of the Company or any of its Subsidiaries on their properties, assets, products, businesses or personnel (true and complete copies of which have been made available to Investor) and each material insurance policy bound during the Interim Period in accordance with the terms of this Agreement: (a) the policy is legal, valid, binding, enforceable and in full force and effect, all premiums due and payable with respect thereto have been paid in full, and no notice of cancellation, termination, reservation of rights or dispute or denial of coverage for any material claim has been received with respect to any such insurance policy; (b) the Company and its Subsidiaries are not in breach or default of any of the terms or conditions of the policy; (c) none of the Company or its Subsidiaries have received a notice of non-renewal from any of the insurers and there has been no lapse in coverage; (d) the Company, its Subsidiaries, and their respective assets and properties are insured in amounts no less than as required by applicable Law or any Material Contract; and (e) there is no material claim pending or, to the knowledge of the Company, threatened under any such insurance policy that relates to the Company or its Subsidiaries and in respect of which coverage has been questioned, denied or disputed, or had rights reserved, by the underwriter of such policy. Except as would not reasonably be expected to (x) prevent or materially impede the consummation of the transactions set forth herein or (y) be materially adverse to the Company and its Subsidiaries (taken as a whole), the transactions set forth herein shall not result in a violation under any of such insurance policies and shall not give rise to any right of termination or cancellation in connection therewith.

Section 2.16 Environmental Matters.

(a) Except as would not be material to the Company and its Subsidiaries taken as a whole, the Company and each of its Subsidiaries and their operations are, and, except for matters that have been fully resolved, have been for the past three years, in compliance with all applicable Environmental Laws.

(b) Neither the Company nor any of its Subsidiaries is, or has during the prior three years been, subject to any pending or, to the knowledge of the Company, threatened claim regarding any actual or alleged violation of or liability under any Environmental Laws that is material to the Company and its Subsidiaries taken as a whole or that has not been cured without further obligations that would be material to the Company and its Subsidiaries taken as a whole.

(c) Except as would not be material to the Company and its Subsidiaries taken as a whole, no Hazardous Substances are present in or have been Released at, in, on or under any real property currently or, to the knowledge of the Company, formerly owned or operated by the Company or any of its Subsidiaries, or, to the knowledge of the Company, at any other location where Hazardous Substances generated by the Company have been transported or disposed of, in each case above, such that the Company or any of its Subsidiaries is obligated to take investigative or remedial action with respect to such Releases of such Hazardous Substances pursuant to any Environmental Law or any Contract entered into with any other Person. Neither the Company nor any of its Subsidiaries are conducting any remedial action that is material to the Company and its Subsidiaries taken as a whole relating to any Release of Hazardous Substances pursuant to the requirements of any applicable Environmental Law or Permit or Contract, and there are no other such remedial actions at or affecting any of the operations or assets of the Company or any of its Subsidiaries.

(d) Except as would not be material to the Company and its Subsidiaries taken as a whole, neither the Company nor any of its Subsidiaries has entered into or agreed to any outstanding consent Order, or is subject to any outstanding Order, relating to compliance with Environmental Laws or the investigation, sampling, monitoring, treatment, remediation, removal or cleanup of Hazardous Substances.

(e) Except as would not be material to the Company and its Subsidiaries taken as a whole, neither the Company nor any of its Subsidiaries has assumed any liability, including any obligation for corrective or remedial action, of any other Person relating to Environmental Laws.

(f) To the knowledge of the Company, the Company has made available to Investor a copy of all material environmental assessment (including Phase I and Phase II) reports in the possession or control of the Company or any of its Affiliates relating to the Owned Real Property or Leased Real Property that have been issued at any point during the five years preceding the date hereof and, in each case, that is material to the Company and its Affiliates taken as whole.

Section 2.17 Permits; Compliance with Laws.

(a) Each of the Company and its Subsidiaries holds and is (and has been during the past three years) in compliance, in all material respects, with all permits, certificates, licenses, approvals, registrations, waivers, exemptions and other authorizations that are material to the Company or any of its Subsidiaries and required for the use, ownership and operation of the assets of the Company and its Subsidiaries and the conduct of their business under applicable Laws (the "Permits"). All of the Permits are valid and in full force and effect and, during the prior three years, neither the Company nor any of its Subsidiaries or Affiliates has received any written notice of, and to the knowledge of the Company, neither the Company nor any of its Subsidiaries is under investigation by, any Governmental Body with respect to, any material violation of, or any obligation to take material remedial action under, any Permits (other than any such violations that have been fully cured).

(b) The Company and its Subsidiaries are, and have been during the prior three years, in compliance, in all material respects, with all applicable Laws that are, in each case, material to the Company or any of its Subsidiaries, and during the prior three years, neither the Company nor

any of its Subsidiaries or Affiliates has received any written notice of any action or proceeding against it alleging any failure to comply in any material respect with any such applicable Laws. No investigation by any Governmental Body with respect to the Company or any of its Subsidiaries is pending or, to the knowledge of the Company, threatened, and during the prior three years, neither the Company nor any of its Subsidiaries or Affiliates has received any written notice of any such investigation, except, in each case, for any such investigation that would not reasonably be expected to be material to the Company and its Subsidiaries taken as a whole.

Section 2.18 Affiliated Transactions.

(a) Schedule 2.18(a) sets forth a complete and correct list of the Company affiliate transaction guidelines and cost allocation methodologies as of the date of this Agreement (the "Affiliate Guidelines"), other than those included in the Affiliate Contracts.

(b) Since the Balance Sheet Date, all transactions, charges, services, transfers, payments, accruals and other business or obligations between any member of the Parent Group (not including, for the avoidance of doubt, the Company), on the one hand, and the Company or any of its Subsidiaries, on the other hand, were in compliance in all material respects with the terms of the Affiliate Guidelines.

(c) Other than the Affiliate Contracts, there are no Contracts between the Company or one of its Subsidiaries, on the one hand, and Parent or any Affiliate of Parent (other than the Company or one of its Subsidiaries), on the other hand.

Section 2.19 Regulatory Matters.

(a) The Company and its Subsidiaries are in compliance in all material respects with the Orders and rules of each of the Governmental Bodies set forth on Schedule 10.17(e), except where the failure to so comply would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or prevent or materially impair the ability of the Company to consummate the transactions contemplated hereby.

(b) To the Company's knowledge, neither the Company nor any of its Subsidiaries is the subject of any non-public investigation or audit by the Governmental Bodies listed in Schedule 10.17(e), except for any non-public investigation or audit that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or prevent or materially impair the ability of the Company to consummate the transactions contemplated hereby.

(c) The Company is not regulated as a "public utility" under the Federal Power Act ("FPA"). The Company is a "holding company" under the Public Utility Holding Company Act of 2005. Except as set forth on Schedule 2.19(c), none of the Company's Subsidiaries is regulated as a "public utility" under the FPA. Solely as a result of the execution, delivery and performance of this Agreement, Investor will not become subject to regulation as a "public utility" under the FPA.

Section 2.20 Anti-Corruption and Anti-Money Laundering Laws.

(a) Neither the Company nor any of its Subsidiaries, or, to the knowledge of the Company, any Representative acting for or on behalf of the Company or any of its Subsidiaries, (i) is the target of any Sanctions, (ii) is or is owned or controlled by a Sanctioned Person, (iii) is located, organized or resident in a Sanctioned Country, or (iv) engages in (or during the past three years has engaged in) any dealings or transactions, or is (or during the past three years has been) otherwise associated, with any such Sanctioned Person in violation of any Sanctions.

(b) The Company and each of its Subsidiaries and, to the knowledge of the Company, any Representative acting for or on behalf of the Company or any of its Subsidiaries, is (and for the past three years have been) in compliance in all material respects with all Anti-Corruption Laws and Anti-Money Laundering Laws applicable to such Persons.

(c) To the knowledge of the Company, neither the Company nor any of its Affiliates is the subject of any investigation, inquiry or enforcement proceedings by any Governmental Body regarding any offense or alleged offense under any anti-terrorism Laws, Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions, and no such investigation, inquiry or proceeding is pending or, to the knowledge of the Company, has been threatened in writing.

(d) The Company and each of its Subsidiaries are subject to, and in compliance with in all material respects, policies and procedures instituted and maintained by an Affiliate thereof that are designed in accordance with applicable Laws to promote and achieve compliance by such Persons, and any Representatives acting on their behalf, with applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.

Section 2.21 Broker Fees. There is no investment banker, broker, finder or other such intermediary that has been retained by, or has been authorized to act on behalf of, the Company or any Subsidiary thereof, that is or would be entitled to a fee or commission in connection with the transactions contemplated hereby from the Company or any of its Subsidiaries.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF PARENT

Except as set forth in the Disclosure Schedules, subject to Section 10.10, or as disclosed in the Parent SEC Reports (excluding any disclosures set forth in any risk factors section or any disclosure of risks included in any "forward-looking statements" disclaimer to the extent that such disclosures are general or cautionary in nature), Parent represents and warrants to Investor that as of the date of this Agreement and as of the Closing (unless the particular representation speaks expressly as of another date, in which case such representation is made as of such other date):

Section 3.1 Formation and Power. Parent is a corporation duly organized, validly existing and in good standing under the Laws of the State of Ohio with full power and authority to enter into this Agreement and perform all of its obligations hereunder.

Section 3.2 Authorization. The execution, delivery and performance of this Agreement by Parent and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite company action by Parent, and no other company proceedings on the part of Parent is necessary to authorize the execution, delivery or performance

of this Agreement by Parent. This Agreement has been duly and validly executed and delivered by Parent, and, assuming that this Agreement is a valid and binding obligation of the other Parties, this Agreement constitutes a valid and binding obligation of Parent, enforceable against Parent in accordance with its terms, except as limited by the Bankruptcy and Equity Exception.

Section 3.3 No Violation. Assuming that (x) the notices, authorizations, approvals, Orders, Permits or consents set forth on Schedule 3.5 are made, given or obtained (as applicable), (y) the Regulatory Approvals are obtained, and (z) any filings required by any applicable federal or state securities or "blue sky" Laws are made, the execution, delivery and performance of this Agreement by Parent and the consummation of the transactions contemplated hereby do not (a) violate, conflict with or breach the Organizational Documents of Parent, (b) result in the imposition or creation of any Lien on the Membership Interests, (c) violate or breach any Law applicable to Parent, or by which any of its properties or assets are bound, (d) result in any breach of, constitute a default (or an event that, with notice or lapse of time or both, would become a default) under any Contract to which Parent is a party or by which any of Parent's assets are bound or (e) violate, breach, contravene or conflict with the DPA, except, with respect to clauses (c) and (d) above, for any such violations, breaches, defaults or other occurrences which would not reasonably be expected to prevent or materially delay the ability of Parent to consummate the transactions contemplated hereby.

Section 3.4 Title to the Purchased Interests.

(a) The Purchased Interests are duly authorized, validly issued and free of, and were issued in compliance with, any preemptive rights in respect thereto. Parent is the sole lawful record and beneficial owner of, and has good, valid and marketable title to, the Purchased Interests, and Parent owns the Purchased Interests free and clear of all Liens other than (i) those created pursuant to Contracts to which Investor or any of its Affiliates is a party, and (ii) those that may be deemed to exist pursuant to securities Laws of general applicability.

(b) There are no Contracts to which any of the Company, Parent or any of their respective Affiliates is a party or by which either is bound to (i) repurchase, redeem or otherwise acquire any equity securities of, or other equity or voting interest in, the Company, (ii) vote or dispose of any equity securities of, or other equity or voting interest in the Company or (iii) provide funds to or make investments in any other Person. There are no outstanding options, warrants, convertible or exchangeable securities, "phantom" equity rights, equity appreciation rights, equity-based performance units, rights to subscribe to, purchase rights, calls or commitments made by any of the Company, Parent or any of their respective Affiliates relating to the issuance, purchase, sale or repurchase of any limited liability company interests or other equity interests issued by the Company containing any equity features, or Contracts by which any of the Company, Parent or any of their respective Affiliates is bound to issue, deliver or sell, or cause to be issued, delivered or sold, additional limited liability company interests or other equity interests of the Company, or options, warrants, rights to subscribe to, purchase rights, calls or commitments made by any of the Company, Parent or any of their respective Affiliates relating to any equity interests of the Company.

(c) As of the consummation of the Closing, the authorized, issued and outstanding equity interests, including the classes thereof, of the Company and each of its

Subsidiaries, together with the name of each holder thereof and the number of interests, are as set forth on Schedule 3.4(c).

Section 3.5 Consents. Except as set forth on Schedule 3.5, no filing or registration with, notification to, or authorization, consent or approval of, any Governmental Body or any other Person (other than the Parties, their equity holders or their Affiliates) is required in connection with the execution and delivery by Parent of this Agreement, the performance of Parent's obligations hereunder or the consummation of the transactions contemplated hereby, except (a) the requirement to obtain the Regulatory Approvals, (b) such filings as may be required by any applicable federal or state securities or "blue sky" Laws, (c) where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not, individually or in the aggregate, reasonably be expected to prevent or materially impair the ability of Parent to consummate the transactions contemplated hereby, (d) as may be necessary as a result of any facts or circumstances relating to Investor or any of its Affiliates or (e) notices and filings required to be made or given after the Closing.

Section 3.6 Litigation. There are no actions, suits or proceedings pending or, to the knowledge of Parent, threatened against or affecting Parent, before or by any Governmental Body, that would reasonably be expected to prevent or otherwise adversely affect Parent's performance of its covenants and obligations set forth in this Agreement or to otherwise prevent or materially impair the ability of Parent to consummate the Closing. There are no bankruptcy proceedings pending or, to the knowledge of Parent, threatened against Parent.

Section 3.7 Anti-Corruption and Anti-Money Laundering Laws.

(a) None of Parent or any of its Affiliates, nor any of their respective officers, directors, or employees, (i) is the target of any Sanctions, (ii) is or is owned or controlled by a Sanctioned Person, (iii) is located, organized or resident in a Sanctioned Country, or (iv) engages in (or during the past three years has engaged in) any dealings or transactions, or is (or during the past three years has been) otherwise associated, with any such Sanctioned Person in violation of any Sanctions.

(b) Parent and each of its Affiliates are (and for the past five years have been) in compliance in all material respects with all Anti-Corruption Laws and Anti-Money Laundering Laws applicable to such Persons.

(c) To the knowledge of Parent, neither Parent nor any of its Affiliates is the subject of any investigation, inquiry or enforcement proceedings by any Governmental Body regarding any offense or alleged offense under any anti-terrorism Laws, Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions, and no such investigation, inquiry or proceeding is pending or, to the knowledge of Parent, has been threatened in writing.

(d) Parent and its Affiliates have been and are in compliance with, and shall comply in all respects with, all relevant terms of the DPA. The execution, delivery and performance by Parent of this Agreement is not intended to, and will not, circumvent or frustrate the enforcement purposes of the DPA.

Section 3.8 **Broker Fees**. There is no investment banker, broker, finder or other such intermediary that has been retained by, or has been authorized to act on behalf of, Parent or any of its Affiliates, that is entitled to a fee or commission in connection with the transactions contemplated hereby from the Company or any of its Subsidiaries.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF INVESTOR

Except as set forth in the disclosure schedules of Investor attached to this Agreement (each, an "Investor Disclosure Schedule" and, collectively, the "Investor Disclosure Schedules"), Investor hereby represents and warrants to the Company that as of the date of this Agreement and as of the Closing (unless the particular representation speaks expressly as of another date, in which case such representation is made as of such other date):

Section 4.1 **Organization and Power**. Investor is a limited partnership duly organized, validly existing and in good standing under the Laws of the State of Delaware, with full power and authority to enter into this Agreement and perform all of its obligations hereunder.

Section 4.2 **Authorization**. The execution, delivery and performance of this Agreement by Investor and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite action by Investor, and no other proceedings on the part of Investor are necessary to authorize the execution, delivery or performance of this Agreement by Investor. This Agreement has been duly and validly executed and delivered by Investor, and, assuming that this Agreement is a valid and binding obligation of the other Parties, this Agreement constitutes a valid and binding obligation of Investor, enforceable against Investor in accordance with its terms, except as limited by the Bankruptcy and Equity Exception.

Section 4.3 **No Violation**. Assuming that (x) the notices, authorizations, approvals, Orders, permits or consents described in Section 4.4 are made, given or obtained (as applicable), (y) the Regulatory Approvals have been obtained, and (z) any filings required by any applicable federal or state securities or "blue sky" Laws are made, the execution, delivery and performance by Investor of this Agreement and the consummation of the transactions contemplated hereby, do not (a) violate, conflict with or breach its Organizational Documents, (b) violate any applicable Law to which Investor is subject or by which any of its assets are bound, or (c) result in any breach of or constitute a default (or an event that, with notice or lapse of time or both, would become a default) under any Contract to which Investor is a party or by which any of its assets are bound, except, with respect to clauses (b) and (c) above, for any such violations, breaches or defaults that would not, individually or in the aggregate, reasonably be expected to prevent or materially delay the ability of Investor to consummate the transactions contemplated hereby.

Section 4.4 **Consents**. No filing or registration with, notification to, or authorization, consent or approval of, any Governmental Body or any other Person (other than the Parties, their equity holders or their Affiliates) is required in connection with the execution and delivery by Investor of this Agreement, the performance of Investor's obligations hereunder or the consummation of the transactions contemplated hereby, except (a) the requirement to obtain the Regulatory Approvals, (b) such filings as may be required by any applicable federal or state

securities or "blue sky" Laws, (c) where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not, individually or in the aggregate, reasonably be expected to prevent or materially delay the ability of Investor to consummate the transactions contemplated hereby, (d) as may be necessary as a result of any facts or circumstances relating to Parent, the Company or any of their respective Affiliates, or (e) notices and filings required to be made or given after the Closing.

Section 4.5 Litigation. There are no actions, suits or proceedings pending or, to the knowledge of Investor, threatened against or affecting Investor, before or by any Governmental Body, that would reasonably be expected to prevent or otherwise adversely affect Investor's performance of its covenants and obligations set forth in this Agreement or prevent or materially impair the ability of Investor or any of its Affiliates to consummate the transactions contemplated hereby. There are no bankruptcy proceedings pending or, to the knowledge of Investor, threatened against Investor or any of its Affiliates contemplated to be involved in the transactions contemplated hereby.

Section 4.6 Broker Fees. There is no investment banker, broker, finder or other intermediary which has been retained by, or is authorized to act on behalf of Investor or any of its Affiliates, that is entitled to any fee or commission in connection with the transactions contemplated hereby from Investor or any Affiliate thereof.

Section 4.7 Investment Representation; Investigation. Investor is acquiring the Purchased Interests for its own account with the present intention of holding the Purchased Interests for investment purposes and not with a view to, or for sale in connection with, any distribution thereof in violation of any applicable securities Laws. Investor is an "accredited investor" within the meaning of Regulation D promulgated pursuant to the Securities Act of 1933, as amended. Investor is knowledgeable about the industries in which the Company and its Subsidiaries operate, is capable of evaluating the merits and risks of the transactions contemplated hereby and is able to bear the substantial economic risk of such investment for an indefinite period of time. Investor has been afforded full access to the books and records, facilities and personnel of the Company and its Subsidiaries for purposes of conducting a due diligence investigation and has conducted a full due diligence investigation of the Company and its Subsidiaries.

Section 4.8 Financial Capability. Guarantors and Investor have access to, and will have at the Closing, sufficient immediately available funds to pay in full all amounts required to be paid by Investor under this Agreement, including (a) the amounts payable pursuant to Article I and (b) all of the fees, costs and expenses of Investor arising from or related to this Agreement or the consummation of the transactions contemplated hereby, and to otherwise consummate the transactions contemplated hereby in accordance with the terms hereof. Brookfield Corporation has access to, and will have at the Closing, sufficient immediately available funds to discharge its obligations under the Note Guaranty as and when required. Investor acknowledges and agrees that it is not a condition to the Closing or to any of its other obligations under this Agreement that Investor or the Company or any of its Subsidiaries obtain financing for or related to any of the transactions contemplated hereby, including any Debt Financing or Equity Financing. The structure chart set forth on Investor Disclosure Schedule 10.17(b) is, as of the Closing, true, complete and correct in all respects.

Section 4.9 No Fraudulent Conveyance. No transfer of property is being made and no obligation is being incurred in connection with the transactions contemplated hereby with the intent to hinder, delay or defraud either present or future creditors.

Section 4.10 Anti-Corruption and Anti-Money Laundering Laws.

(a) None of Investor, the Co-Investors or any of their Affiliates, nor any of their respective officers, directors, or employees, (i) is the target of any Sanctions, (ii) is or is owned or controlled by a Sanctioned Person, (iii) is located, organized or resident in a Sanctioned Country, or (iv) engages in any dealings or transactions, or is otherwise associated, with any such Sanctioned Person in violation of any Sanctions.

(b) Investor, the Co-Investors and each of their Affiliates are in compliance in all material respects with all Anti-Corruption Laws and Anti-Money Laundering Laws applicable to such Persons.

(c) To the knowledge of Investor, neither Investor, the Co-Investors nor any of their Affiliates is the subject of any investigation, inquiry or enforcement proceedings by any Governmental Body regarding any offense or alleged offense under any anti-terrorism Laws, Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions, and no such investigation, inquiry or proceeding is pending or, to the knowledge of Investor, has been threatened in writing.

Section 4.11 Regulatory.

(a) Except as set forth on Investor Disclosure Schedule 4.11, neither Investor nor any of its Affiliates has an interest greater than five percent in a Person that owns, manages, controls or operates any electricity transmission business operating in the United States.

(b) Investor is not a "public utility" as defined in the FPA.

ARTICLE V

COVENANTS

Section 5.1 Conduct of the Business.

(a) From the date of this Agreement until the earlier of the Closing or the termination of this Agreement pursuant to Section 7.1 (the "Interim Period"), except as (i) otherwise expressly contemplated or expressly permitted by this Agreement, (ii) set forth on Schedule 5.1(a), (iii) consented to in writing by Investor (such consent not to be unreasonably withheld, delayed or conditioned, and which consent shall be deemed to have been given if the applicable action or omission is approved or otherwise consented to by Investor or by one or more Investor Directors (as defined in the Original Operating Agreement) in accordance with the Original Operating Agreement), (iv) required by any Lease or Contract to which the Company or any of its Subsidiaries is a party that is disclosed in the Disclosure Schedules and made available to Investor prior to the date of this Agreement, (v) required by applicable Law, or (vi) in connection with any Extraordinary Event Response, but, in each case, without limiting any rights that Investor may have under the Original Operating Agreement, Parent shall cause the Company and each of the

Company's Subsidiaries to use its commercially reasonable efforts to conduct its respective business in the Ordinary Course of Business (including with respect to the Company's and its Subsidiaries' management of their respective levels of working capital, levels of cash and cash equivalents, and capital expenditures, in each case in the Ordinary Course of Business), and Parent shall cause the Company and each of the Company's Subsidiaries to use their respective commercially reasonable efforts to (x) preserve in all material respects the goodwill, reputation and present relationships with suppliers, customers, Governmental Bodies and others having significant business relationships with the Company or any of its Subsidiaries, and (y) maintain and renew in the Ordinary Course of Business their respective insurance policies (or obtain replacement or substitute insurance policies providing substantially similar coverage) and material Permits. The failure to take any action prohibited by Section 5.1(b) shall be deemed not a breach by Parent of this Section 5.1(a).

(b) During the Interim Period, except as (w) otherwise expressly contemplated or expressly permitted by this Agreement, (x) set forth on Schedule 5.1(b), (y) consented to in writing by Investor (such consent not to be unreasonably withheld, delayed or conditioned, and which consent shall be deemed to have been given if the applicable action or omission is approved or otherwise consented to by Investor or by one or more Investor Directors in accordance with the Original Operating Agreement) or (z) required by applicable Law, Parent shall cause the Company and each of the Company's Subsidiaries not to:

(i) amend or modify any of its Organizational Documents in a manner that would reasonably be expected to be adverse to Investor, the Company or any of its Subsidiaries;

(ii) create, issue, acquire, reclassify, combine, split, subdivide, redeem, sell, pledge, encumber or otherwise dispose of any of its Equity Interests or any options, warrants, convertible or exchangeable securities, subscriptions, rights, phantom equity, equity appreciation rights, calls or commitments with respect to its Equity Interests;

(iii) other than in the Ordinary Course of Business consistent with the Company's financing plan made available to Investor prior to the date hereof, create, incur, assume or guarantee any Indebtedness other than, in each case, (A) in connection with any Extraordinary Event Response, (B) Existing Indebtedness and guarantees under Existing Indebtedness or (C) intercompany Indebtedness solely among the Company and its Subsidiaries or intercompany guarantees of Indebtedness of the Company or any of its Subsidiaries;

(iv) merge or consolidate with any other Person or adopt a plan of liquidation, dissolution, merger, consolidation or other reorganization;

(v) (A) employ or retain any individual as an employee or consultant of the Company or any of its Subsidiaries, (B) adopt, enter into, or become required to contribute to, any Benefit Plan, (C) become subject to any collective bargaining agreement or (D) accelerate the vesting, funding or payment of any compensation or benefits, or materially increase the compensation payable to, any Company Service Provider;

(vi) (A) acquire (whether by merger, stock or asset purchase or otherwise) any assets for consideration in excess of $25,000,000 in the aggregate (excluding any capital expenditures incurred in the Ordinary Course of Business) or (B) sell, lease, sublease, license, encumber, grant any purchase options or rights with respect to, or otherwise dispose of, any of its assets with a market value in excess of $25,000,000 in the aggregate, other than purchases of equipment and sales of products of their respective business, or sales of services, in each case in the Ordinary Course of Business;

(vii) make, change or revoke any material Tax election, settle or compromise any Tax claim or liability or claim for a refund of Taxes, change (or request any Governmental Body to change) any aspect of its method of accounting for Tax purposes, change its annual Tax accounting period, enter into any closing agreement or other binding written agreement relating to Taxes with any Governmental Body, file any amended Tax Return, surrender any claim for a refund of Taxes, file any Tax Return other than one prepared in a manner consistent with past practice, or consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment (other than pursuant to an extension of time to file any Tax Return obtained in the Ordinary Course of Business); provided, however, that the foregoing limitations shall not apply with respect to any action (A) in respect of a consolidated, combined, unitary or similar income tax group of which Parent is the common parent or (B) that would not reasonably be expected to have a material adverse impact on Investor as compared to the other members of the Company; or

(viii) agree or commit to any of the foregoing.

(c) During the Interim Period, except as otherwise expressly contemplated or expressly permitted by this Agreement, the Company (and, as applicable, the Board) shall use its reasonable best efforts to consult in good faith with Investor (which consultation shall be deemed to include the participation of Investor Directors (as defined in the A&R Operating Agreement) in the meetings of the Board with respect to such matters) prior to the Company undertaking, or causing or permitting any of its Subsidiaries to undertake, any action set forth in Section 8.4(a)-(c), (e)-(j), (l)-(m), (o)-(q), or, to the extent contemplated by the foregoing, (r) of the A&R Operating Agreement that would require consent from Investor Member or an Investor Director (in each case, as such terms are defined in the A&R Operating Agreement) under the A&R Operating Agreement if the A&R Operating Agreement were in effect as of the date of this Agreement.

(d) Notwithstanding the foregoing, subject to Parent's and the Company's compliance with the Original Operating Agreement, Parent may cause or permit the Company during the Interim Period to take, and cause or permit the Company's Subsidiaries to take, reasonable actions in accordance with Good Utility Practice, as reasonably necessary (i) in connection with any Emergency Situations, and (ii) to undertake any Extraordinary Event Response; provided, that Parent shall, upon the occurrence of any of the circumstances described above, as promptly as reasonably practicable, inform Investor in writing of such occurrence. No such actions under this Section 5.1(c) taken in compliance with the foregoing shall be deemed to violate or breach this Agreement in any way, or serve as a basis for Investor to terminate this Agreement pursuant to Article VII or assert that any of the conditions to the Closing set forth in Article VI have not been satisfied.

(e) Notwithstanding anything herein to the contrary, during the Interim Period, (i) Parent shall cause the Company not to declare, set aside or pay any dividend or distribution not set forth on Schedule 5.1(e), and (ii) to the extent there are any such actions in violation of clause (i), the Purchase Price shall be immediately and automatically reduced by an amount equal to 30.0% of the aggregate amount of any such dividends or distributions in violation of clause (i).

Section 5.2 Access.

(a) During the Interim Period, upon reasonable advance notice and subject to compliance with all applicable regulatory rules and regulations and other applicable Laws, Parent and the Company shall provide Investor and its authorized Advisors and Representatives with reasonable access during regular business hours to the properties, offices, assets, members of senior management of Parent or its Affiliates (to the extent related to the business of the Company or any of its Subsidiaries), facilities and books and records of the Company and its Subsidiaries; provided, that (i) such access does not unreasonably interfere with the normal operations of Parent, the Company or any of their respective Affiliates, (ii) such access shall occur in such a manner as the Company reasonably determines to be appropriate to protect the confidentiality of the transactions contemplated hereby, (iii) such access shall be subject to reasonable health and safety conditions and to reasonable limitations relating to the properties, offices and facilities, of the Company, as may be imposed by Parent, (iv) all requests for access shall be directed to such Person(s) as the Company may designate in writing from time to time, and (v) nothing herein shall require the Company or any of its Subsidiaries to provide access to, or to disclose any information to, Investor if such access or disclosure (A) would require the Company or any of its Subsidiaries to disclose any financial or proprietary information of or regarding the Affiliates of the Company or any of its Subsidiaries or otherwise disclose information regarding the Affiliates of the Company that the Company or any of its Subsidiaries reasonably deems to be commercially sensitive, (B) upon the written advice of counsel would waive any legal privilege or (C) would be in violation of applicable Laws or the provisions of any Contract to which Parent, the Company or any of its Subsidiaries is a party (provided, that Parent shall promptly notify Investor in writing if any information is withheld by reason of the exception under this clause (C), including a description of the general nature of such information and the reason for it being withheld, and Parent shall cause the Company or its applicable Subsidiary to use its reasonable best efforts to obtain the required consent of such third party to disclose such document or information). Notwithstanding anything to the contrary contained in this Agreement, none of the Parent, the Company or any of its Subsidiaries shall be required to (x) disclose to any Person any Tax information or Tax Return that does not relate solely to the Company or any of its Subsidiaries or (y) provide any information regarding the Company or any of its Subsidiaries in any format other than as then exists, or otherwise to manipulate or reconfigure any data regarding the Company's or any of its Subsidiaries' business, assets, financial performance or condition or operations. For the avoidance of doubt, nothing in this Section 5.2 shall be construed to permit Investor or any of its Advisors to have access to any files, records, agreements, communications or documents of Parent to the extent related to Parent or any of its Affiliates (other than the Company and its Subsidiaries), including any bids or offers received by Parent or any of its Affiliates for the sale of any Membership Interests, it being agreed that all such bids or offers shall be the sole property of Parent. No investigation by Investor or other information received by Investor shall operate as a waiver or otherwise affect any representation, warranty, covenant or agreement given or made by the Company or Parent in this Agreement. Notwithstanding anything in this Agreement to the

contrary, nothing in this Section 5.2 shall limit any of the rights of Investor under the Original Operating Agreement.

(b) Investor agrees to indemnify, defend and hold harmless the Parent Group from and against any and all actual losses, damages, Liabilities, claims, demands, causes of action, legal proceedings, Orders, remedies, obligations, assessments, awards, payments, costs and expenses, interest, penalties, fines, judgments and settlements (collectively, "Losses") (including for loss or injury to or death of any Representative of Investor, and for any loss or damage to or destruction of any property owned by any member of the Parent Group or others (including for loss of use of any property)) resulting directly or indirectly from the action or inaction of Investor or any of its Representatives during any visit to the business or property sites of the Company or any of its Subsidiaries prior to the Closing Date, whether pursuant to this Section 5.2 or otherwise, except to the extent caused by the gross negligence or willful misconduct of the Company or its Affiliates or Representatives. During any visit to the business or property sites of the Company or any of its Subsidiaries, Investor shall, and shall cause its Affiliates and direct its other Representatives accessing such properties to, comply with all applicable Laws and all of the Company's or such Subsidiary's safety and security procedures and conduct itself in a manner that could not be reasonably expected to interfere with the operation, maintenance or repair of the assets of the Company or such Subsidiary. Neither Investor nor any of its Representatives shall conduct any environmental testing or sampling of soil, surface water, groundwater, indoor or outdoor air, soil, gas, surface or subsurface strata, sediments, other environmental media or building materials on any of the business or property sites of the Company or any of its Subsidiaries without the prior written consent of the Company which may be granted or denied in the Company's sole discretion.

Section 5.3 Regulatory Filings.

(a) As promptly as reasonably practicable following the 60th day after the date on which the final Consolidation Filing is made but in any event not later than the first Business Day immediately following the 90th day following the date of this Agreement, the Parties shall make the Second Investment Filings (other than the notice to CFIUS contemplated by Section 5.3(d)). Each of the Parties will furnish to each other's counsel such necessary information related to such Party or any of its Affiliates (in the case of Investor, limited to its Restricted Affiliates and the Co-Investors) and reasonable assistance as a Party may reasonably request in connection with its preparation of any filing or submission that is necessary in connection with the Regulatory Approvals, including by timely providing any additional or supplemental information or documentation (in either case related to such Party or any of its Affiliates (in the case of Investor, limited to its Restricted Affiliates and the Co-Investors)) requested by the relevant Governmental Body in connection therewith; provided, that materials provided by a Party to the other Parties' counsel may be redacted or subject to a confidentiality agreement (i) to remove or protect references concerning the valuation of the Company and its Subsidiaries; (ii) as necessary to comply with contractual arrangements or applicable Laws; and (iii) as necessary to address reasonable attorney-client or other privilege or confidentiality concerns, including concerns related to protecting personal identifying information or business confidential information. Subject to the terms of this Section 5.3, each of the Parties will comply as promptly as practicable with any reasonable requests made by any Party, or any requests made by any Governmental Body, for any additional information related to such Party or any of its Affiliates (in the case of Investor, limited to its Restricted Affiliates and the Co-Investors) in connection with such filings. Investor will be

responsible for all filing fees payable in connection with the Second Investment Filings. Otherwise, each Party shall pay its own costs and expenses associated with the Regulatory Approvals.

(b) In furtherance and not in limitation of their obligations under this Agreement, the Parties shall, and shall cause their Affiliates (in the case of Investor, limited to its Restricted Affiliates and the Co-Investors) to, use their respective reasonable best efforts to promptly obtain any clearance, consent or Order of any Governmental Body that may be, or become, required in connection with the Regulatory Approvals or otherwise necessary for the consummation of the Transactions prior to the Outside Date, and to avoid the entry of, or effect the dissolution of, any permanent, preliminary or temporary Order that would otherwise have the effect of preventing or materially delaying the Transactions or that would cause the Closing not to occur prior to the Outside Date. In furtherance of the foregoing, the Parties shall take, and not refrain from taking, and shall cause their Affiliates (in the case of Investor, limited to its Restricted Affiliates and the Co-Investors) to take and to not refrain from taking, any reasonable steps necessary to avoid or eliminate each material impediment in connection with obtaining the Regulatory Approvals that may be asserted by any Governmental Body so as to enable the Parties to consummate the transactions contemplated hereby as expeditiously as practicable (and in any event prior to the Outside Date), including (i) with the consent of the Company, opposing (including through litigation on the merits) any motion or action for a temporary, preliminary or permanent injunction or Order against or preventing or delaying the consummation of the transactions contemplated hereby, (ii) promptly complying with any requests for additional information or documentation in respect of the Parties or any of their Affiliates (in the case of Investor, limited to its Restricted Affiliates and the Co-Investors) (including promptly making available any such information and personnel that may be requested by a Governmental Body), (iii) proposing, negotiating, committing to, entering into a consent decree, consent agreement or other agreement or arrangement containing such Party's or its Affiliates (in the case of Investor, limited to its Restricted Affiliates and the Co-Investors) agreement to hold separate, license, sell or divest (pursuant to such terms as may be required by any Governmental Body) such assets or businesses of the Company, Investor and their respective Affiliates (in the case of Investor, limited to its Restricted Affiliates) and effecting such holding separate, license, sale or divestiture sufficiently prior to the Outside Date to permit the Closing to occur on the terms of this Agreement prior to the Outside Date, effective as of the Closing (including proposing, committing to, or entering into customary ancillary agreements relating to any such sale, divestiture, licensing or disposition of such assets or businesses), (iv) making material amendments or modifications to this Agreement and the other transaction documents contemplated hereby to the extent required by a Governmental Body (it being understood no such material amendments or modifications will be effective against any Party prior to the Closing), and (v) agreeing to such limitations on conduct or actions of members of the Parties and their Affiliates (in the case of Investor, limited to its Restricted Affiliates and the Co-Investors) effective as of the Closing, in each case, as may be required in order to obtain satisfaction of the closing conditions set forth in Sections 6.2(a) and Sections 6.3(a) prior to the Outside Date; provided, however, that any action contemplated by clauses (iii), (iv) and (v) above is conditioned upon consummation of the transactions contemplated hereby; provided further, however, that, notwithstanding anything herein to the contrary, the Parties' respective obligations under this Section 5.3(b) shall be subject in all respects to the provisions of Section 5.3(g); and provided further, however, that, subject to all of the foregoing (including the Parties' respective obligation to take applicable actions and use their respective applicable efforts

to obtain the Regulatory Approvals without the application of an FET Burdensome Condition, Investor Burdensome Condition or Parent Burdensome Condition, and to consummate the transactions contemplated hereby subject to the conditions set forth in Article VI), the Parties shall use their respective reasonable best efforts to procure that the actions and agreements contemplated by clauses (iii), (iv) and (v) above do not restrict, condition or otherwise limit Investor's ability to obtain Equity Financing from Co-Investors.

(c) The Parties shall (x) coordinate with each other on the plan and strategy for each filing made in connection with any Second Investment Filings and (y) instruct their respective counsel to cooperate with each other and use reasonable best efforts to facilitate and expedite the identification and resolution of any issues arising in connection with the Second Investment Filings as promptly as practicable. Such reasonable best efforts and cooperation include counsel's undertaking (i) to keep the other Party's counsel appropriately and reasonably informed of material communications from and to personnel of the reviewing Governmental Bodies and (ii) to confer with the other Party's counsel regarding appropriate material contacts with and response to personnel of such Governmental Bodies and the content of any such contacts or presentations, in each case in connection with the transactions contemplated by this Agreement. With respect to the Second Investment Filings, unless prohibited by applicable Law or by the applicable Governmental Body, and to the extent reasonably practicable, no Party shall participate in any substantive meeting or discussion with any Governmental Body with respect of any such filings, applications, investigation or other inquiry without giving the other Parties prior notice of the meeting or discussion and, to the extent permitted by the relevant Governmental Body or other Person, the opportunity to attend and participate in such meeting or discussion. In the event any Party or its Representatives are prohibited by applicable Law or by the applicable Governmental Body from participating in or attending any such meeting or engaging in any such discussion, such Party shall keep the other Parties reasonably and promptly apprised with respect thereto. With respect to the Second Investment Filings, each Party shall provide the other Parties with copies of all material correspondence, filings and communications between it and its Subsidiaries and Affiliates (in the case of Investor, limited to its Restricted Affiliates and the Co-Investors) and their respective Representatives, on the one hand, and any Governmental Body, on the other hand, with respect to this Agreement or the transactions contemplated hereby. Each Party will have the right to review (subject to appropriate redactions for confidentiality and attorney-client privilege concerns) and approve the content of any presentations, white papers, economic analysis or other written materials to be submitted by the other Party or Parties to any Governmental Body in advance of any such submission. In exercising the foregoing rights, each Party shall act reasonably and as promptly as practicable. No Party shall withdraw any filings in connection with the Regulatory Approvals or intentionally extend the waiting period in connection with the Regulatory Approvals without the prior written consent of the other Parties.

(d) The Parties shall as promptly as practicable and no later than the first Business Day immediately following the 180th day following the date of this Agreement, submit a draft joint voluntary notice regarding the transactions contemplated hereby to CFIUS in accordance with the CFIUS Regulations (the "Draft Voluntary Notice"). Promptly after receipt of comments from CFIUS on the Draft Voluntary Notice, the Parties shall prepare and submit a final joint voluntary notice of the transactions contemplated hereby to CFIUS in accordance with the CFIUS Regulations (the "Final Notice"). Following submission of the Final Notice, the Company and Investor shall cooperate in all respects (to the extent permitted by Law) to obtain CFIUS

Clearance, including by (A) providing any additional or supplemental information or documentation requested by CFIUS or any other branch or agency of the U.S. government during the CFIUS review process as promptly as practicable, and in all cases within the amount of time allowed by CFIUS, (B) promptly informing each other of any communication received by Investor or the Company, or given by Investor or the Company to, CFIUS by promptly providing copies to the other party of any such written communication, except for any exhibits to such communications providing the personal identifying information required by 31 C.F.R. §800.402(c)(6)(vi), information otherwise requested by CFIUS to remain confidential or information reasonably determined by Investor or the Company to be business confidential information and (C) permitting each other to review in advance any written or oral communication that Investor or the Company gives to CFIUS, and consult with the Company in advance of any meeting, telephone call or conference with CFIUS, and to the extent not prohibited by CFIUS, give each other the opportunity to attend and participate in any telephonic conferences or in-person meetings with CFIUS. Without limiting the Parties' respective obligations with respect to obtaining Regulatory Approvals set forth in the other provisions of this Agreement, Investor shall take, and not refrain from taking, and shall cause its Restricted Affiliates and the Co-Investors to take and to not refrain from taking, any and all steps necessary to obtain the CFIUS Clearance so as to enable the Parties to consummate the transactions contemplated hereby as expeditiously as practicable (and in any event prior to the Outside Date), including by the provision of all such assurances as may be requested or required by CFIUS, including entering into a mitigation agreement, letter of assurance, national security agreement, proxy agreement, trust agreement or other similar arrangement or agreement, in relation to the Company and its Subsidiaries.

(e) During the Interim Period, no Party or its Affiliates (in the case of Investor, limited to its Restricted Affiliates and Co-Investors) shall acquire or agree to acquire (by merging or consolidating with, or by purchasing a material portion of the assets of or equity in, or by any other manner), any Person or portion thereof, or otherwise acquire or agree to acquire any assets, licenses, rights (including governance or similar rights), operations or businesses of any Person, if the entering into a definitive agreement relating to, or the consummation of, such acquisition, merger or consolidation in the United States would be reasonably expected to impose any material delay in the obtaining of, or increase in any material respect the risk of not obtaining (or of not obtaining without an FET Burdensome Condition, Investor Burdensome Condition or Parent Burdensome Condition) the Regulatory Approvals or increase in any material respect the risk of entry of a Restraint or any other Order prohibiting the consummation of the transactions contemplated hereby.

(f) Each of the Parties further agrees that it shall, and shall cause its Affiliates (in the case of Investor, limited to its Restricted Affiliates and the Co-Investors) to, comply with any applicable post-Closing notification or requirements of any antitrust, trade competition, investment control reporting or similar Law of any Governmental Body with competent jurisdiction.

(g) For the avoidance of doubt, except as otherwise expressly provided in this Section 5.3 (including the final sentence in this Section 5.3(g) below), nothing in this Section 5.3 shall limit the generality of the Parties' covenants and agreements set forth in Section 5.4. The Parties expressly acknowledge that a Governmental Body may place conditions on a Regulatory Approval that may affect, impair or otherwise implicate the Parties' rights and obligations under the A&R Operating Agreement and require amendment thereto. Without limiting the other provisions set

forth in this Section 5.3 or in Section 5.4 (and assuming that any Party seeking to enforce this Section 5.3(g) has complied therewith), the Parties shall use their respective reasonable best efforts to negotiate mutually acceptable and reasonable amendments to the form of the A&R Operating Agreement to permit the consummation of the transactions contemplated hereby; provided that no Party shall be required to agree to any amendment to the A&R Operating Agreement that would materially and adversely impact, or would otherwise materially impair, the benefits (including economic benefits, governance rights or information rights) contemplated to be received by such Party in connection with the transactions contemplated hereby. In addition, notwithstanding any other provision of this Agreement to the contrary (including any other provision in this Section 5.3 or Section 5.4), in no event shall, in connection with obtaining or seeking to obtain the Regulatory Approvals, (i) (A) any Party be required to take or agree to take any action or agree to any measure that would constitute an FET Burdensome Condition, or take or permit to be taken such action without the consent of the other Parties, (B) Parent, or any of its Affiliates (other than the Company) be required to take or agree to take any action or agree to any measure that would constitute a Parent Burdensome Condition, or (C) a Guarantor, Investor or any of their respective Affiliates be required to take or agree to take any action or agree to any measure that would constitute an Investor Burdensome Condition.

Section 5.4 Efforts to Achieve Closing. Subject to, and not in limitation of, the other terms of this Agreement (including the separate obligations of the Parties under Section 5.3), during the Interim Period, each of the Parties agrees to use its reasonable best efforts to take or cause to be taken all action, to do or cause to be done, and to assist and cooperate with the other Parties in doing, all things necessary, proper or advisable under applicable Laws and regulations to satisfy the conditions to the Closing set forth in Article VI and to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated hereby, including (a) obtaining consents, waivers or approvals of any third parties necessary under applicable Law to consummate the transactions contemplated hereby, (b) defending any lawsuits or other legal proceedings, whether judicial or administrative, initiated by a third party challenging this Agreement or any matter contemplated hereby, and (c) executing and delivering such instruments, and taking such other actions, as any other Party may reasonably require in order to carry out the intent of this Agreement. Without limiting the generality of the foregoing, no Party shall, and no Party shall permit any of its Affiliates (in the case of Investor, limited to its Restricted Affiliates and the Co-Investors) or Advisors to, take any action designed to prevent, impede or delay the Closing. For purposes of this Agreement, except as otherwise expressly contemplated by this Agreement, the "reasonable best efforts" of a Party shall not require such Party to expend any money to remedy any breach of any representation or warranty hereunder, to commence any litigation or arbitration proceeding, to modify any Lease or Contract, to offer or grant any accommodation or concession (financial or otherwise) to any third party or to otherwise suffer any detriment, to obtain any consent required for the consummation of the transactions contemplated hereby, to waive or forego any right, remedy or condition hereunder or to provide financing to any other Party or any of its Affiliates for the consummation of the transactions contemplated hereby.

Section 5.5 Investor Guaranty. Guarantors hereby unconditionally and irrevocably guarantee to the Company and Parent, until the earlier of (x) the valid termination of this Agreement in accordance with its terms or (y) the occurrence of the Closing and the complete consummation of the transactions contemplated hereby to occur at or substantially contemporaneously with the Closing, the due and punctual payment and performance by Investor

(and any permitted assignees thereof) of Investor's obligations and liabilities under this Agreement, including to pay the portion of the Purchase Price and other amounts payable pursuant to this Agreement, which obligations and liabilities shall in no amount exceed individually or in the aggregate $1,750,000,000 (the "Guaranteed Obligations"). The foregoing sentence is an absolute, unconditional and irrevocable guaranty of the full and punctual discharge and performance of the Guaranteed Obligations. Should Investor default in the discharge or performance of all or any portion of the Guaranteed Obligations, the obligations of Guarantors hereunder shall, upon the Company's or Parent's demand, become immediately due and, if applicable, payable; provided, that notwithstanding anything to the contrary in this Agreement, Guarantors shall retain all defenses under this Agreement available to Investor. Each Guarantor represents and warrants to the Company as follows: (a) Guarantor is duly organized and validly existing under the Laws of the jurisdiction recited in the Preamble hereto and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder; (b) the execution, delivery and performance of this Agreement by Guarantor have been duly authorized by all requisite action by Guarantor, and no other proceedings on the part of Guarantor are necessary therefor; (c) this Agreement constitutes a valid and binding obligation of Guarantor, and is enforceable against Guarantor in accordance with its terms, except as limited by the Bankruptcy and Equity Exception; (d) none of the execution, delivery or performance by Guarantor of this Agreement will result in a violation of any Laws to which Guarantor is subject or bound, and there is no action, suit, proceeding pending or, to its knowledge, threatened against it or affecting it with respect to any of the transactions contemplated by this Section 5.5; (e) it will have at the Closing sufficient funds immediately available to pay and perform all of its obligations under this Section 5.5 and (f) it is not relying upon, and will not rely upon, any representation or warranty, expressed or implied, at law or in equity, made by any Person in respect of the Company or any of its Subsidiaries or any of their respective businesses, assets, liabilities, operations, prospects or condition (financial or otherwise). Except for the Express Representations, neither Parent nor the Company nor any other Person on behalf of Parent or the Company makes any representation, warranty or statement of any kind or nature (whether in written, electronic or oral form) with respect to the Company, any of its Subsidiaries, Parent or otherwise, including any representation or warranty as to the quality, merchantability, fitness for a particular purpose or condition of the Company's or its Subsidiaries' businesses, operations, assets, Liabilities, prospects or any portion thereof. Except for the Express Representations, all representations, warranties and statements of any kind or nature (whether in written, electronic or oral form) are, in each case, specifically disclaimed by the Parent on behalf of themselves and the Parent Group. Neither the Parent nor the Company or any other Person shall have or be subject to any liability whatsoever to Guarantors or any other Person resulting from the distribution to any Person, or any Person's use of or reliance on, any information (whether in written, electronic or oral form) provided by or on behalf of the Parent other than the Express Representations, including in the Projections or otherwise in expectation of the transactions contemplated hereby or any discussions with respect to any of the foregoing information.

Section 5.6 Obligations in Respect of Financing

(a) Subject to Section 5.6(b), prior to the Closing, Parent and the Company shall use their respective commercially reasonable efforts to provide to Investor such customary cooperation that is reasonably requested by Investor in connection with any effort by Investor to obtain (A) debt financing, the proceeds of which will be used to consummate the transactions contemplated

hereby (the "Debt Financing") and (B) equity financing, the proceeds of which will be used to consummate the transactions contemplated hereby or, as applicable, to satisfy the liabilities and obligations of the issuer of the Parent Note (the "Equity Financing", and together with the Debt Financing, the "Financing") (provided, in each such case, that such requests shall not unreasonably interfere with the ongoing operations of the Parent and the Company and their respective Subsidiaries), including (i) participation by senior management of Parent and the Company in, and assistance with, the preparation of customary rating agency presentations and up to two meetings with each of the main rating agencies, at times and locations to be mutually agreed and upon reasonable notice; (ii) delivery to Investor of the Financing Information; (iii) assisting in the preparation of schedules to the definitive loan documentation, as may be reasonably requested and (iv) subject to Section 5.3, cooperating with and participating in obtaining any approval or consent from any applicable Governmental Body required in connection with the Equity Financing; provided, that in no event shall the Parties be required, in connection with the foregoing, to amend or modify any Second Investment Filing previously submitted to such applicable Governmental Body unless required by Law.

(b) Notwithstanding anything in Section 5.6(a) or this Agreement to the contrary, the cooperation requested by Investor pursuant to Section 5.6(a) shall not (i) unreasonably interfere with the ongoing operations of the Company and its Subsidiaries, or (ii) require any of Parent or any of its Subsidiaries to (A) pay any commitment or other similar fee, (B) have or incur any liability or obligation in connection with the Financing, including under any agreement or any document related to the Financing, (C) commit to taking any action (including entering into any Contract) whether or not contingent upon the Closing or to otherwise execute any document, agreement, certificate or instrument in connection with any Financing, (D) take any action that would conflict with, violate or breach or result in a violation or breach of or default under any Organizational Documents of Parent or any of its Affiliates, any Contract, this Agreement or any other document contemplated hereby or any Law, (E) take any action that could subject any director, manager, officer or employee of Parent or any of its Affiliates to any actual or potential personal liability, (F) provide access to or disclose information that the Company determines in good faith could jeopardize any attorney-client privilege of, or conflict with any confidentiality requirements applicable to, the Company or any of its Affiliates, (G) reimburse any expenses or provide any indemnities, (H) make any representation, warranty or certification, (I) adopt resolutions or otherwise approve agreements, documents or instruments in connection with the Financing or (J) provide any cooperation or information that does not pertain to the Company or its Subsidiaries. In no event shall Parent or the Company be in breach of Section 5.6(a) because of its failure to deliver any financial or other information that is not currently readily prepared in the Ordinary Course of Business at the time requested by Investor or for the failure to obtain review of any financial or other information by its accountants. Investor shall promptly reimburse Parent or the Company (as applicable) for all reasonable and documented out-of-pocket cost and expenses incurred by Parent, the Company or any of their Subsidiaries in connection with the cooperation contemplated by Section 5.6(a), including (i) reasonable and documented attorneys' fee and (ii) expenses of the Company's accounting firms engaged to assistance in connection with the Financing. Investor shall indemnify and hold harmless Parent, the Company and its Subsidiaries, and their respective Representatives, from and against any and all Losses suffered or incurred by them in connection with the arrangement of the Financing and any information utilized in connection therewith (except to the extent such Losses result from such Person's gross negligence or willful misconduct). In no event shall any failure on the part of Parent or the Company to

comply with its obligations under Section 5.6(a) give rise to the failure of a condition set forth in Article VI or be grounds for termination of this Agreement under Article VII.

(c) For the avoidance of doubt, receipt of any third party financing (including any Debt Financing and Equity Financing) is not a condition precedent to the Closing, to a grant of specific performance as contemplated in Section 10.12, to the full and timely performance of the Guaranteed Obligations by Guarantors, to the performance of obligations under and the satisfaction of amounts due under the Parent Note, or to any other matter hereunder or thereunder, and, subject to the express terms and conditions of this Agreement, Investor and the Guarantors hereby affirm their obligation to effect the Closing and the other transactions contemplated by this Agreement and by the Parent Note, regardless of whether any Person obtains any third party financing (including any Financing).

(d) Any information provided pursuant to this Section 5.6 shall be subject to the Confidentiality Agreement.

Section 5.7 Waiver of Transfer Restrictions. The Company, Parent and Investor acknowledge and agree that any and all restrictions against the transfer of the Membership Interests set forth in Article VI of the Original Operating Agreement are hereby waived with respect to the Second Investment, such that Parent has full power, right and authority to sell, assign, transfer, convey and deliver the Purchased Interests to Investor.

Section 5.8 Further Assurances. From and after the Closing, from time to time, as and when requested by any Party and at such Party's expense, any other Party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as such requesting Party may reasonably deem necessary or desirable to evidence and effectuate the transactions contemplated hereby.

Section 5.9 Provision Respecting Representation. Investor hereby agrees, on its own behalf and on behalf of its directors, members, partners, managers, members, officers, employees and Affiliates, that (a) Jones Day has been retained by, and may serve as counsel to, Parent and its respective Affiliates, on the one hand, and the Company and its Subsidiaries, on the other hand, in connection with the negotiation, preparation, execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, (b) that Jones Day has not acted as counsel for any other Party in connection with the transactions contemplated hereby and that no other Party has the status of a client of Jones Day for conflict of interest or any other purposes as a result thereof and (c) that, following consummation of the transactions contemplated hereby, Jones Day (or any successor) may serve as counsel to Parent or any director, member, partner, manager, officer, employee or Affiliate of Parent or any of its respective Affiliates (including the Company and its Subsidiaries), in connection with any litigation, claim, action, suit, proceeding or obligation arising out of or relating to this Agreement or the transactions contemplated hereby. Notwithstanding such representation or any continued representation of the Company or any of its Subsidiaries, Investor (on its own behalf and on behalf of its Affiliates) hereby consents thereto and waives any conflict of interest arising therefrom, and Investor shall cause its Affiliates to consent to waive any conflict of interest arising from such representation. Investor and Parent hereby agree that, in the event that a dispute arises after the Closing between Investor or its Affiliates, on the one hand, and any member of Parent Group, on the other hand,

Jones Day may represent such member in such dispute even though the interests of such member may be directly adverse to Investor or its Affiliates, and even though Jones Day may have represented, or may be handling ongoing matters for, Investor or its Affiliates. Investor agrees that (x) all communications among any member of the Parent Group, the Company and its Subsidiaries, any of their respective Affiliates, directors, officers, employees or Advisors, on the one hand, and Jones Day, on the other hand, that relate in any way to the negotiation, preparation, execution, delivery and closing under, or any dispute arising in connection with, this Agreement, or otherwise relating to any potential sale of Equity Interests in the Company or the transactions contemplated hereby (the "Protected Parent Communications"), shall be deemed to be privileged and confidential communications, (y) all rights to such Protected Parent Communications, the expectation of client confidentiality, and the control of the confidentiality and privilege applicable thereto, belong to and shall be retained by the Parent Group and (z) to the extent Investor or any of its Affiliates should discover in its possession after the Closing any Protected Parent Communications, it shall take reasonable steps to preserve the confidentiality thereof and promptly deliver the same to Parent, keeping no copies, and shall not by reason thereof assert any loss of confidentiality or privilege protection. As to any such Protected Parent Communications prior to the Closing Date, Investor, together with any of its respective Affiliates, Subsidiaries, successors or assigns, further agree that none of the foregoing may use or rely on any of the Protected Parent Communications in any action against or involving the Parent Group or Jones Day after the Closing. The Protected Parent Communications may be used by the Parent Group in connection with any dispute that relates in any way to this Agreement or the transactions contemplated hereby.

Section 5.10 Pennsylvania Consolidation and MAIT Class B Contribution.

(a) Parent shall as promptly as practicable, and not later than the first business day immediately following the 30th day following the date of this Agreement, make the filings with the applicable regulatory authorities that are necessary for Parent and its relevant subsidiaries to consummate the Pennsylvania Consolidation (such filings, the "Consolidation Filings"). Parent will be responsible for all filings fees payable in connection with the Consolidation Filings. The Parties shall coordinate with each other on the plan and strategy for each Consolidation Filing, and, to the extent any portion of a Consolidation Filing specifically pertains to the MAIT Reorganization Plan, Parent shall provide drafts of such portion to Investor (provided that Parent shall not be required to provide access to or disclose information that the Company determines in good faith could jeopardize any attorney-client privilege of, or conflict with any Laws applicable to, Parent or any of its Affiliates, it being understood that the Parties will cooperate in good faith to enter into appropriate joint defense arrangements to resolve such concerns to the extent legally permissible), and will reasonably and in good faith consider Investor's input thereon. The Parties shall instruct their respective counsel to cooperate with each other and use reasonable best efforts to facilitate and expedite the identification and resolution of any issues arising in connection with the Consolidation Filings as promptly as practicable. Such reasonable best efforts and cooperation include counsel's undertaking (i) to the extent permitted by Law, to keep the other Party's counsel appropriately and reasonably informed of material communications from and to personnel of the reviewing Governmental Bodies and (ii) with respect to Parent's counsel, keep Investor reasonably and promptly apprised of all developments.

(b) Subsequent to the receipt of the Regulatory Approvals in respect of the Consolidation Filings as contemplated in Section 5.3 and the satisfaction or waiver of the

conditions set forth in Section 6.2(a) and Section 6.3(a), Parent and the Company shall take all necessary actions to cause the MAIT Class B Contribution to be effectuated in accordance with the MAIT Reorganization Plan, and any amendment or modification of or deviation from (other than any such amendment, modification or deviation that is *de minimis* in nature) the MAIT Reorganization Plan shall not be permitted without the prior written consent of Investor.

Section 5.11 Investor Equity Financing.

(a) Investor shall, as promptly as practicable, notify Parent if Investor or any of its Affiliates enters into a definitive agreement with a Co-Investor providing for Equity Financing.

(b) The Parties acknowledge that Investor may, in connection with obtaining Equity Financing, enter into contracts or arrangements whereby a Co-Investor may obtain certain Co-Investor Rights; provided, however, that in no event shall Investor contractually grant to any Co-Investor the right to exercise any of the Second Investment Governance Rights.

ARTICLE VI

CONDITIONS PRECEDENT

Section 6.1 Conditions to All of the Parties' Obligations. The respective obligations of the Parties to consummate the Closing are subject to the satisfaction of the following conditions at or prior to the Closing:

(a) there shall not have been issued, enacted, entered, promulgated or enforced any Law or Order (that has not been vacated, withdrawn or overturned) restraining, enjoining or otherwise prohibiting the Closing, in each case by a Governmental Body of competent jurisdiction (a "Restraint"); and

(b) the Company shall have received the consent of the counterparties to those agreements listed on Schedule 2.3.

Section 6.2 Conditions to Investor's Obligations. The obligation of Investor to consummate the Closing is subject to the satisfaction (or waiver by Investor in writing, which may be given or withheld at Investor's sole discretion) of the following conditions at or prior to the Closing:

(a) the Regulatory Approvals shall have been obtained without any Investor Burdensome Condition or FET Burdensome Condition, and shall not, as of the Closing, have been rescinded;

(b) the representations and warranties set forth in Articles II and III shall be true and correct as of the Closing Date (disregarding all qualifications or limitations as to "materiality" or "Material Adverse Effect" (other than the use of "Material Adverse Effect" in Section 2.7(a)(i)) and words of similar import set forth therein), as though such representations and warranties had been made on and as of the Closing Date (except that representations and warranties that speak to a specified date or period need be true and correct only with respect to such specified date or period), except where the failure of such representations and warranties to be true and correct has

not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; provided, that the Fundamental Representations set forth in Article II and Article III shall be true and correct in all respects (except where the failure of such Fundamental Representations to be true and correct is *de minimis* in nature); provided, further, that the representation and warranty set forth in Section 2.7(a)(i) shall be true and correct in all respects;

(c) the Company and Parent shall have each performed in all material respects all of the covenants and agreements required to be performed by each of them under this Agreement at or prior to the Closing;

(d) Parent shall have delivered to Investor a properly completed and executed IRS Form W-9; and

(e) the Company and Parent shall have delivered to Investor a certificate of the Company and Parent signed by an authorized officer of each of the Company and Parent and dated as of the Closing Date, certifying that the conditions specified in Section 6.2(b) and Section 6.2(c) have been satisfied.

Section 6.3 Conditions to Parent's and the Company's Obligations. The obligation of Parent and the Company to consummate the Closing is subject to the satisfaction (or waiver by Parent or the Company, as applicable, in writing, which may be given or withheld at such Party's sole discretion) of the following conditions at or prior to the Closing:

(a) the Regulatory Approvals shall have been obtained without any Parent Burdensome Condition or FET Burdensome Condition, and shall not, as of the Closing, have been rescinded;

(b) the representations and warranties set forth in Article IV shall be true and correct as of the Closing Date (disregarding all qualifications or limitations as to "materiality" or words of similar import set forth therein), as though such representations and warranties had been made on and as of the Closing Date (except that representations and warranties that speak to a specified date or period need be true and correct only with respect to such specified date or period), except where the failure of such representations and warranties to be true and correct would not, individually or in the aggregate, reasonably be expected to prevent, materially delay or impair the ability of Investor to perform its obligations under this Agreement or consummate the transactions contemplated hereby; provided, that the Fundamental Representations set forth in Article IV shall be true and correct in all respects (except where the failure of such Fundamental Representations to be true and correct is *de minimis* in nature);

(c) Investor shall have performed in all material respects each of the covenants and agreements required to be performed by it under this Agreement at or prior to the Closing;

(d) Investor shall have delivered to the Company a properly completed and executed IRS Form W-9 or IRS Form W-8, as applicable; and

(e) Investor shall have delivered to Parent and the Company a certificate signed by an authorized representative of Investor and dated as of the Closing Date, certifying that the conditions specified in Section 6.3(b) and Section 6.3(c) have been satisfied.

Section 6.4 **Waiver of Conditions**. None of the Parties may rely, as a basis for not consummating the Closing, on the failure of any condition set forth in this Article VI (excluding the conditions set forth in Section 6.1(a)) to be satisfied if such failure was caused by the failure of such Party to perform any of its obligations under this Agreement.

ARTICLE VII

TERMINATION

Section 7.1 **Termination**. This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing as set forth in this Article VII and in no other manner:

(a) by the mutual written consent of Parent, Investor and the Company;

(b) by Parent, by Investor or by the Company:

(i) if the Closing shall not have occurred on or before the date which is ten (10) months after the date of this Agreement (as such date may be extended pursuant to the terms of this Agreement, the "Outside Date"); provided, however, that the Outside Date shall automatically extend an additional ten (10) months if, as of the original Outside Date, all of the conditions to the Closing set forth in Article VI are satisfied, other than the conditions set forth in Section 6.2(a) or Section 6.3(a) (and other than such other conditions set forth in Article VI that by their nature are to be first satisfied at the Closing, if such conditions are capable of being satisfied at such time); provided, further, that if the conditions set forth in Section 6.2(a) or Section 6.3(a) are not satisfied as of such time solely by reason of the final and non-appealable imposition of a Parent Burdensome Condition, an Investor Burdensome Condition, or a FET Burdensome Condition, then such automatic extension shall not apply; and provided, further, that the right to terminate this Agreement pursuant to this Section 7.1(b)(i) shall not be available to a Party if the failure to consummate the Closing on or before the Outside Date was caused by the failure of such Party to perform any of its obligations under this Agreement; or

(ii) if any Restraint having the effect set forth in Section 6.1(a) shall be in effect and shall have become final and non-appealable; provided, however, that the right to terminate this Agreement under this Section 7.1(b)(ii) shall not be available to a Party if the issuance of such final, non-appealable Restraint was caused by the failure of such Party to perform any of its obligations under this Agreement;

(c) by Investor, if the Company or Parent shall have breached or failed to perform any of their respective representations, warranties, covenants or agreements set forth in this Agreement, which breach or failure to perform (i) would give rise to the failure of a condition set forth in Section 6.1 or Section 6.2, respectively, and (ii) cannot be cured such that the failure of the applicable condition set forth in Section 6.1 or Section 6.2 in respect thereof would be resolved or, if capable of being so cured, has not been so cured by the earlier of (A) 30 days following receipt of written notice from Investor stating Investor's intention to terminate this Agreement pursuant to this Section 7.1(c) and the basis for such termination and (B) the Outside Date;

provided, that Investor shall not have the right to terminate this Agreement pursuant to this Section 7.1(c) if it is then in material breach of any representation, warranty, covenant or other agreement hereunder;

(d) by Investor, if (i) the conditions set forth in Sections 6.1 and 6.3 (other than those conditions that by their nature are to be first satisfied at the Closing) have been satisfied or waived, (ii) the conditions set forth in Section 6.2 have been first satisfied (other than those conditions that by their nature are to be satisfied at the Closing) or waived by Investor and (iii) Parent or the Company fails to effect the Closing within two Business Days after the date on which the Closing was required to have occurred pursuant to Section 1.3 (or, if earlier, the Outside Date) (a "Company Closing Failure");

(e) by the Company if Investor shall have breached or failed to perform any of its representations, warranties, covenants or agreements set forth in this Agreement, which breach or failure to perform (i) would give rise to the failure of a condition set forth in Section 6.1 or Section 6.3, respectively, and (ii) cannot be cured such that the failure of the applicable condition set forth in Section 6.1 or Section 6.3 in respect thereof would be resolved or, if capable of being so cured, has not been so cured by the earlier of (A) 30 days following receipt of written notice from the Company stating its intention to terminate this Agreement pursuant to this Section 7.1(e) and the basis for such termination and (B) the Outside Date; provided, that the Company shall not have the right to terminate this Agreement pursuant to this Section 7.1(e) if the Company is then in material breach of any representation, warranty, covenant or other agreement hereunder; or

(f) by the Company, if (i) the conditions set forth in Sections 6.1 and 6.2 (other than those conditions that by their nature are to be first satisfied at the Closing) have been satisfied or waived, (ii) the conditions set forth in Section 6.3 have been first satisfied (other than those conditions that by their nature are to be satisfied at the Closing) or waived by the Company, and (iii) Investor fails to effect the Closing within two Business Days after the date on which the Closing was required to have occurred pursuant to Section 1.3 (or, if earlier, the Outside Date) (an "Investor Closing Failure").

Section 7.2 Effect of Termination. In the event of the termination of this Agreement as provided in Section 7.1, written notice thereof shall be given by the terminating Party to the other Party or Parties (except in the event of a termination pursuant to Section 7.1(a)), specifying the provision hereof pursuant to which such termination is made, and, thereafter, this Agreement shall forthwith become null and void (other than this Section 7.2, Section 8.2 and Article X (excluding Section 10.12 except in relation to enforcement of any Surviving Provision), and Investor's indemnification obligations under Section 5.2(b) (collectively, the "Surviving Provisions"), all of which shall survive termination of this Agreement), and there shall be no liability on the part of any Party under this Agreement other than in respect of the Surviving Provisions; provided, however, that no Party shall be relieved or released from any Losses (which the Parties acknowledge and agree shall not be limited to reimbursement of out-of-pocket expenses, and, in the case of Liabilities or damages payable by Investor, would include the benefits of the transactions contemplated hereby lost by the Company and Parent (taking into consideration all relevant matters, including other investment opportunities and the time value of money)) arising out of any Fraud or Willful Breach of this Agreement by such Party. Nothing in this Article VII

shall prohibit any Party from seeking specific performance of the terms of this Agreement prior to the termination of this Agreement pursuant to, and on the terms and conditions of, Section 10.12.

ARTICLE VIII

NON-SURVIVAL OF REPRESENTATIONS AND WARRANTIES AND CERTAIN COVENANTS

Section 8.1 Non-Survival of Representations and Warranties and Certain Covenants; Certain Waivers.

(a) Except for Section 3.4, which shall survive for twenty (20) years following the Closing Date, each of the representations and warranties and the covenants and agreements (to the extent such covenant or agreement contemplates or requires performance by a Party prior to the Closing) of the Parties set forth in this Agreement or in any other document contemplated hereby (other than the A&R Operating Agreement), or in any certificate delivered hereunder or thereunder, will terminate effective immediately as of the Closing such that no claim for breach of any such representation, warranty, covenant or agreement, detrimental reliance or other right or remedy (whether in contract, in tort or at law or in equity) may be brought with respect thereto after the Closing, other than in respect of Fraud. With respect to any claim made in connection with the representations and warranties set forth in Section 3.4, in no event (other than in the case of Fraud claims made in connection therewith) shall any member of the Parent Group be liable for (and no Person or Persons in the aggregate may be entitled to recover) any loss, damage or liability of any kind whatsoever in excess of an amount equal to the amount in cash paid to Parent at the Closing plus amounts actually paid or that will become payable to Parent pursuant to the Parent Note. In no event shall any Person be liable for the Fraud of any other Person, and a claim for Fraud may only be asserted against the Person that committed such Fraud. Notwithstanding anything in this Agreement to the contrary (but without limiting the provisions hereof expressly addressing "Fraud" and Section 8.2), nothing in this Agreement shall limit the right of any Party with respect to any claims or remedies of a Party for Fraud.

(b) Each covenant and agreement that explicitly contemplates performance at or after the Closing, will, in each case and to such extent, expressly survive the Closing in accordance with its terms, and if no term is specified, then for twenty (20) years following the Closing Date, and nothing in this Section 8.1 will be deemed to limit any rights or remedies of any Person for breach of any such surviving covenant or agreement (it being understood that nothing herein will limit or affect Investor's or any of its Affiliates' liability, or Guarantors' liability, as the case may be, for the failure to pay the full Purchase Price and to pay any other amounts payable by it or them at or prior to the Closing as and when required by this Agreement).

(c) Investor and Parent acknowledge and agree, on their own behalf and on behalf of the Investor Group or the Parent Group, as the case may be, that the agreements contained in this Section 8.1 are an integral part of the transactions contemplated hereby and that, without the agreements set forth in this Section 8.1, none of the Parties would enter into this Agreement.

Section 8.2 No Additional Representations or Warranties; No Outside Reliance.

(a) Investor acknowledges and agrees, on behalf of itself and the Investor Group, that (i) the representations and warranties regarding the Company and its Subsidiaries expressly contained in Article II and regarding Parent expressly contained in Article III (collectively, the "Express Representations") are the sole and exclusive representations, warranties and statements of any kind or nature made to Investor, any member of the Investor Group or any other Person related to them, (ii) except for the Express Representations, (A) none of Parent, the Company or any other Person on behalf of Parent or the Company makes, and neither Investor nor any member of the Investor Group has relied on or is relying on the accuracy or completeness of, or any other matter with respect to, any representation, warranty or statement of any kind or nature (whether in written, electronic or oral form) with respect to the Company, any of its Subsidiaries, Parent or otherwise, including any representation or warranty as to the quality, merchantability, fitness for a particular purpose or condition of the Company's or its Subsidiaries' businesses, operations, assets, liabilities, prospects or any portion thereof, (iii) except for the Express Representations, all representations, warranties and statements of any kind or nature (whether in written, electronic or oral form) are, in each case, specifically disclaimed by Parent and the Company on behalf of themselves and the Parent Group and (iv) none of Parent, the Company or any other Person shall have or be subject to any liability whatsoever to Investor or any other Person resulting from the distribution to any member of the Investor Group of, or any member of the Investor Group's use of or purported reliance on, any information (whether in written, electronic or oral form) provided by or on behalf of Parent or the Company other than the Express Representations, including the financial model, any information, statements, disclosures, documents or other materials made available in the Data Room or to Investor or any of its Affiliates or its or their respective Representatives in connection with Investor's acquisition or ownership of the Initial Investment or with such Representatives' service on the Board of the Company, any projections, forward-looking statements or other forecasts (including in the financial model, Data Room, management meetings and similar items) (collectively, "Projections") or otherwise in expectation of the transactions contemplated hereby or any discussions with respect to any of the foregoing information.

(b) Investor acknowledges and agrees, on behalf of itself and the Investor Group, that (i) Investor has conducted to its full satisfaction an independent investigation and verification of the business, financial condition, results of operations, assets, Liabilities, properties, Contracts and prospects of the Company and its Subsidiaries and (ii) in making its determination to proceed with the transactions contemplated hereby, Investor and the Investor Group have relied solely on the results of the Investor Group's own independent investigation and verification, and have not relied on and are not relying on any member of the Parent Group, any information, statements, disclosures, documents or other materials made available in the Data Room or to Investor or any of its Affiliates or its or their respective Representatives in connection with the Investor's acquisition or ownership of the Initial Investment or with such Representatives' service on the Board of the Company, the Projections or any other information (whether in written, electronic or oral form), except for the Express Representations. Without limiting the generality of the foregoing, Investor acknowledges and agrees, on its own behalf and on behalf of the Investor Group, that (A) the Projections are being provided solely for the convenience of Investor to facilitate its own independent investigation of the Company and its Subsidiaries, (B) there are uncertainties inherent in attempting to make such Projections, (C) Investor is familiar with such uncertainties and (D) Investor is taking full responsibility for making its own evaluation of the adequacy and accuracy of all Projections (including the reasonableness of the assumptions underlying such Projections).

(c) Except for the representations and warranties expressly contained in Article IV, each of the Company and Parent acknowledges and agrees, on behalf of itself and the Parent Group, that neither Investor nor any other Person on behalf of Investor makes, and none of the Company, Parent or any member of the Parent Group has relied on or is relying on the accuracy or completeness of, any other express or implied representation, warranty or statement of any kind or nature with respect to Investor or any Affiliate of Investor or with respect to any other information provided to the Company and Parent by Investor or any of its Affiliates.

ARTICLE IX

CERTAIN TAX MATTERS

Section 9.1 Transfer Taxes. At the Closing or, if due thereafter, promptly when due, all transfer Taxes, real property transfer Taxes, sales Taxes, use Taxes, stamp Taxes, conveyance Taxes and any other similar Taxes applicable to, arising out of or imposed upon the sale of the Purchased Interests hereunder (collectively, "Transfer Taxes") shall be borne and paid by Investor. Investor shall prepare all necessary documentation and Tax Returns with respect to such Transfer Taxes, and Parent and the Company shall reasonably cooperate with Investor in the preparation and filing of such Tax Returns.

ARTICLE X
MISCELLANEOUS

Section 10.1 Press Releases and Communications. No press release or public announcement related to this Agreement (including any of the terms of this Agreement) or the transactions contemplated hereby (including any press release or other public announcement disclosing the transaction consideration (or any other amounts related thereto)) shall be issued or made without the approval of each of the Parties, unless required by Law or stock exchange rules or regulations, in which case the other Parties shall have the right to review and comment on such press release or announcement prior to publication.

Section 10.2 Confidentiality. The Confidentiality Agreement shall survive the termination of this Agreement in accordance with its terms, and upon the Closing, the Confidentiality Agreement shall terminate in accordance with its terms.

Section 10.3 Expenses. Whether or not the Closing takes place, except as otherwise expressly provided herein (including Sections 5.3(a) and 9.1), each Party shall bear its own fees, costs and expenses (including fees, costs and expenses of Advisors) incurred in connection with the evaluation of the transactions contemplated hereby and with the negotiation of this Agreement and the other agreements contemplated hereby; provided, that Parent shall be responsible for all Company Transaction Expenses.

Section 10.4 Notices. Except as otherwise expressly provided herein, all notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (a) when personally delivered, (b) when transmitted by electronic mail (unless if transmitted after 5:00 p.m. Eastern time or other than on a Business Day, then on the next Business Day) to the address specified

below in which case such notice shall be deemed to have been given when the recipient transmits manual written acknowledgment of successful receipt, which the recipient shall have an affirmative duty to furnish promptly after successful receipt, (c) sent by internationally-recognized courier, in which case it shall be deemed to have been given at the time of actual recorded delivery, or (d) the third Business Day following the day on which the same is sent by certified or registered mail, postage prepaid, in each case, to the respective Party at the number, electronic mail address or street address, as applicable, set forth below, or at such other number, electronic mail address or street address as such Party may specify by written notice to the other Party.

Notices to Investor:

North American Transmission Company II L.P.
c/o Brookfield Infrastructure Group
1200 Smith Street, Suite 640
Houston, Texas 77002
Attention: Fred Day
Email: fred.day@brookfield.com

with a copy to (which shall not constitute notice):

Skadden, Arps, Slate, Meagher & Flom LLP
1000 Louisiana, Suite 6800
Houston, Texas 77002
Attention: Eric Otness
Email: eric.otness@skadden.com

Notices to Parent or the Company:

FirstEnergy Corp.
76 South Main St.
Akron, Ohio 44308
Attention: David W. Pinter
Email: dpinter@firstenergycorp.com

with copies to (which shall not constitute notice):

Jones Day
901 Lakeside Ave.
Cleveland, Ohio 44114
Attention: Peter Izanec; George Hunter
Email: peizanec@jonesday.com; ghunter@jonesday.com

Section 10.5 Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted

assigns; provided, that (a) neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned or delegated without the prior written consent of all of the Parties (other than the right of NATFinCo to acquire certain of the Purchased Interests at the Closing, which right Investor may assign to NATFinCo), and (b) this Agreement shall not be assignable unless such prior written consent is so obtained, and any attempted or purported assignment hereof in the absence of such prior written consent shall be void *ab initio*.

Section 10.6 Amendment and Waiver. Any provision of this Agreement or the Disclosure Schedules or exhibits hereto may be (a) amended only in a writing signed by the Company, Investor and Parent or (b) waived only in a writing executed by the Person against which enforcement of such waiver is sought. No waiver of any provision hereunder or any breach or default thereof shall extend to or affect in any way any other provision or prior or subsequent breach or default. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Notwithstanding anything to the contrary contained herein, Sections 5.6, 10.7, 10.12(b), 10.14(b), 10.14(c) and this sentence of Section 10.6 (and any other provision of this Agreement to the extent an amendment, supplement, waiver or other modification of such provision would modify the substance of such provision) may not be amended, supplemented, waived or otherwise modified in any manner that is adverse in any respect to the Financing Sources without the prior written consent of the Financing Sources.

Section 10.7 Third Party Beneficiaries; Non-Recourse

(a) Except as otherwise expressly provided herein, nothing expressed or referred to in this Agreement shall be construed to give any Person other than the Parties any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement, except that the Financing Sources, if any, shall be express third party beneficiaries of Sections 10.7, 10.12(b), 10.14(b), 10.14(c) and the last sentence of Section 10.6, in each case, to the extent contemplated thereby.

(b) This Agreement may only be enforced against, and any claim, action, suit, proceeding or investigation based upon, arising out of or related to this Agreement may only be brought against, the Persons that are expressly named as parties to this Agreement. Except to the extent named as a party to this Agreement, and then only to the extent of the specific obligations of such Parties set forth in this Agreement, no past, present or future shareholder, member, partner, manager, director, officer, employee, Affiliate, agent or Advisor of any Party, the Company or any Subsidiary of the Company shall have any liability (whether in contract, tort, equity or otherwise or by or through theories of equity, agency, control, instrumentality, alter ego, domination, sham, single business enterprise, piercing the veil, undercapitalization or any other attempt to avoid or disregard the entity form of any Person not a Party) for any of the representations, warranties, covenants, agreements or other obligations or Liabilities of any of the Parties or for any claim, action, suit, proceeding or investigation based upon, arising out of or related to this Agreement

Section 10.8 Severability. If any term, provision, covenant or restriction contained in this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against its regulatory policy, the remainder of the terms, provisions, covenants

and restrictions contained in this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and, to the extent permitted and possible, any invalid, void or unenforceable term shall be deemed replaced by a term that is valid and enforceable and that comes closest to expressing the intention of such invalid, void or unenforceable term.

Section 10.9 Construction. The language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Person. The headings of the sections and paragraphs of this Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions hereof.

Section 10.10 Disclosure Schedules. The Disclosure Schedules have been arranged for purposes of convenience in separately numbered sections corresponding to the sections of this Agreement. Any item or matter disclosed in any section or subsection of the Disclosure Schedules shall be deemed disclosed with respect to any other section or subsection of the Disclosure Schedules to the extent that the relevance of such item or matter to such other section or subsection is reasonably apparent on the face of such disclosure. The specification of any dollar amount or the inclusion of any item in the representations and warranties contained in this Agreement, the Disclosure Schedules or the attached exhibits is not intended to imply that the amounts, or higher or lower amounts, or the items so included, or other items, are or are not required to be disclosed (including whether such amounts or items are required to be disclosed as material or threatened) or are within or outside of the Ordinary Course of Business, and no Party shall use the fact of the setting of the amounts or the fact of the inclusion of any item in this Agreement, the Disclosure Schedules or exhibits in any dispute or controversy between the Parties as to whether any obligation, item or matter not set forth or included in this Agreement, the Disclosure Schedules or exhibits is or is not required to be disclosed (including whether the amount or items are required to be disclosed as material or threatened) or are within or outside of the Ordinary Course of Business. In addition, matters reflected in the Disclosure Schedules are not necessarily limited to matters required by this Agreement to be reflected in the Disclosure Schedules. Such additional matters are set forth for informational purposes only and do not necessarily include other matters of a similar nature. No information set forth in the Disclosure Schedules shall be deemed to broaden in any way the scope of the Parties' representations and warranties. Any description of any agreement, document, instrument, plan, arrangement or other item set forth on any Disclosure Schedule is a summary only and is qualified in its entirety by the terms of such agreement, document, instrument, plan, arrangement or item to the extent made available to Investor. The information contained in this Agreement, in the Disclosure Schedules and exhibits hereto is disclosed solely for purposes of this Agreement, and no information contained herein or therein shall be deemed to be an admission by any Party to any third party of any matter whatsoever, including any violation of Law or breach of contract.

Section 10.11 Complete Agreement. This Agreement, together with the Confidentiality Agreement and any other agreements expressly referred to herein or therein, contains the entire agreement of the Parties respecting the sale and purchase of the Purchased Interests and the transactions contemplated hereby and supersedes all prior agreements among the Parties respecting the sale and purchase of the Purchased Interests.

Section 10.12 Specific Performance; No Recovery of Judgment Against Financing Sources.

(a) The Parties agree that irreparable damage, for which monetary relief, even if available, may not be an adequate remedy, may occur in the event that any provision of this Agreement is not performed in accordance with its specific terms or is otherwise breached, including if any Party fails to take any action required of it hereunder to consummate the transactions contemplated hereby. It is accordingly agreed that (a) the Parties shall be entitled to seek an injunction or injunctions, specific performance or other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in the courts described in Section 10.13 without proof of damages or otherwise, this being in addition to any other remedy to which they are entitled under this Agreement, and (b) the right of specific performance and other equitable relief is an integral part of the transactions contemplated hereby, and without that right, none of the Parties would have entered into this Agreement. The Parties acknowledge and agree that any Party pursuing an injunction or injunctions or other Order to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in accordance with this Section 10.12 shall not be required to provide any bond or other security in connection with any such Order. The remedies available to the Parties pursuant to this Section 10.12 shall be in addition to any other remedy to which they may be entitled at law or in equity, and the election to pursue an injunction or specific performance shall not restrict, impair or otherwise limit any Party from seeking to collect or collecting damages; provided, however, that in no event shall a Party be entitled to both specific performance and the collection of damages. Each of the Parties agrees that it shall not oppose the granting of an injunction, specific performance and other equitable relief on the basis that any other Party has an adequate remedy at law or that any award of specific performance is not an appropriate remedy for any reason at law or in equity. If, prior to the Outside Date, any Party brings any action, in each case in accordance with Section 10.13, to enforce specifically the performance of the terms and provisions hereof by any other Party, the Outside Date shall, solely for the benefit of the Party or Parties seeking relief and not for the benefit of the other Parties, automatically be extended (i) for the period during which such action is pending, plus 10 Business Days or (ii) by such other time period established by the court presiding over such action, as the case may be. The Parties further agree that nothing set forth in this Section 10.12 shall require any Party to institute any action for (or limit any Party's right to institute any action for) specific performance under this Section 10.12 prior or as a condition to exercising any termination right under Article VII (and pursuing available remedies, including damages, after such termination).

(b) In no event shall Parent or the Company be entitled to seek or obtain any recovery or judgment against the Financing Sources, including for any type of damage relating to this Agreement or the transactions contemplated hereby, whether at law or in equity, in contract, in tort or otherwise. No Financing Source shall be subject to any special, consequential, punitive or indirect damages or damages of a tortious nature under this Agreement.

Section 10.13 Jurisdiction and Exclusive Venue. Each of the Parties irrevocably agrees that any claim, action, suit, investigation or proceeding of any kind whatsoever, including a counterclaim, cross-claim or defense, regardless of the legal theory under which such liability or obligation may be sought to be imposed, whether sounding in contract or tort, or whether at law or in equity, or otherwise under any legal or equitable theory, that may be based upon, arising out

of or related to this Agreement or the negotiation, execution or performance of this Agreement and the transactions contemplated hereby brought by any other Party or its successors or assigns shall be brought and determined only in the Delaware Chancery Court and any state court sitting in the State of Delaware to which an appeal from the Delaware Chancery Court may be validly taken (or, if the Delaware Chancery Court declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware), and each of the Parties hereby irrevocably submits to the exclusive jurisdiction of the aforesaid courts for itself and with respect to its property, generally and unconditionally, with regard to any such claim, action, suit, proceeding or investigation arising out of or relating to this Agreement and the transactions contemplated hereby. Each of the Parties agrees not to commence any claim, action, suit, proceeding or investigation relating thereto except in the courts described above in Delaware, other than actions in any court of competent jurisdiction to enforce any judgment, decree or award rendered by any such court in Delaware as described herein, and no Party shall file a motion to dismiss any action filed in a state or federal court in the State of Delaware, on any jurisdictional or venue-related grounds, including the doctrine of *forum non conveniens*. The Parties irrevocably agree that venue would be proper in any of the courts in Delaware described above, and hereby irrevocably waive any objection that any such court is an improper or inconvenient forum for the resolution of such suit, action or proceeding. Each of the Parties further irrevocably and unconditionally consents to service of process in the manner provided for notices in Section 10.4. Nothing in this Agreement shall affect the right of any Party to serve process in any other manner permitted by applicable Law.

Section 10.14 Governing Law; Waiver of Jury Trial.

(a) This Agreement, and any claim, action, suit, investigation or proceeding of any kind whatsoever, including a counterclaim, cross-claim or defense, regardless of the legal theory under which such liability or obligation may be sought to be imposed, whether sounding in contract or tort, or whether at law or in equity, or otherwise under any legal or equitable theory, that may be based upon, arising out of or related to this Agreement or the negotiation, execution or performance of this Agreement or the transactions contemplated hereby shall be governed by and construed in accordance with the internal Laws of the State of Delaware applicable to agreements executed and performed entirely within such State without regard to conflicts of law principles of the State of Delaware or any other jurisdiction that would cause the Laws of any jurisdiction other than the State of Delaware to apply.

(b) Notwithstanding anything herein to the contrary and without limiting Section 10.12(b), each Seller Related Party and each of the other Parties agrees that it will not bring or support any action, cause of action, claim, cross-claim or third-party claim of any kind or description, whether in law or in equity, whether in Contract or in tort or otherwise, against the Financing Sources in any way relating to this Agreement or any of the transactions contemplated by this Agreement, including any dispute arising out of or relating in any way to the Debt Financing or the performance thereof or the transactions contemplated thereby, in any forum other than exclusively in the Supreme Court of the State of New York, County of New York, or, if under applicable Law exclusive jurisdiction is vested in the federal courts, the United States District Court for the Southern District of New York (and appellate courts thereof).

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY, PROCEEDING, COUNTERCLAIM OR ACTION (WHETHER BASED ON

CONTRACT, TORT OR OTHERWISE) THAT MAY ARISE UNDER THIS AGREEMENT, THE DOCUMENTS AND AGREEMENTS CONTEMPLATED HEREBY AND THE TRANSACTIONS CONTEMPLATED HEREBY, IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND THEREFORE HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY CLAIM, ACTION, SUIT, INVESTIGATION OR PROCEEDING BASED ON, ARISING OUT OF OR RELATED TO THIS AGREEMENT, ANY DOCUMENT OR AGREEMENT CONTEMPLATED HEREBY OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY, WHETHER BASED ON CONTRACT, TORT OR ANY OTHER LEGAL OR EQUITABLE THEORY. EACH OF THE PARTIES AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR PROCEEDING SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES TO THE IRREVOCABLE WAIVER OF THEIR RIGHT TO TRIAL BY JURY. EACH PARTY (I) CERTIFIES THAT NO ADVISOR OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.14.

Section 10.15 No Right of Set-Off. Each Party, on its own behalf and on behalf of its successors and permitted assigns, hereby waives any rights of set-off, retention, netting, offset, recoupment or similar rights that such Party or any of its respective successors and permitted assigns has or may have with respect to any payments to be made by such Party pursuant to this Agreement or any other document or instrument delivered by or on behalf of such Party in connection herewith.

Section 10.16 Counterparts. This Agreement may be executed in counterparts, and any Party may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute one and the same instrument. This Agreement shall become effective when each Party shall have received a counterpart hereof signed by the other Parties. The Parties agree that the delivery of this Agreement, and any other agreements and documents at the Closing, may be effected by means of an exchange of facsimile or electronically transmitted signatures.

Section 10.17 Definitions. As used in this Agreement, the following terms shall have the meanings ascribed to them below:

"A&R Operating Agreement" means the Fourth Amended and Restated Limited Liability Company Agreement of the Company, by and among the Company, Parent and Investor, to be executed, subject to the terms and conditions hereof, on the Closing Date, substantially in the form attached hereto as Exhibit A (as such form may be modified from time to time (without requiring any separate amendment to this Agreement) pursuant to the mutual agreement of the Parties as contemplated in Section 5.2(f)).

"Advisors" means, with respect to any Person, the accountants, attorneys, consultants, advisors, investment bankers or other representatives of such Person.

"Affiliate" of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, Contract or otherwise, and (i) with respect to Investor, the Guarantors and the Co-Investors, shall (for the avoidance of doubt) be deemed to exclude the Company or any of its Subsidiaries and (ii) with respect to the Company and its Subsidiaries, shall (for the avoidance of doubt) be deemed to exclude Investor, the Guarantors, the Co-Investors, or any of such Persons' respective Affiliates.

"Affiliate Contract" means, means, as may be amended from time to time, (i) that certain Service Agreement among FirstEnergy Service Company, certain Affiliates of the Parent and the Company, dated February 25, 2011, (ii) that certain Fifth Amended and Restated Non-Utility Money Pool Agreement among FirstEnergy Service Company, the Parent and certain non-utility Affiliates of the Parent, dated December 13, 2013, (iii) that certain Second Revised and Restated Utility Money Pool Agreement among FirstEnergy Service Company, the Parent and certain Affiliates of the Parent, dated January 31, 2017, (iv) that certain Revised Amended and Restated Mutual Assistance Agreement among certain Affiliates of the Parent and the Company and its Subsidiaries, dated January 31, 2017, (v) that certain Service Agreement among FirstEnergy Service Company, certain Affiliates of the Parent and certain Subsidiaries of the Company, dated January 31, 2017, (vi) that certain Income Tax Allocation Agreement among the Parent, certain Affiliates of the Parent and the Company and its Subsidiaries, dated January 26, 2023, (vii) ground leases between certain of the Company's Subsidiaries and Affiliates in the FE Outside Group, and (viii) (A) interconnection agreements, (B) operating agreements with respect to shared, co-located, or co-owned facilities and assets, and (C) other wholesale agreements entered into by the Company's Subsidiaries in the Ordinary Course of Business consistent with Good Utility Practice.

"Affiliate Guidelines" has the meaning set forth in Section 2.18(a).

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

"Ancillary Real Property" means all real property to which the Company or any of its Subsidiaries has rights pursuant to an easement, right of way, license, crossing agreement or other similar Contract for real property rights that are material to the Company or any of its Subsidiaries and their respective businesses.

"Ancillary Real Property Agreement" means each Contract pursuant to which rights in Ancillary Real Property are granted or otherwise provided to the Company or any of its Subsidiaries, together with all amendments, supplements and modifications relating thereto.

"Anti-Corruption Laws" means any Law concerning or relating to bribery or corruption imposed, administered or enforced by any Governmental Body.

"Anti-Money Laundering Laws" means any Law concerning or relating to money laundering, any predicate crime to money laundering or any record keeping, disclosure or reporting

requirements related to money laundering imposed, administered or enforced by any Governmental Body.

"Assignment and Assumption Agreement" has the meaning set forth in Section 1.4(d).

"Balance Sheet Date" has the meaning set forth in Section 2.6(a).

"Bankruptcy and Equity Exception" has the meaning set forth in Section 2.1(d).

"Benefit Plan" means (a) all "employee benefit plans," as defined in Section 3(3) of ERISA, whether or not subject to ERISA and (b) all plans, contracts, agreements, programs or arrangements of any kind (whether written or oral, qualified or nonqualified, funded or unfunded, foreign or domestic) providing for workers' compensation, supplemental unemployment benefits, severance, terms of employment, salary continuation, retention, retirement, pension, life, health, disability or accident benefits or for deferred compensation, bonuses, stock options, stock appreciation rights, phantom stock or other forms of incentive compensation, profit sharing or post retirement insurance, compensation or benefits.

"Board Observer" has the meaning set forth in the A&R Operating Agreement.

"Business Day" means any day other than a Saturday, Sunday or a day on which banking institutions located in New York, New York are closed generally.

"CFIUS" means the Committee on Foreign Investment in the United States, or any member agency thereof acting in its capacity as a member agency.

"CFIUS Clearance" means, after submission of a filing by the parties with respect to the transactions contemplated hereby in accordance with the requirements of the CFIUS Regulations: (a) that the parties shall have received written notice from CFIUS that the transactions contemplated hereby are not a "covered transaction" within the meaning of the CFIUS Regulations, (b) the parties shall have received written notice from CFIUS that it has concluded its review or investigation, as applicable, of the transactions contemplated hereby, determined that there are no unresolved national security concerns with respect to the transactions contemplated hereby, and concluded all action under the CFIUS Regulations, (c) that CFIUS is not able to complete action under section 721 and has notified the Parent, the Company, and Investor that they may file a written notice under 31 C.F.R. Part 800 or (d) if CFIUS has sent a report to the President of the United States (the "President") requesting the President's decision with respect to the transactions contemplated hereby, either (i) the President has announced a decision not to take any action to suspend, prohibit or place any limitations on the transactions contemplated hereby, or (ii) the time permitted under the CFIUS Regulations for the President to take action to suspend or prohibit the transactions contemplated hereby has lapsed.

"CFIUS Regulations" means Section 721 of Title VII of the Defense Production Act of 1950, as amended (50 U.S.C. § 4565), and all applicable rules and regulations issued and effective thereunder.

"Closing" has the meaning set forth in Section 1.3.

"Closing Date" has the meaning set forth in Section 1.3.

"Co-Investor Rights" means (i) all of the rights contained in Sections 8.1 and 8.2 of the A&R Operating Agreement and (ii) for so long as Investor is entitled under the A&R Operating Agreement to appoint one or more Board Observer(s), the right to appoint any such Board Observer(s).

"Co-Investors" has the meaning set forth on Investor Disclosure Schedule 10.17(c).

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

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

"Company Closing Failure" has the meaning set forth in Section 7.1(d).

"Company Service Provider" has the meaning set forth in Section 2.13(c).

"Company Transaction Expenses" means, the legal, accounting, financial advisory, and other advisory, transaction or consulting fees and expenses incurred by the Company or any of its Subsidiaries (whether accrued or otherwise) in connection with the transactions contemplated by this Agreement.

"Confidentiality Agreement" means that certain Confidentiality Agreement between Parent and Brookfield Infrastructure Group L.P., dated as of November 3, 2022.

"Consolidation Filings" has the meaning set forth in Section 5.10(a).

"Contract" means any written agreement, arrangement, commitment, indenture, instrument, purchase order, license or other binding agreement.

"Data Room" means that certain "Project Hemera" datasite administered by SecureDocs.

"Debt Financing" has the meaning set forth in Section 5.6(a).

"Disclosure Schedules" has the meaning set forth in Article II.

"DPA" means the three-year Deferred Prosecution Agreement entered into by Parent with the Southern District of Ohio, dated July 20, 2021.

"Draft Voluntary Notice" has the meaning set forth in Section 5.3(d).

"Emergency Situation" means, with respect to the business of the Company and its Subsidiaries, any abnormal system condition or abnormal situation requiring immediate action to maintain system frequency, loading within acceptable limits or voltage or to prevent loss of firm load, material equipment damage or tripping of system elements that would reasonably be expected to materially and adversely affect reliability of an electric system or any other occurrence or condition that otherwise requires immediate action to prevent an immediate and material threat to the safety of Persons or the operational integrity of the assets and business of the Company or its Subsidiaries or any other condition or occurrence requiring prompt implementation of

emergency procedures as defined by the applicable transmission grid operator or transmitting utility.

"Environmental Laws" means all applicable Laws concerning (a) the presence, use, production, generation, handling, labeling, transportation, treatment, recycling, storage, disposal, emission, discharge, Release, threatened Release, control or cleanup of Hazardous Substances, (b) public or worker/occupational health and safety (in each case to the extent related to exposure to Hazardous Substances), (c) pollution or (d) the preservation or protection of the environment or natural resources.

"Equity Financing" has the meaning set forth in Section 5.6(a).

"Equity Interest" means any stock, partnership interest, membership interest, joint venture interest or other equity ownership interest.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means, with respect to any Person, any other Person that is, or was at the relevant time, a member of a group described in Section 414(b), (c), (m) or (o) of the Code or Section 4001 of ERISA that includes or included the first Person, or any Person that is, or was at the relevant time, a member of the same "controlled group" as the first Person pursuant to Section 4001(a)(14) of ERISA.

"Existing Indebtedness" means the Indebtedness set forth on Schedule 10.17(d).

"Express Representations" has the meaning set forth in Section 8.2(a).

"Extraordinary Event Response" means any action otherwise prohibited by Section 5.1 to the extent determined in good faith by the Company or such Subsidiary to be reasonably necessary to avoid or mitigate a material risk of immediate physical injury to any human Person.

"FET Burdensome Condition" means any requirement(s) or condition(s) that, individually or in the aggregate, (i) adversely impacts the Company and its Subsidiaries, taken as a whole and including after giving effect to the MAIT Class B Contribution, in an amount in excess of $75,000,000 (determined on a Net Present Value basis), or (ii) requires the holding separate, license, sale or divestiture of the assets of the Company or any of its Subsidiaries, including after giving effect to the MAIT Class B Contribution, which assets have a fair market value in excess of $75,000,000 or (iii) otherwise has a material adverse impact on the Company and its Subsidiaries taken as a whole.

"Final Notice" has the meaning set forth in Section 5.3(d).

"Financial Statements" has the meaning set forth in Section 2.6(a).

"Financing Information" means all information with respect to the business, operations, financial condition, projections and prospects of the Company or any of its Subsidiaries as may be reasonably required by the Financing Sources, including (a) financial statements, and (b) such other information relating to the Company and its subsidiaries as is reasonably requested in

connection with the Debt Financing, in each case, to enable Investor to prepare pro forma financial statements to the extent customary and reasonably required pursuant to the Debt Financing and to the extent reasonably available and prepared in past practice.

"Financing Sources" means the agents, arrangers, lenders and other entities that may commit to provide or arrange or otherwise enter into agreements in connection with all or any part of the Debt Financing in connection with the transactions contemplated hereby, including the parties to any joinder agreements, indentures or credit agreements entered into in connection therewith, together with their respective Affiliates and their and their respective Affiliates' officers, directors, employees, controlling persons, agents and representatives and their respective successors and assigns. For the avoidance of doubt, in no event will any Party hereto be deemed to constitute a "Financing Source," it being understood that the provisions herein referring to Financing Sources (or to their Affiliates or other related persons) shall not apply in any way to the Parties.

"FPA " has the meaning set forth in Section 2.19(c).

"Fraud" means an act, committed by a Person, with intent to deceive another Person, or to induce such Person to enter into this Agreement, or otherwise act or refrain from acting, and requires (a) the making of a false Express Representation in Article II (in the case of the Company), or Article III (in the case of Parent) or Article IV (in the case of Investor), in the Disclosure Schedules or in any certificate delivered pursuant to this Agreement by the applicable Party; (b) with knowledge that such Express Representation is false; (c) with an intention to induce reliance by the Party to whom such Express Representation is made; and (d) justifiable reliance by the Party to whom the representation is made on such Express Representation; provided, however, that any reckless or similar misrepresentation of a material fact will not be deemed "Fraud" for purposes of this Agreement or any other agreements, instruments or certificates to be entered into or delivered by the Parties pursuant to the terms of this Agreement, it being the intention of the Parties that "reckless fraud" and other forms of constructive fraud shall not constitute "Fraud" for any purpose under this Agreement.

"Fundamental Representations" means the representations and warranties set forth in Section 2.1(a) (*Formation and Power; Authorization*), Section 2.2 (*Subsidiaries*), Section 2.5 (*Equity Interests*), Section 2.21 (*Broker Fees*), Section 3.1 (*Formation and Power*), Section 3.2 (*Authorization*), Section 3.4 (*Title to the Purchased Interests*), Section 3.8 (*Broker Fees*), Section 4.1 (*Organization and Power*), Section 4.2 (*Authorization*), Section 4.6 (*Broker Fees*), Section 4.8 (*Financial Capability*) and Section 4.9 (*No Fraudulent Conveyance*).

"GAAP" has the meaning set forth in Section 2.6(a).

"Good Utility Practice" means (a) any of the practices, methods and acts engaged in or approved by a significant portion of the electricity transmission industry operating in the United States during the relevant time period or (b) any of the practices, methods or acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with applicable Law, good business practices, reliability, safety and expedience. Good Utility Practice is not intended to be limited to optimum practices, methods or acts to the exclusion of all others,

but rather to be acceptable practices, methods or acts generally accepted in the United States of the performance of such practice, method or act.

"Governmental Body" means any national, foreign, federal, state, local, municipal or other governmental authority of any nature (including any division, department, agency, commission or other regulatory body thereof) and any court or arbitral tribunal.

"Guaranteed Obligations" has the meaning set forth in Section 5.5.

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

"Hazardous Substances" means any pollutant, contaminant or hazardous or toxic substance, material or waste, including petroleum, petroleum byproducts and all derivatives thereof, asbestos, per- or polyfluoroalkyl substances, polychlorinated biphenyls, explosive substances or pesticides, regulated by, defined under or that would reasonably be expected to give rise to liability under Environmental Laws.

"Indebtedness" means, with respect to any Person, (a) all indebtedness of such Person, whether or not contingent, for borrowed money or in respect of any loans or advances, (b) all other indebtedness of such Person evidenced by bonds, debentures, notes or other similar instruments or debt securities (excluding trade account payables constituting short term Liabilities under GAAP), (c) any obligation of such Person evidenced by any letter of credit or bankers' acceptance (whether or not drawn), (d) any accrued interest, premiums, penalties, related expenses, commitment and other fees, sale or liquidity participation amounts, reimbursements, indemnities and other obligations relating to the foregoing and (e) all indebtedness of others referred to in clause (a) through (d) above guaranteed directly or indirectly in any manner by such Person.

"Initial Investment" has the meaning set forth in the Recitals.

"Initial PSA" has the meaning set forth in the Recitals.

"Intellectual Property" means all of the following: (a) patents, patent applications and patent disclosures; (b) trademarks, service marks, trade dress, corporate names and Internet domain names, together with all goodwill associated with each of the foregoing; (c) copyrights; (d) registrations and applications for any of the foregoing; (e) trade secrets; (f) computer software; (g) drawings, schematics and other technical plans; and (h) all other intellectual property.

"Interim Period" has the meaning set forth in Section 5.1(a).

"Interim Period Contract" means any Contract entered into by the Company or any of its Subsidiaries during the Interim Period that would have been required to be set forth on Schedule 2.10 had such Contract been entered into as of the date of this Agreement.

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

"Investor Burdensome Condition" means any requirement or condition (A) requiring (i) the holding separate, license, sale or divestiture of any businesses or assets of Investor or any Affiliate of Investor or (ii) any limitation on conduct or actions of Investor or any Affiliate of

Investor (other than with respect to identified matters of national security related to the Company or any of its Subsidiaries), that, in either such case, materially adversely impacts the existing businesses and operations of Investor or such Affiliate of Investor, (B) that materially adversely impacts, or otherwise materially impairs, the benefits (including economic benefits, governance rights or information rights) contemplated to be received by Investor or any of its Affiliates in connection with the transactions contemplated hereby, or (C) to commence or participate in any action, suit or other litigation proceeding that contests (x) the final decision of any Governmental Body not to grant a Regulatory Approval or (y) the final decision of any Governmental Body to grant a Regulatory Approval that contains an FET Burdensome Condition, an Investor Burdensome Condition (without giving effect to this clause (C)), or a Parent Burdensome Condition (it being understood that the initiation of and participation in proceedings in connection with or arising from the Parties' efforts to obtain a Regulatory Approval generally, in the absence of a final decision from a Governmental Body that would cause the conditions in Section 6.2(a) or Section 6.3(a) to not be satisfied, shall not constitute an Investor Burdensome Condition).

"Investor Closing Failure" has the meaning set forth in Section 7.1(f).

"Investor Disclosure Schedule" has the meaning set forth in Article IV.

"Investor Group" means Investor and Brookfield Super-Core Infrastructure Partners L.P., together with its controlled investment vehicles (excluding, for the avoidance of doubt, after the Closing, the Company and its Subsidiaries) and each of their respective former, current or future officers, directors, employees, partners, members, managers, agents, successors or permitted assigns.

"IRS" means the United States Internal Revenue Service.

"IT Systems" means all material information systems, including material electronic data processing, information, recordkeeping, communications, telecommunications, account management, inventory management and other computer systems (including all computer programs, software, databases, firmware, hardware and related documentation) to the extent used by or on behalf of the Company or any of its Subsidiaries in the conduct of the business of the Company or any of its Subsidiaries.

"knowledge of Investor" means the actual knowledge (as opposed to any constructive or imputed knowledge) of Eduardo Salgado and Natalie Hadad, in each case after reasonable due inquiry.

"knowledge of Parent" means the actual knowledge (as opposed to any constructive or imputed knowledge) of Hyun Park, Antonio Fernandez, Samuel Belcher, Olenger Pannell, Carl Bridenbaugh and Mark Mroczynski, in each case after reasonable due inquiry.

"knowledge of the Company" means the actual knowledge (as opposed to any constructive or imputed knowledge) of Milorad Pokrajac, Olenger Pannell, Carl Bridenbaugh and Mark Mroczynski, in each case after reasonable due inquiry.

"Law" means any law (statutory, common or otherwise), rule, regulation, code or ordinance enacted, adopted, promulgated or applied by any Governmental Body.

"Leased Real Property" means all land, buildings, structures, improvements or other real property material to the Company or any of its Subsidiaries and their respective businesses, other than Ancillary Real Property or Owned Real Property, which the Company or any of its Subsidiaries has the right to use pursuant to leases, subleases or other similar Contracts.

"Leases" means any Contract pursuant to which any Leased Real Property is leased, subleased, licensed or occupied, together with all modifications, amendments, extensions, guarantees, assignments and supplement thereto, other than Ancillary Real Property Agreements.

"Liabilities" has the meaning set forth in Section 2.6(b).

"Liens" means all liens, encumbrances, mortgages, deeds of trust, leases, subleases, licenses, sublicenses, pledges, security interests, hypothecations, options, right-of-way, servitude, easements, encroachments, conditional or contingent sales or other title retention agreements, defects in title, charges, claims, proxy, voting trust or transfer restrictions, including rights of first refusal, rights of first offer or preemptive rights, under any stockholder or similar agreement or Organizational Document, and in each case, including any contract to give any of the foregoing in the future.

"Losses" has the meaning set forth in Section 5.2(b).

"MAIT Class B Contribution" means the contribution of the Class B interests of Mid-Atlantic Interstate Transmission, LLC from Parent to the Company, in consideration for the issuance of Special Purpose Membership Interests (as such term is defined in the A&R Operating Agreement) as contemplated in the A&R Operating Agreement.

"MAIT Reorganization Plan" means slides six (6) and fifteen (15) of the reorganization plan attached hereto as Schedule 10.17(a).

"Material Adverse Effect" means any change, circumstance, development, state of facts, effect or condition that, individually or in the aggregate, with any such other changes, circumstances, developments, states of facts, effects or conditions, is or would reasonably be expected to have a material adverse effect on the business, operations, assets or financial condition or operating results of the Company and its Subsidiaries, taken as a whole; provided, that none of the following, either alone or taken together with other changes, circumstances, developments, states of facts, effects or conditions, shall constitute, or be taken into account in determining whether there has been or would be expected to be, a Material Adverse Effect: (a) changes in, or effects arising from or relating to, general business or economic conditions affecting the industry in which Parent, the Company and its Subsidiaries operate; (b) changes in, or effects arising from or relating to, national or international political or social conditions, including the engagement by any country in hostilities or the escalation thereof, whether or not pursuant to the declaration of a national emergency or war, or the occurrence or the escalation of any military, cyber or terrorist attack upon any country, or any of its territories, possessions or diplomatic or consular offices or upon any military installation, asset, equipment or personnel of any country; (c) changes in, or effects arising from or relating to, financial, banking or securities markets (including (i) any disruption of any of the foregoing markets, (ii) any change in currency exchange rates, (iii) any decline or rise in the price of any security, commodity, contract or index and (iv) any increased

cost, or decreased availability, of capital or pricing or terms related to any financing for the transactions contemplated hereby); (d) changes in, or effects arising from or relating to changes in, GAAP; (e) changes in, or effects arising from or relating to changes in, Laws, Orders or other binding directives or determinations issued or made by or agreements with or consents of any Governmental Body (including any such items related to Section 5.2); (f) changes or effects arising from or relating to (i) the taking of any action expressly permitted or expressly contemplated by this Agreement or at the written request of Investor or its Affiliates, (ii) the failure to take any action if such action is expressly prohibited by this Agreement or (iii) the announcement of this Agreement or the transactions contemplated hereby or the identity, nature or ownership of Investor, including the impact thereof on the relationships, contractual or otherwise, of the Company or any of its Subsidiaries with employees, customers, lessors, suppliers, vendors or other commercial partners; (g) strikes, work stoppages or other labor disputes; (h) any failure, in and of itself, to achieve any budgets, projections, forecasts, estimates, plans, predictions, performance metrics or operating statistics or the inputs into such items (but not the underlying causes of any such failure to the extent such underlying cause is not otherwise excluded from the definition of Material Adverse Effect); (i) the effect of any action taken by Investor or its Affiliates with respect to the transactions contemplated hereby; (j) the matters expressly set forth on the Disclosure Schedules; or (k) any effects or consequences of, or Extraordinary Event Response to, any epidemic, pandemic or disease outbreak (including any coronavirus) or any civil protests, riots or other civil unrest, except in the case of the foregoing clause (a), (b), (c), (d) or (e), to the extent such changes or effects have a materially disproportionate impact on the Company and its Subsidiaries, taken as a whole, as compared to other market participants engaged in the same industry and geographic region.

"Material Contract" has the meaning set forth in Section 2.10(b).

"Membership Interests" means the outstanding membership interests of the Company.

"NATFinCo" has the meaning set forth in the preamble, and it is an indirect subsidiary of Brookfield Corporation and a direct or indirect equityholder of Investor, as evidenced by the Brookfield structure chart set forth on Schedule 10.17(b).

"Net Present Value" means the net present value of the aggregate future cash flows of FET and its Subsidiaries (taken as a whole, but without duplication) for the five-year period beginning January 1, 2024, discounted by the nominal annual discount rate of 5.75%.

"Note Guaranty" has the meaning set forth in Section 1.4(c).

"Order" means any order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, consent, approval, award, judgment, injunction, or other similar determination or finding by, before, or under the supervision of any Governmental Body.

"Ordinary Course of Business" with respect to a Person means the ordinary course of business of such Person, consistent with past practice (including, for the avoidance of doubt, past practice concerning the effects of any responses to COVID-19).

"Organizational Documents" means, with respect to any corporation, its articles or certificate of incorporation, memorandum or articles of association and by-laws or documents of

similar substance; with respect to any limited liability company, its articles of association, articles of organization or certificate of organization, formation or association and its operating agreement or limited liability company agreement or documents of similar substance; with respect to any limited partnership, its certificate of limited partnership and partnership agreement or documents of similar substance; and with respect to any other entity, documents of similar substance to any of the foregoing, in each case, including any member agreements, shareholders agreements, voting agreements or documents of similar substance relating to ownership or governance matters.

"Original Operating Agreement" has the meaning set forth in the Recitals.

"Outside Date" has the meaning set forth in Section 7.1(b)(i).

"Owned Real Property" means all real property owned by the Company or any of its Subsidiaries.

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

"Parent Burdensome Condition" means any requirement or condition that materially adversely impacts, or otherwise materially impairs, (i) the existing businesses and operations of Parent and its Affiliates (other than the Company or its Subsidiaries), or (ii) the benefits (including economic benefits) contemplated to be received by Parent or any of its Affiliates (other than the Company or its Subsidiaries) in connection with the transactions contemplated hereby (including, for the avoidance of doubt, in connection with the Pennsylvania Consolidation).

"Parent Group" means Parent, any Affiliate of Parent (excluding, for the avoidance of doubt, the Company and its Subsidiaries) and each of their respective former, current or future Affiliates, officers, directors, employees, partners, members, managers, agents, Advisors, successors or permitted assigns.

"Parent Note" has the meaning set forth in Section 1.2.

"Parent Note Amount" has the meaning set forth in Section 1.2.

"Parent SEC Reports" means the forms, reports, schedules, statements and other documents required to be filed or furnished under the U.S. Securities Exchange Act of 1934 filed or furnished with the U.S. Securities and Exchange Commission by Parent since January 1, 2021.

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

"Pennsylvania Consolidation" means the corporate restructuring of various of Parent's subsidiaries in the manner set forth on Schedule 10.17(a), including the distribution of the Class B interests of Mid-Atlantic Interstate Transmission, LLC from subsidiaries of Parent to Parent.

"Permits" has the meaning set forth in Section 2.17(a).

"Permitted Liens" means (a) Liens for Taxes not yet delinquent or for Taxes that the taxpayer is contesting in good faith through appropriate proceedings so long as adequate reserves are maintained in accordance with GAAP, (b) Liens of lessors, lessees, sublessors, sublessees,

licensors or licensees to the extent arising under and in accordance with the terms of the disclosed Leases arising or incurred in the Ordinary Course of Business, (c) Liens arising under the Existing Indebtedness, (d) mechanics Liens and similar Liens for labor, materials, or supplies relating to obligations as to which there is no breach or default on the part of the Company or any of its Subsidiaries, as the case may be, or the validity or amount of which is being contested in good faith through appropriate proceedings so long as adequate reserves are maintained on the Financial Statements in accordance with GAAP, (e) zoning, building codes, and other land use Laws regulating the use or occupancy of real property or the activities conducted thereon that are imposed by any Governmental Body having jurisdiction over such real property, in each case that do not adversely impact in any material respect the current use, occupancy or operation of the Owned Real Property or the Leased Real Property, and are not violated by the current use, occupancy or activity conducted thereon by the Company or any of its Subsidiaries, as applicable, which does not in any material respect affect the value or current use thereof, (f) easements, servitudes, covenants, conditions, restrictions, and other similar matters of record affecting title to any assets of the Company or any of its Subsidiaries and other title defects that do not or would not reasonably be expected to, individually or in the aggregate, materially impair the use or occupancy of such assets in the operation of the business of the Company and its Subsidiaries, (g) all matters set forth on title policies or surveys made available by or on behalf of the Parent Group to Investor other than those Liens that, individually or in the aggregate, impair in any material respect the current use or occupancy of the subject real property to which they relate, and (h) Liens arising under Laws of general applicability, other than to the extent such Liens arise from or relate to any applicable Person's failure to comply with any such Law.

"Personal Data" means any data or other information that, alone or in combination with other data or information, can be reasonably used to identify (directly or indirectly) an individual, household, computer or device, including any personally identifiable data (*e.g.*, name, address, phone number, email address, financial account number, payment card data, and government issued identifier).

"Persons" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a Governmental Body.

"Projections" has the meaning set forth in Section 8.2(a).

"Protected Parent Communications" has the meaning set forth in Section 5.9.

"Purchase Price" has the meaning set forth in Section 1.2(a).

"Purchased Interests" has the meaning set forth in the Recitals.

"Regulatory Approvals" means the CFIUS Clearance and each consent, approval or authorization of, permit or license issued or granted by, Order, waiver or exemption by, negative clearance from, or the expiration or early termination of any waiting period imposed by, any Governmental Body, in each case with respect to the Laws (or, as applicable, the Governmental Bodies) set forth on Schedule 10.17(e).

"Release" means any depositing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, migrating or other release of any Hazardous Substance into the environment.

"Representatives" means the directors, officers, employees, agents and Advisors of a Party.

"Restraint" has the meaning set forth in Section 6.1(a).

"Restricted Affiliate" means (i) Brookfield Super-Core Infrastructure Partners L.P., together with its controlled investment vehicles (excluding, for the avoidance of doubt, after the Closing, the Company and its Subsidiaries) and (ii) solely for the purpose of Section 5.3, Co-Investors.

"Sanctioned Country" means any country or territory that is subject to, or the target of, comprehensive Sanctions (as of the date of this Agreement, Crimea, Cuba, Iran, North Korea, Syria, and the so-called Donetsk People's Republic and Luhansk People's Republic).

"Sanctioned Person" means any individual or entity that is (or is directly or indirectly owned 50% or more or controlled by Persons that are): (a) the target of any Sanctions, or (b) located, organized or resident in a Sanctioned Country.

"Sanctions" means any sanctions imposed, administered or enforced from time to time by the U.S. Department of the Treasury's Office of Foreign Assets Control, the U.S. Department of State, the U.S. Department of Commerce, Her Majesty's Treasury, the United Nations, the European Union or any agency or subdivision of any of the foregoing, including any regulations, rules and executive orders issued in connection therewith.

"Schedule" has the meaning set forth in Article II.

"Second Investment" has the meaning set forth in the Recitals.

"Second Investment Filings" means the filings required to obtain the Regulatory Approvals (other than the Consolidation Filings) required for the Second Investment.

"Second Investment Governance Rights" means (i) all of the rights contained in Section 8.4 of the A&R Operating Agreement, and (ii) any other rights or privileges associated with Investor having at least a 30.0% Percentage Interest (as such term is defined in the A&R Operating Agreement) under the A&R Operating Agreement, in each case of (i) and (ii), that are not provided for in the other sections of the A&R Operating Agreement.

"Security Incident" means an occurrence that materially impairs the confidentiality, integrity or availability of any of the IT Systems or any material information that the IT Systems process, store or transmit.

"Seller Related Party" shall mean Parent, the Company and each of their respective Affiliates and their respective Affiliates' officers, directors, employees, controlling persons, agents and representatives.

"Subsidiary" means, with respect to any Person, any entity of which a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof or any partnership, association or other entity of which a majority of the partnership or other similar ownership interest is at the time owned or controlled, directly or indirectly, by such Person or one or more Subsidiaries of such Person or a combination thereof. For purposes of this definition, a Person is deemed to have a majority ownership interest in a partnership, limited liability company, association or other business entity if such Person is allocated a majority of the gains or losses of such partnership, limited liability company, association or other entity or is or controls the managing director, managing member or general partner of such partnership, limited liability company, association or other business entity.

"Surviving Provisions" has the meaning set forth in Section 7.2.

"Tax" or "Taxes" means (a) any federal, state, local, foreign or other income, gross receipts, capital stock, capital gains, franchise, profits, withholding, payroll, social security, unemployment, disability, real property, ad valorem/personal property, stamp, excise, occupation, sales, use, excise, escheat, unclaimed property, transfer, value added, import, export, alternative minimum, estimated or other tax, duty, assessment or governmental charge of any kind whatsoever, including any interest, penalty or addition thereto and (b) any amount described in clause (a) payable by reason of Contract, assumption, transferee or successor liability, operation of Law, Treasury Regulations Section 1.1502-6 or otherwise.

"Tax Return" means any return, claim for refund, report, election, form, statement or information return relating to Taxes, including any schedule or attachment thereto, and including any amendments thereof.

"Transactions" means the Second Investment and the Pennsylvania Consolidation, collectively.

"Transfer Taxes" has the meaning set forth in Section 9.1.

"Unaudited Financial Statements" has the meaning set forth in Section 2.6(a).

"Willful Breach" means a material breach or failure to perform that is the consequence of an act or omission of a Party, with the knowledge that the taking of, or failure to take, such act would, or would be reasonably expected to, cause a breach of this Agreement. For the avoidance of doubt, "Willful Breach" includes an Investor Closing Failure and a Company Closing Failure.

Section 10.18 Other Definitional Provisions. The following shall apply to this Agreement, the Disclosure Schedules and any other certificate, instrument, agreement or other document contemplated hereby or delivered hereunder.

(a) Accounting terms which are not otherwise defined in this Agreement have the meanings given to them under GAAP. To the extent that the definition of an accounting term defined in this Agreement is inconsistent with the meaning of such term under GAAP, the definition set forth in this Agreement shall control.

(b) The terms "hereof," "herein" and "hereunder" and terms of similar import are references to this Agreement as a whole and not to any particular provision of this Agreement. Section, clause, schedule and exhibit references contained in this Agreement are references to sections, clauses, schedules and exhibits in or to this Agreement, unless otherwise specified.

(c) Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." Where the context permits, the use of the term "or" shall be equivalent to the use of the term "and/or."

(d) When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a day other than a Business Day, the period in question shall end on the next succeeding Business Day.

(e) Words denoting any gender shall include all genders, including the neutral gender. Where a word is defined herein, references to the singular shall include references to the plural and vice versa.

(f) The word "will" will be construed to have the same meaning and effect as the word "shall." The words "shall," "will," or "agree(s)" are mandatory, and "may" is permissive.

(g) All references to "$" and dollars shall be deemed to refer to United States currency unless otherwise specifically provided.

(h) All references to a day or days shall be deemed to refer to a calendar day or calendar days, as applicable, unless otherwise specifically provided.

(i) Any document or item shall be deemed "delivered", "provided" or "made available" by Parent within the meaning of this Agreement and the Disclosure Schedules if such document or item (i) is included in the Data Room as of the close of business on February 1, 2023, immediately preceding the date hereof, or (ii) actually delivered or provided to Investor or any of its Advisors prior to the close of business on the Business Day immediately preceding the date hereof.

(j) Any reference to any Contract shall be a reference to such Contract, as amended, amended and restated, modified, supplemented or waived.

(k) Any reference to any particular Code section or any Law shall be interpreted to include any amendment to, revision of or successor to that section or Law regardless of how it is numbered or classified; provided, that, for the purposes of the representations and warranties contained herein, with respect to any violation of or non-compliance with, or alleged violation of or non-compliance, with any Code section or Law, the reference to such Code section or Law means such Code section or Law as in effect at the time of such violation or non-compliance or alleged violation or non-compliance.

[*signature pages follow*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered as of the date first above written.

PARENT:

FIRSTENERGY CORP.

By: _____
Name: K. Jon Taylor
Title: Senior Vice President, Chief Financial Officer, and Strategy

THE COMPANY:

FIRSTENERGY TRANSMISSION, LLC

By: _____
Name: Jason J. Lisowski
Title: Vice President and Controller

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered as of the date first above written.

INVESTOR:

NORTH AMERICAN TRANSMISSION COMPANY II L.P.

By: Brookfield Super-Core Infrastructure Partners GP LLC, its general partner
By: Brookfield Super-Core Infrastructure Partners GP of GP LLC, its manager

By: _____
Name: Fred Day
Title: Vice President

GUARANTORS:

BROOKFIELD SUPER-CORE INFRASTRUCTURE PARTNERS L.P.

By: Brookfield Super-Core Infrastructure Partners GP LLC, its general partner
By: Brookfield Super-Core Infrastructure Partners GP of GP LLC, its manager

By: _____
Name: Fred Day
Title: Vice President

BROOKFIELD SUPER-CORE INFRASTRUCTURE PARTNERS (NUS) L.P.

By: Brookfield Super-Core Infrastructure Partners GP LLC, its general partner
By: Brookfield Super-Core Infrastructure Partners GP of GP LLC, its manager

By: _____
Name: Fred Day
Title: Vice President

BROOKFIELD SUPER-CORE INFRASTRUCTURE PARTNERS (ER) SCSP

By: BSIP GP, S.À.R.L., its general partner

By: _____
Name: Carolina Parisi
Title: Manager

By: _____
Name: Luc Leroi
Title: Manager

NORTH AMERICAN TRANSMISSION FINCO L.P.

By: Brookfield Super-Core Infrastructure Partners GP LLC, its general partner
By: Brookfield Super-Core Infrastructure Partners GP of GP LLC, its manager

By: _____
Name: Fred Day
Title: Vice President

[redacted]

FORM

OF

FOURTH AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

OF

FIRSTENERGY TRANSMISSION, LLC

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FOURTH AMENDED & RESTATED LIMITED LIABILITY COMPANY AGREEMENT

This FOURTH AMENDED & RESTATED LIMITED LIABILITY COMPANY AGREEMENT (this "Agreement") of FirstEnergy Transmission, LLC (the "Company") is made and entered into as of [●] (the "Effective Date"), by and among the Company, FirstEnergy Corp., an Ohio corporation (the "FE Member") and North American Transmission Company II L.P. (formerly known as North American Transmission Company II LLC), a Delaware limited partnership (the "Investor Member"). The Company, the FE Member and the Investor Member are each sometimes referred to herein as a "Party" and, together, as the "Parties".

RECITALS

1. Immediately prior to the execution and delivery of the Third Amended and Restated Limited Liability Company Agreement of the Company, dated as of May 31, 2022 (the "Third A&R LLC Agreement"), the FE Member was the owner of 100% of the Membership Interests.

2. On November 6, 2021, the Company, the FE Member, the Investor Member and, solely for the purposes of Sections 5.5, 5.6(c) and 8.1(a) and Article X thereof, the Guarantors (as defined therein) entered into the Initial PSA.

3. On May 31, 2022, the Company, the FE Member, the Investor Member and the Guarantors closed the transactions contemplated under the Initial PSA, including the issuance to the Investor Member of Membership Interests constituting, at the time of such issuance, a 19.9% Percentage Interest.

4. On February 2, 2023, the Company, the FE Member, the Investor Member, solely for the purposes of Sections 5.5, 5.6(c) and 8.1(a) and Article X thereof, the Guarantors (as defined therein) and, solely for the limited purposes described therein, North American Transmission FinCo L.P., entered into a Purchase and Sale Agreement, pursuant to which the FE Member, concurrently with the execution and delivery of this Fourth A&R LLC Agreement, sold to the Investor Member Membership Interests constituting, at the time of such sale, a 30.0% Percentage Interest (the "Second PSA").

5. On the date hereof, substantially concurrently with but immediately following the consummation of the sale of the 30% Percentage Interest by the FE Member to the Investor Member described in the immediately preceding recital, the FE Member has contributed all of the MAIT Class B Interests held by the FE Member to the Company (the "MAIT Class B Contribution") and, in respect of the MAIT Class B Contribution, the Company has, concurrently with the execution and delivery of this Agreement, issued to the FE Member certain additional Membership Interests that, in accordance with the terms of this Agreement, shall be classified as Special Purpose Membership Interests.

6. The Parties desire to, and by the execution and delivery of this Agreement hereby do, amend and restate in its entirety the Third A&R LLC Agreement, in order to provide for, among other things, the rights and responsibilities of the Parties with respect to the governance,

financing and operation of the Company, and certain other matters relating to the business arrangements between the Parties with respect to the Company.

Therefore, in consideration of the mutual covenants and agreements contained in this Agreement and other good and valid consideration the receipt of which is hereby acknowledged by each Party, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I
GENERAL MATTERS

Section 1.1 Formation. The FE Member formed the Company as a limited liability company pursuant to the Act.

Section 1.2 Name. The name of the Company is "FirstEnergy Transmission, LLC".

Section 1.3 Purpose.

(a) The purpose of the Company is to engage in all lawful business for which limited liability companies may be formed under the Act and the Laws of the State of Delaware in furtherance of the following activities (the "Company Business"):

(i) making direct or indirect investments in, or directly or indirectly developing, constructing, commercializing, operating, maintaining or owning, electric transmission assets and facilities (including ownership of the Company's Subsidiaries);

(ii) undertaking any business activities presently conducted by the Company;

(iii) undertaking other activities that are eligible to earn recovery through cost-based transmission rates approved by FERC; and

(iv) engaging in such other activities as the Board deems necessary, convenient or incidental to the conduct, promotion or attainment of the activities described in the foregoing sub-clauses (i), (ii) and (iii).

(b) The Company shall not engage in any activity or conduct inconsistent with the Company Business or any reasonable extensions thereof.

Section 1.4 Registered Office. The address of the registered office of the Company in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 1.5 Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 1.6 Classes of Membership Interests. Upon the effectiveness of this Agreement:

(a) The authorized Membership Interests shall consist of Membership Interests classified as Common Membership Interests (the "Common Membership Interests") and Membership Interests classified as Special Purpose Membership Interests (the "Special Purpose Membership Interests"). The Common Membership Interests and Special Purpose Membership Interests shall have the terms set forth in this Agreement. All Membership Interests outstanding hereunder shall be validly issued, fully paid and non-assessable, to the fullest extent permitted by Law.

(b) (i) Each outstanding Membership Interest (other than those issued to the FE Member concurrently with the execution and delivery of this Agreement on account of the MAIT Class B Contribution) shall be automatically (without further action by the Members or the Company) classified as a Common Membership Interest and (ii) each outstanding Membership Interest issued to the FE Member concurrently with the execution and delivery of this Agreement on account of the MAIT Class B Contribution shall be automatically (without further action by any Member or the Company) classified as a Special Purpose Membership Interest.

(c) By executing and delivering this Agreement, the Company, the FE Member and the Investor Member hereby acknowledge and agree that any and all restrictions and other requirements set forth in the Third A&R LLC Agreement against, that would prohibit or would otherwise be applicable to the MAIT Class B Contribution and the issuance of Membership Interests to the FE Member in respect thereto are hereby waived to the extent necessary to make such contribution and issuance effective as of the effectiveness of this Agreement.

Section 1.7 Members.

(a) Each of the FE Member and the Investor Member is hereby or was heretofore admitted to the Company as a Member, and hereby continues as such. Unless admitted to the Company as a Member as provided in this Agreement, no Person shall be, in fact or for any other purpose, a Member.

(b) No Member shall have any right to withdraw from the Company except as expressly set forth herein. No Membership Interest is redeemable or repurchasable by the Company at the option of a Member. Except as expressly set forth in this Agreement, no event affecting a Member (including dissolution, bankruptcy or insolvency) shall affect its obligations under this Agreement or affect the Company.

(c) The Members' names, addresses and Common Percentage Interests (if any) and Special Percentage Interests (if any) are set forth on the Schedule of Members attached to this Agreement as Schedule 1.

(d) No Member, acting in its capacity as a Member, shall be entitled to vote on any matter relating to the Company other than as specifically required by the Act or as expressly set forth in this Agreement.

(e) Except as otherwise expressly set forth in this Agreement, any matter requiring the action, consent, vote or other approval of the Members hereunder shall require action, consent, vote or approval of the Members owning at least a majority of the Common Membership Interests unless such matter expressly requires a vote of the Members owning the Special Purpose Membership Interests, in which event, such action, consent, vote or approval shall require the requisite vote of the Members owning the Special Purpose Membership Interests as expressly set forth herein with respect to such action, consent or other approval.

(f) A Member shall automatically cease to be a Member upon Transfer of all of such Member's Membership Interests made pursuant to and in accordance with the terms of this Agreement. Immediately upon any such permissible Transfer, the Company shall cause such Member to be removed from Schedule 1 to this Agreement and to be substituted by the transferee or transferees in such Transfer, and, except as otherwise expressly provided for herein, such transferee or transferees shall be deemed to be a "Party" for all purposes hereunder and all references to the FE Member or the Investor Member, as the case may be, shall be deemed to be references to such transferee or transferees (notwithstanding, in the case that more than one Person is a transferee of such Membership Interests, that such defined terms as used herein are singular in number).

Section 1.8 Powers. The Company shall have the power and authority to do any and all acts necessary or convenient to or in furtherance of the purposes described in Section 1.3, including all power and authority, statutory or otherwise, possessed by, or which may be conferred upon, limited liability companies under the Laws of the State of Delaware.

Section 1.9 Limited Liability Company Agreement. This Agreement shall constitute the "limited liability company agreement" of the Company for the purposes of the Act. The rights, powers, duties, obligations and liabilities of the Members shall be determined pursuant to the Act and this Agreement. To the extent that the rights, powers, duties, obligations and liabilities of any Member are different by reason of any provision of this Agreement than they would be under the Act in the absence of such provision, this Agreement shall control to the fullest extent permitted by the Act and other applicable Law.

Section 1.10 Issuance of Additional Membership Interests. Except for (a) the issuance of any Excluded Membership Interests or (b) the issuance of Membership Interests made pursuant to and in accordance with Section 5.1(c), Section 5.1(d) or Article VII, the Company shall not issue any new Membership Interests, or any securities convertible into Membership Interests or other equity interests of the Company, to any Third Party or to the Members other than in accordance with their respective Percentage Interests.

Section 1.11 Deadlocks. In the event of a Deadlock, the provisions of this Section 1.10 shall apply.

(a) For purposes of this Agreement, a "Deadlock" means a situation in which consent has been requested with respect to any matter requiring the action, consent, vote or other approval of the Investor Member or Investor Directors but such consent, vote or other approval has been withheld by the Investor Member or one or both of the Investor Directors .

(b) In any case of Deadlock, the Deadlock shall be initially referred to a working group comprised of managerial-level representatives of the Investor Member, on the one hand, and the FE Member, on the other hand (the "Member Managers"), who shall discuss the Deadlock in good faith to reach resolution. Except as otherwise provided on Schedule 4, if the Member Managers cannot reach resolution within fifteen (15) Business Days, then the Members shall form a senior executive group comprised of senior executive members of the Investor Member, on the one hand, and the FE Member, on the other hand (the "Member Executives") to engage in additional good faith discussions for an additional twenty (20) Business Days. If the Member Executives cannot reach resolution, then Deadlocks of a type identified on Schedule 4 shall be resolved in accordance with the procedures set forth thereon and with respect to any other Deadlocks, the action sought to be taken will not be taken.

(c) The arbitration provisions in Section 13.13 do not apply to any Deadlock except to the extent that it (i) relates to the interpretation of this Agreement or the respective rights and obligations of the Parties pursuant to this Agreement or (ii) is made applicable pursuant to Schedule 4.

ARTICLE II
MANAGEMENT

Section 2.1 Directors. Subject to the provisions of the Act and any limitations in this Agreement as to action required to be authorized or approved by the Members, the business and affairs of the Company shall be managed and all its powers shall be exercised by or under the direction of a board of directors (the "Board" and each duly appointed and continuing member thereof from time to time, a "Director"), and no Member, by virtue of having the status of a Member, shall have any management power over the business and affairs of the Company or any actual or apparent authority to enter into Contracts on behalf of, or to otherwise bind, the Company. Without prejudice to such general powers, but subject to the same limitations, the Board shall be empowered to conduct, manage and control the business and affairs of the Company and to make such rules and regulations therefor not inconsistent with applicable Law or this Agreement, as the Board shall deem to be in the best interest of the Company. Each Director is hereby designated as a "manager" of the Company within the meaning of Section 18-101 of the Act.

Section 2.2 Number of Directors; Director Appointment Rights.

(a) The authorized number of Directors constituting the Board shall be five (5) Directors, subject to any decrease effected pursuant to Section 2.2(c) or Section 2.2(e).

(b) The Investor Member shall, as of the Effective Date, be entitled to appoint or reappoint annually two (2) Directors. Directors appointed by the Investor Member are referred to herein as "Investor Directors." The appointment of any Investor Director shall be subject to the FE Member's prior written consent of the identity of such individual prior to his or her appointment (such consent not to be unreasonably withheld, delayed or conditioned); provided that the FE Member shall not have any such consent right over the appointment of any proposed Investor Director that is a Qualified Designee.

(c) Notwithstanding anything to the contrary in this Agreement, in the event that (i) the Investor Member's Common Percentage Interest decreases below 19.8% but is at least 9.9%, the Investor Member shall, concurrently with such decrease, designate one Investor Director for removal from the Board such that there is one (1) remaining Investor Director, and (ii) the Investor Member's Common Percentage Interest decreases below 9.9%, the remaining Investor Director shall be automatically removed from the Board concurrently with such decrease. If the Investor Member fails to so act concurrently with such decrease as set forth in clause (i), then the FE Member may designate (in the FE Member's sole discretion) for removal from the Board one Investor Director, such removal being effective immediately upon such designation.

(d) Subject to Section 2.2(e), the FE Member shall be entitled to appoint or reappoint annually three (3) Directors. Directors appointed by the FE Member are referred to herein as "FE Directors". The FE Member shall further be entitled to designate an FE Director to serve as the chairperson of the Board for so long as the FE Member is directly or indirectly the beneficial owner of at least a majority of the Common Membership Interests. Notwithstanding anything herein to the contrary, until the fifth (5th) anniversary of the Effective Date for so long as during such time period any Special Purpose Membership Interests remain outstanding and the FE Member remains entitled to appoint at least one (1) Director, at least one (1) of the FE Directors shall be annually designated for appointment to the Board collectively by the holders of the FE Member's Common Membership Interests and the holders of the Special Purpose Membership Interests based on the results of a vote of the FE Member's Common Membership Interests and the Members that are holders of the Special Purpose Membership Interests then outstanding (acting in their capacity as such), voting together as a single class, which vote shall be calculated in the manner set forth on Schedule 6.

(e) Notwithstanding anything to the contrary in this Agreement, in the event that (i) the FE Member is no longer directly or indirectly the beneficial owner of at least a majority of the Common Membership Interests but is the beneficial owner of at least 19.8% of the Common Membership Interests, the FE Member shall, concurrently with such decrease, designate one FE Directors for removal from the Board such that there are two (2) remaining FE Directors, (ii) the FE Member is no longer directly or indirectly the beneficial owner of at least 19.8% of the Common Membership Interests but is the beneficial owner of at least 9.9% of the Common Membership Interests, the FE Member shall, concurrently with such decrease, designate one or more FE Directors for removal from the Board such that there is one (1) remaining FE Director, and (iii) the FE Member is no longer directly or indirectly the beneficial owner of at least 9.9% of the Common Membership Interests, the remaining FE Director shall be automatically removed from the Board concurrently with such decrease. If the FE Member fails to so act concurrently with such decrease as set forth in clauses (i) and (ii), then the Investor Member may designate (in the Investor Member's sole discretion) for removal the number of FE Directors required to be removed from the Board had the FE Member elected the actions set forth in the immediately foregoing sentence, such removal or removals being effective immediately upon such designation.

(f) For so long the Investor Member is entitled to appoint an Investor Director, the Investor Member shall be further entitled to identify an individual (a "Designated Alternate") who is authorized to attend meetings of the Board (or meetings of Board committees)

in lieu of each Investor Director in the event that an Investor Director is unable to attend such meeting. A Designated Alternate will be entitled to exercise the powers of such Investor Director at such meetings, and will be subject to all of the responsibilities and obligations of an Investor Director hereunder at such meeting as if they were an Investor Director. The appointment of such Designated Alternate shall be subject to the FE Member's prior written consent of the identity of such individual prior to his or her appointment (such consent not to be unreasonably withheld, delayed or conditioned); provided that the FE Member shall not have any such consent right over the appointment of any proposed Designated Alternate that is a Qualified Designee. If a Designated Alternate is serving in lieu of an Investor Director at any Board or committee meeting, the Investor Member shall provide notice to the FE Member of this fact prior to the commencement of such meeting (which notice may be in the form of written notice, including by way of an email to the FE Directors, or an oral announcement by such Designated Alternate of such fact at the commencement of such meeting), and such notice shall be recorded in the minutes of such meeting. For the avoidance of doubt, (i) an Investor Director and its Designated Alternate may not both function as a Director at any meeting of the Board (or committee thereof), and (ii) any references to approval or notice by an Investor Director in this Agreement will be deemed to refer to an Investor Director, and not its Designated Alternate, except in respect of the voting on matters presented at the meeting at which such Designated Alternate is attending. In the event that a Designated Alternate is also a Board Observer, at any Board or committee meeting in which he or she is serving as an Investor Director pursuant to this Section 2.2(f), he or she shall be deemed to be serving only as an Investor Director and not as a Board Observer at such meeting.

Section 2.3 Removal of Directors. Any one or more Directors may be removed at any time, with or without cause, by the Member that appointed such Director, and except as provided in Section 2.2(c) and Section 2.2(e) may not be removed by any other means. If a Director is convicted by a court or equivalent tribunal of any felony (or equivalent crime in the applicable jurisdiction), or of any misdemeanor (or equivalent crime in the applicable jurisdiction) that involves financial dishonesty or moral turpitude, then the Member that appointed such Director shall, unless consented to by the other Member, promptly remove such Director. Delivery of a written notice to the Company by a Member designating for removal a Director appointed by such Member shall conclusively and with immediate effect constitute the removal of such Director, without the necessity of further action by the Company, the Board, or by the applicable removed Director. Each Director duly appointed by a Member pursuant to and in accordance with the provisions of Section 2.2 shall hold office until his or her resignation, death, permanent disability, removal pursuant to and in accordance with Section 2.2 or with this Section 2.3, or until a successor Director is duly appointed by the Member that appointed (and continues to be entitled to appoint) such Director.

Section 2.4 Vacancies. A vacancy shall be deemed to exist in case of the resignation, death, permanent disability or removal (other than due to any reduction in the size of the board pursuant to Section 2.2) of any Director. The Member entitled to appoint a Director to the vacant directorship may appoint or elect a Director thereto to take office (a) immediately, (b) effective upon the departure of the vacating Director, in the case of a resignation, or (c) at such other later time as may be determined by such Member.

Section 2.5 Acts of the Board. Except as otherwise expressly set forth in this Agreement (including Sections 8.1, 8.2 and 8.4), a vote of a majority of the Directors present at a duly called and noticed meeting of the Board at which a quorum is present shall be required to authorize or approve any action of the Board. Every act of or decision taken or made by the Directors pursuant to the vote required by this Section 2.5 shall be conclusively regarded as an act of the Board.

Section 2.6 Compensation of Directors. The Board shall have the authority to fix the compensation of Directors for their service to the Company, if any. For so long as the Investor Member's Common Percentage Interest is at least 30.0%, any such compensation decision made by the Board shall require the approval of each Investor Director. The Board shall also have the authority (but not the obligation) to reimburse Directors for expenses incurred for attendance at meetings of the Board or otherwise in connection with their respective service on the Board. Nothing herein shall be construed to preclude any Director from serving the Company in any other capacity and receiving compensation therefor. If approved by the Board, each Board Observer may be entitled to reimbursement for expenses incurred for attendance at meetings of the Board to the same extent as if he or she were a Director.

Section 2.7 Meetings of Directors; Notice. Except as provided pursuant to Section 2.10, meetings of the Board, both regular and special, for any purpose or purposes may be called at any time by the Board or by any Director, by providing at least seven (7) calendar days' written notice to each Director unless the chairperson of the Board determines, acting reasonably, that there is a significant and time sensitive matter that requires shorter notice to be given, in which case a meeting of the Board may be called by giving at least 48 hours' written notice to each Director. Each notice shall state the purpose(s) of and agenda for the meeting and include all required information, including dial-in numbers or other applicable access information, in order to participate in the meeting by telephonic means, over the internet or by means of any other customary electronic communications equipment. Unless otherwise agreed by unanimous consent of the Board, no proposal shall be put to a vote of the Board unless it has been listed on the agenda for such meeting. Notice of the time and place of meetings shall be delivered personally or by telephone to each Director, or sent by e-mail to any e-mail address of the Director in the records of the Company. Any notice given personally or by telephone shall be communicated to the applicable Director. A Director may waive the notice requirement set forth in this Section 2.7 by any means reasonable in the circumstances, including by communication to one or more other Directors, and the presence of a Director at a meeting or the approval by a Director of the minutes thereof shall conclusively constitute a waiver by such Director of such notice requirement.

Section 2.8 Quorum.

(a) Except as otherwise expressly set forth herein, the presence (whether physical, telephonic, over the internet or by means of other customary electronic communications equipment) of a majority of the number of Directors then serving on the Board, including each Investor Director, at a meeting of the Board shall constitute a quorum of the Board for the transaction of all business thereat; provided, that if quorum fails at an attempted meeting that is called with proper notice due to the failure of the Investor Director(s) to attend, then at the next attempted meeting only a majority of the number of Directors then serving on the

Board (without regard to the attendance of the Investor Director(s)) must be present in person, by telephone or other electronic means or by proxy in order to constitute a quorum for the transaction of business for purposes of considering only those matters that were included on the agenda for the attempted meeting immediately preceding such meeting.

(b) If a quorum is not present at any meeting of the Board, the Directors present at such meeting may adjourn the meeting, without notice other than announcement at the meeting, and the Board or Director that called for the meeting shall attempt to reschedule such meeting until a quorum is present.

Section 2.9 Place and Method of Meetings.

(a) Meetings of the Board may be held at any place, whether within or outside the State of Delaware or the State of Ohio, and meetings may be held, in whole or in part, by telephonic means, over the internet or by means of any other customary electronic communications equipment. The place at which (or, if applicable, the electronic communication methods by which) a meeting will be held may be specified in the applicable notice of the meeting; provided, that in the absence of such specification, or in the event that any Director objects to the place or electronic communication methods (if any) specified in the applicable notice, then the applicable meeting shall be held solely in physical presence at the principal executive office of the Company, it being understood that a Director may participate in the applicable meeting in accordance with Section 2.9(b).

(b) The Directors may participate in meetings of the Board by telephonic means, over the internet or by means of any other customary electronic communications equipment, and, to the fullest extent permitted by applicable Law, shall be deemed to be present at such meeting for all purposes, including for purposes of determining quorum and of voting.

Section 2.10 Action by the Board Without a Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if a number of Directors the vote of whom would be minimally necessary to approve such action at a meeting of the Board shall individually or collectively consent in writing to such action; provided, however, that, if (a) one or more Investor Directors are serving on the Board at the time of such written action, (b) the subject matter of such written action had not previously been addressed during a duly called and noticed meeting of the Board at which quorum was present, and (c) no Investor Director joins such written action, then, in such case, the written action shall not be effective until 48 hours after the Secretary of the Company has notified all then-serving Investor Directors of such action, it being understood that, during such 48-hour period, any Investor Director shall be entitled to call a special meeting of the Board (to be held within such period and solely telephonically, over the internet or by means of other customary electronic communications equipment) for purposes of discussing with the Board the subject matter of such written action (without regard, for purpose of such discussion, to whether a quorum is present to constitute a duly convened meeting of the Board). Notwithstanding the foregoing, (x) no action set forth in this Agreement (including Section 8.1, Section 8.2 or Section 8.4) that requires the consent of the Investor Member shall be effected by written action entered into pursuant to this Section 2.10 without the Investor Member's consent and (y) no action set forth in this Agreement that requires that consent of any Investor Director shall be effected by written action entered into pursuant to

this Section 2.10 without the consent of such Investor Director(s). Any written actions of the Board may be in counterparts and transmitted by e-mail and shall be filed with the minutes of the proceedings of the Board. Such written actions shall have the same force and effect as a vote of the Board.

Section 2.11 Duties of Directors. Each member of the Board shall have fiduciary duties identical to those of directors of a business corporation organized under the General Corporation Law of the State of Delaware; provided, however, that the Members acknowledge and agree that the enforcement or exercise by the Investor Member of any of its rights under Section 8.1, Section 8.2 or Section 8.4 shall in no event constitute a violation of the fiduciary duties of the Investor Director(s) or the Investor Member, which are hereby disclaimed in all respects with respect thereto. The provisions of this Agreement, to the extent that they expand or restrict the duties and liabilities of the Board, otherwise existing at law or in equity, are agreed by the Members to replace such other duties and liabilities of the Board.

Section 2.12 Committees.

(a) The Board may create one or more committees of the Board, delegate responsibilities, duties and powers to such one or more committees, and appoint Directors to serve thereon; provided, that, for so long as the Investor Member is entitled to appoint an Investor Director, such Investor Director(s) shall be entitled to be a member of any such committee(s). Each Director appointed to serve on any such committee shall serve at the pleasure of the Board, or otherwise in accordance with the terms of the resolution designating the applicable committee. Section 2.4, Section 2.7, Section 2.8, Section 2.9 and Section 2.10 shall each apply to any committee of the Board with the same terms applicable to the Board, *mutatis mutandis*.

(b) For so long as the Investor Member's Common Percentage Interest is at least 30.0%, the Board shall cause the Company to establish and maintain an advisory committee to the Board (the "Advisory Committee") consisting of (i) the appropriate members of Company management primarily responsible for the applicable subject areas of the Advisory Committee and (ii) one or more individuals appointed by each Member. The Advisory Committee shall meet monthly but only in months in which a meeting of the Board is not scheduled to occur, and the FE Directors, Investor Directors, and Board Observers shall be entitled to attend such meetings; provided that attendance at such meetings by all or a requisite number of Directors constituting a quorum thereof shall not, in and of itself, constitute a waiver of the notice and agenda requirements for Board meetings set forth in Section 2.9(a) or otherwise cause such Advisory Committee meetings to be deemed meetings or actions of the Board. The Advisory Committee shall initially discuss, among other things, the capital expenditures, financing, budget, and treasury matters, and rate base and regulatory matters. For the avoidance of doubt, the Advisory Committee shall have only an advisory role to the Board, and shall not be delegated any authority of the Board or otherwise be empowered to take binding action.

Section 2.13 Investor Member Board Observers.

(a) For so long as the Investor Member's Common Percentage Interest is at least 30.0%, the Investor Member shall be entitled to appoint up to a total of four (4) individuals

to serve as an observer of the Board (any such individual, a "Board Observer"), which individuals shall be Representatives of the Investor Member and the identity of whom shall be subject to the prior written consent of the FE Member (such consent not to be unreasonably withheld, delayed or conditioned); provided, that the FE Member shall not have any such consent right over the appointment of any proposed Board Observer that is a Qualified Designee.

(b) In the event that, and for so long as, the Investor Member's Percentage Interest decreases such that the Investor Member's Common Percentage Interest is:

(i) at least 15.0% but less than 30.0%, then the Investor Member shall be entitled to appoint up to three (3) Board Observers.

(ii) at least 9.9% but less than 15.0%, then the Investor Member shall be entitled to appoint up to two (2) Board Observers.

(iii) at least 5.0% but less than 9.9%, then the Investor Member shall be entitled to appoint one (1) Board Observer.

(iv) less than 5.0%, then the Investor Member shall not be entitled to appoint any Board Observers.

Concurrently with any such decrease in the Investor Member's Percentage Interest, the Investor Member shall remove the numbers of Board Observer(s) such that the total number of Board Observers complies with this Section 2.13(b). If the Investor Member fails to so act concurrently with such decrease, then the FE Member may designate (in the FE Member's sole discretion) for removal the number of Board Observers required to be removed as Board Observers had the Investor Member elected the actions set forth in the immediately foregoing sentence, such removal or removals being effective immediately upon such designation.

(c) The Board Observer(s) shall have the right to receive notice of, attend and participate in all meetings of the Board (and any committee thereof) and to receive all information provided to Directors at the same time and in the same manner as provided to such Directors; provided, however, that the Company and the Board will be entitled to withhold access to any portion of the information and to exclude the Board Observer(s) from any portion of any meeting of the Board (or any committee thereof) if the Company or the Board determines in good faith in reliance upon the advice of counsel that access to such information or attendance at such meeting (i) is reasonably necessary to preserve an attorney-client privilege of the Company or the Board or (ii) otherwise implicates any conflict of interest between the Investor Member and a particular matter or transaction under consideration by the Board; provided, further, that the Investor Member shall be notified of any intent to exclude the Board Observer(s) in reliance on clause (ii) above in advance of any meeting from which any Board Observer is to be excluded; provided, further, that, any Board Observer(s) that is excluded shall only be excluded for such portion of the meeting during which such matter or transaction is being discussed. For the avoidance of doubt, the Board Observer(s) shall not have any voting rights with respect to any matter brought before the Board and shall not be counted in any manner with respect to whether a quorum is present at a meeting of the Board, and (without limiting the Company's obligations to provide the Board Observer(s) with notice of meetings of the Board

and any committee thereof as set forth in this Section 2.13) no defect in the provision of notice to the Board Observer(s) of any meeting of the Board shall be construed to constitute a defect in the provision of notice to Directors. In the event that any Board Observer is also the Designated Alternate and, in such capacity, he or she is serving at a Board or committee meeting as an Investor Director pursuant to Section 2.2(e), the Investor Member shall not be entitled to appoint an additional individual to serve as a replacement Board Observer to exercise the rights and duties of such Board Observer for that meeting. The Board Observer(s) shall be bound by the same confidentiality obligations as the Directors as set forth in Section 9.4. The Investor Member may cause the Board Observer(s) to resign or appoint a replacement Board Observer(s) from time to time by giving written notice to the Company. In the event that the Investor Member's Common Percentage Interest becomes less than 5.0%, the Investor Member's rights under this Section 2.13 shall immediately cease. For the avoidance of doubt, the sole purpose of this Section 2.13 is to provide observation rights (subject to the limitations and conditions set forth in this Section 2.13) to individual Representatives of the Investor Member, and in no event will any Board Observer be construed to be a third-party beneficiary of this Agreement, an agent of the Company of any kind or for any purpose, or have any other claim against the Company or the Members in relation to any matter whatsoever.

Section 2.14 Related Party Matters.

(a) Subject to the penultimate sentence of this Section 2.14(a), all transactions (including corporate allocations) between any member of the FE Outside Group, on the one hand, and the Company Group, on the other hand (such transactions, "Affiliate Transactions"), shall be (i) entered into and carried out in a manner that, except as may be required by any applicable Law, is (A) consistent with past practices and the corporate allocation and affiliate transaction policies of the FE Outside Group and the Company Group in effect at such time and (B) on terms and conditions that are commercially reasonable with respect to the subject matter thereof, and (ii) entered into and carried out in accordance with the requirements of any applicable Law (including, for the avoidance of doubt, on such terms and conditions as may be required to obtain the approval of the applicable Governmental Body in respect of such transaction). Notwithstanding anything to the contrary in this Agreement, except as required by applicable Law, the FE Member shall ensure during the term of this Agreement that any methodologies used to allocate costs to the Company Group (A) are and will be consistently applied to other members of the FE Outside Group in a manner that does not have a disproportionate adverse impact on the Company or any of its Subsidiaries as compared to any member of the FE Outside Group and (B) would not result in any fines or penalties that are imposed on any member of the FE Outside Group being allocated to the Company or any of its Subsidiaries. For so long as the Investor Member's Common Percentage Interest is at least 30.0%, to the extent any (x) cost incurred outside of the ordinary course of business or inconsistent with past practices under any cost allocation methodology or (y) change to any cost allocation methodology results in any material costs being disallowed under any applicable regulatory revenue requirement of the Subsidiaries of the Company and the incurrence of such cost or such cost allocation methodology change is not otherwise required under applicable Law or necessary to avoid an Affiliate Transaction Default, the prior written consent of the Investor Member shall be required for such cost incurrence or change.

(b) Subject to the Investor Member's approval rights under Sections 2.14(a), 8.1, 8.2 and 8.4, the Members acknowledge and agree that (i) the Company Group and the FE Outside Group have, prior to the Effective Date, engaged in Affiliate Transactions, and will, pursuant to and in accordance with the provisions of Section 2.14(a), from and after the Effective Date, engage in Affiliate Transactions, and (ii) services provided by any member of the FE Outside Group to any member of the Company Group as of the Effective Date pursuant to (A) that certain Service Agreement among FirstEnergy Service Company, certain other members of the FE Outside Group and the Company, dated February 25, 2011, (B) that certain Service Agreement among certain members of the FE Outside Group and certain Subsidiaries of the Company, dated January 31, 2017, and (C) that certain Revised Amended and Restated Mutual Assistance Agreement among certain members of the FE Outside Group and certain Subsidiaries of the Company, dated January 31, 2017, in each case, will continue in the ordinary course of business consistent with past practice (provided that the agreements described in clauses (B) or (C) may be amended, supplemented or replaced from time to time, provided, further, that, in any such case, any required consent, vote or other approval of the Investor Member or Investor Directors (as applicable hereunder) has been obtained in respect thereof).

(c) To ensure corporate separateness from the FE Member and other members of the FE Outside Group, the Company, together with its Directors and officers, shall take or refrain from taking, as the case may be, and cause the Company's Subsidiaries to take or refrain from taking, as the case may be, the following actions (in each case, in a manner and to the extent consistent with the Company Group's and the FE Outside Group's respective past practices and to the extent consistent with applicable Law):

(i) at all times hold itself out to the public and other Persons as a legal entity separate from the FE Member and the other members of the FE Outside Group;

(ii) correct any known material misunderstanding regarding its identity as an entity separate from any FE Outside Group member;

(iii) observe appropriate organizational procedures and formalities;

(iv) maintain accurate books, financial records and accounts, including checking and other bank accounts and custodian and other securities safekeeping accounts, that are separate and distinct from those of the FE Member and the other members of the FE Outside Group;

(v) maintain its books, financial records and accounts in a manner such that it would not be difficult or costly to segregate, ascertain or otherwise identify the Company Group's assets and liabilities from those of the FE Outside Group;

(vi) not enter into any pledge, encumbrance or guaranty, or otherwise become intentionally liable for, or pledge or encumber its assets to secure the liability, debts or obligations of the FE Member or any other member of the FE Outside Group;

(vii) not hold out its credit as being available to satisfy the debts or obligations of the FE Member or any other member of the FE Outside Group;

(viii) (A) pay its own liabilities, expenses and losses only from its own assets, and (B) compensate all Advisors and other agents from its own funds for services provided to it by such Advisors and other agents;

(ix) cause its Representatives to (A) hold themselves out to Third Parties as being the Representatives, as the case may be, of the Company or the applicable member of the Company Group (it being understood that the Company Group need not have its own dedicated employees), and (B) refrain from holding themselves out as Representatives of any member of the FE Outside Group (in connection with any duties performed for, or otherwise in relation to, any member of the Company Group);

(x) maintain separate annual financial statements for the Company Group, showing the Company Group's (or its respective members') assets and liabilities separate and distinct from those of any member of the FE Outside Group (it being understood that nothing herein shall prohibit the consolidation of such financial statements with the "affiliated group" (as defined in Section 1504(a) of the Code) of which the FE Member is the common parent); and

(xi) pay or bear the cost of the preparation of its financial statements, and have such financial statements audited by an independent certified public accounting firm.

(d) In the event the Company and/or the FE Member becomes aware of any material breach or material default (it being understood that, for purposes of this clause (d), a breach or default will be deemed to be "material" if (x) the reasonably expected amount of damages that would be sustained by the Company and its Affiliates as a result of such breach or default, or series of related breaches or defaults, would exceed $20,000,000 in the aggregate or (y) the breach or default would otherwise be material to the Company or any of its Subsidiaries, by any member of the Company Group or FE Outside Group under any Affiliate Transaction (an "Affiliate Transaction Default"), the Company and/or the FE Member, as applicable, shall promptly, but in any event within five (5) Business Days after becoming aware of such Affiliate Transaction Default, send a written notice (a "Default Notice") to the Company and the Investor Member setting forth in reasonable detail the nature of such Affiliate Transaction Default and the reasonable estimate of the current and future anticipated losses associated with such Affiliate Transaction Default with supporting calculations (to the extent feasible to make a reasonable estimate at such time). After delivery of such Default Notice to the Investor Member, the Company (and, if the Company did not provide the Default Notice, the FE Member) shall promptly provide the Investor Member with any additional information reasonably requested by the Investor Member relating to such Affiliate Transaction Default. The defaulting party under such Affiliate Transaction shall have until the expiration of the applicable cure period in respect of such Affiliate Transaction to fully cure any monetary or non-monetary Affiliate Transaction Default, subject to and consistent with applicable Law. In the event that any material alleged Affiliate Transaction Default is not timely cured in accordance with the preceding sentence, the Investor Member shall have the sole right to cause the Company and its Subsidiaries to take, or refrain from taking, any actions in connection with the enforcement of or compliance with the rights or obligations of the Company or any of its Subsidiaries under the terms of the applicable Affiliate Transaction, including the commencement of any litigation, proceeding or other action

on behalf of the Company or any of its Subsidiaries against the applicable member(s) of the FE Outside Group.

ARTICLE III
OFFICERS

Section 3.1 Appointment and Tenure.

(a) The Board may, from time to time, designate officers of the Company to carry out the day-to-day business of the Company; provided, that, for so long as the Investor Member holds at least a 30.0% Common Percentage Interest, any Board determination of any officer designation or removal pursuant to this Section 3.1 shall require the approval of each Investor Director.

(b) The officers of the Company shall be comprised of one or more individuals designated from time to time by the Board. Each officer shall hold his or her office for such term and shall have such authority and exercise such powers and perform such duties as shall be determined from time to time by the Board. Any number of offices may be held by the same individual. The salaries or other compensation, if any, of the officers shall be fixed from time to time by the Directors.

(c) The officers of the Company may consist of a president, a secretary and a treasurer. The Board may also designate one or more vice presidents, assistant secretaries and assistant treasurers. The Board may designate such other officers and assistant officers and agents as the Board may deem necessary or appropriate.

Section 3.2 Removal. Any officer may be removed as such at any time by the Board, either with or without cause, in its discretion.

Section 3.3 President. The president, if one is designated, shall be the chief executive officer of the Company, shall have general and active management of the day-to-day business and affairs of the Company as authorized from time to time by the Board, and shall be authorized and directed to implement all actions, resolutions, initiatives and business plans adopted by the Board.

Section 3.4 Vice Presidents. The vice presidents, if any are designated, in the order of their election, unless otherwise determined by the Board, shall, in the absence or disability of the president, perform the duties and have the authority and exercise the powers of the president. They shall perform such other duties and have such other authority and powers as the Board may from time to time prescribe.

Section 3.5 Secretary; Assistant Secretaries. The secretary, if one is designated, shall perform such duties and have such powers as the Board may from time to time prescribe. The assistant secretaries, if any are designated, and unless otherwise determined by the Board, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the Secretary. They shall perform such other duties and have such other powers as the Board may from time to time prescribe.

Section 3.6 Treasurer; Assistant Treasurers. The treasurer, if one is designated, shall have custody of the Company's funds and securities and shall keep full and accurate accounts and records of receipts, disbursements and other transactions in books belonging to the Company, and shall deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated from time to time by the Board. The treasurer shall disburse the funds of the Company as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render the president and the Board, when so directed, an account of all of his or her transactions as treasurer and of the financial condition of the Company. The treasurer shall perform such other duties and have such other powers as the Board may from time to time prescribe. If required by the Board, the treasurer shall give the Company a bond of such type, character and amount as the Board may require. The assistant treasurers, if any are designated, unless otherwise determined by the Board, shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. They shall perform such other duties and have such other powers as the Board may from time to time prescribe.

ARTICLE IV
DEFAULT; DISSOLUTION

Section 4.1 Events of Default. The following shall constitute events of default (each, an "Event of Default") by the applicable Member under this Agreement:

(a) any material breach of this Agreement by such Member;

(b) any failure by any Member that is a holder of Common Membership Interests (acting in its capacity as such) to make any Additional Funding Requirement pursuant to and in accordance with a Capital Request Notice issued pursuant to Section 5.1 if such Member indicated it would do so in its Response To Capital Call but then failed to do so within the time period specified in Section 5.1;

(c) any purported Transfer by such Member made other than pursuant to and in accordance with the terms and conditions of this Agreement; and

(d) the filing of a petition seeking relief, or the consent to the entry of a decree or Order for relief in an involuntary case, under the bankruptcy, rearrangement, reorganization or other debtor relief Laws of the United States or any state or any other competent jurisdiction or a general assignment for the benefit of its creditors by such Member or by any of its controlling Affiliates.

Section 4.2 Default Notice. If an Event of Default occurs, then any Member (other than the Member subject to the Event of Default (the "Defaulting Member")) may deliver to the Company and to the Defaulting Member a notice of the occurrence of such Event of Default, setting forth the circumstances of such Event of Default. The provisions of this Agreement applicable to a "Defaulting Member" shall apply to such Defaulting Member from and after the delivery of such notice until the Event of Default and the material effects thereof have been cured (if capable of being so cured).

Section 4.3 Dissolution.

(a) Subject to obtaining the requisite authorization, approval or consent of any Governmental Body, the Company shall dissolve, and its affairs shall be wound up, upon either (i) the approval by the Board and the written consent of all of the Members or (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act (each, an "Event of Dissolution").

(b) Upon the occurrence of an Event of Dissolution, the Company will continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets and satisfying the claims of its creditors and the Members. No Member, acting in its capacity as such, will take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Company's business and affairs. All covenants contained and obligations provided for in this Agreement will continue to be fully binding upon the Members until such time as the property of the Company has been distributed pursuant to Section 5.3 and the certificate of formation of the Company has been canceled pursuant to the Act.

(c) After the occurrence of an Event of Dissolution, and after all of the Company's debts, liabilities and obligations have been paid and discharged or adequate reserves have been made therefor and all of the remaining assets of the Company have been distributed to the Members, the Company shall make necessary resolutions and filings to dissolve the Company under the Act.

ARTICLE V
CAPITAL CONTRIBUTIONS; DISTRIBUTIONS

Section 5.1 Capital Contributions.

(a)

(i) For as long as the Investor Member's Common Percentage Interest is 30.0% or greater, if the Board determines that it is in the best interests of the Company to obtain additional equity capital for purposes of (x) funding payments required to be made within the succeeding ninety (90) day period for expenditures as contemplated in the Annual Approved Budget and to the extent making such payments is not otherwise covered on commercially reasonable terms by the Company's available liquidity, (y) complying with applicable Law, or (z) funding any Emergency Expenditures, then the Board may direct the Company to submit to the Members that are holders of Common Membership Interests (in their capacity as such) a written capital funding request notice (a "Capital Request Notice").

(ii) In the event that the Investor Member's Common Percentage Interest falls below 30.0%, if the Board determines that it is in the best interests of the Company to obtain additional equity capital for purposes of (w) developing, acquiring or maintaining Qualifying Core Assets or funding ordinary course operations of the Company Business, (x) satisfying the Company's obligations to Third Parties (including in respect of the Indebtedness of the Company Group), (y) complying with applicable Law or (z) funding any Emergency Expenditures, then the Board may direct the Company to submit to the Members that are holders of Common Membership Interests (in their capacity as such) a Capital Request Notice.

(iii) Notwithstanding the foregoing, if the Board determines that it is in the best interests of the Company to obtain additional equity capital for any other purpose, the Board may direct the Company to submit to the Members that are holders of the Common Membership Interests (in their capacity as such) a Capital Request Notice; provided that, for so long as the Investor Member is entitled to designate a Director for appointment to the Board pursuant to Section 2.2(b), any such determination of the Board shall require the approval of each Investor Director(s).

(iv) Any such determination by the Board to submit a Capital Request Notice pursuant to this Section 5.1(a)(i) shall be referred to herein as an "Additional Funding Requirement."

(b) Any Capital Request Notice shall set forth (A) the anticipated amount of, and the reason for, such Additional Funding Requirement, (B) each Member's requested share of such Additional Funding Requirement, which with respect to each Member shall equal such Member's Common Percentage Interest multiplied by the aggregate amount of the Additional Funding Requirement (such share, the "Pro Rata Request Amount") and (C) the funding date for such Additional Funding Requirement (the "Capital Request Funding Date"), which Capital Request Funding Date shall not be earlier than thirty (30) days following the date on which such Capital Request Notice is delivered to the Members that are holders of Common Membership Interests (in their capacity as such). Subject to the express provisions of this Article V, each Member may, but shall not be obligated to, contribute its Pro Rata Request Amount as called for in the applicable Capital Request Notice (which contribution will be on account of, and credited in the books and records of the Company as a capital contribution made by, such Member as the holder of its Common Membership Interests). Upon the receipt of a Capital Request Notice, each Member shall, within fifteen (15) days of such receipt, provide written notice to the Company and the other Members as to the extent to which such Member intends to fund its Pro Rata Request Amount, whether in whole, in part or not at all (a "Response To Capital Call"). If one Member indicates in its Response To Capital Call that it does not intend to fund its Pro Rata Request Amount in full, and any other Member had, prior thereto, submitted a Response To Capital Call indicating that it intends to fund a greater percentage of its Pro Rata Request Amount, then such other Member will be entitled to amend its Response To Capital Call to reduce its percentage funding to an amount representing a percentage of its Pro Rata Request Amount not less than the lower percentage indicated in the other Member's Response To Capital Call. For the avoidance of doubt, (X) no Member shall have any obligation to fund any Additional Funding Requirement pursuant to this Section 5.1 unless such Member indicates that it will do so in its Response To Capital Call and (Y) a Member shall only have an obligation to, and may only, fund any Additional Funding Requirement pursuant to this Section 5.1 in such Member's capacity as a holder of Common Membership Interests.

(c) If any Member refuses or fails to make all or any portion of its Pro Rata Request Amount pursuant to this Section 5.1 on or prior to the applicable Capital Request Funding Date (such Member, the "Non-Contributing Member", and the unfunded amount, the "Unfunded Amount"), then the Company shall provide written notice thereof to the Members that are holders of the Common Membership Interests (in their capacity as such) (the "Contribution Unfunded Amount Notice"), and:

(i) Excess Contribution. To the extent that the Non-Contributing Member contributes a portion (but less than all) of its Pro Rata Request Amount, and another Member (the "Over-Contributing Member") has contributed a greater percentage of its Pro Rata Request Amount than the Non-Contributing Member, the Over-Contributing Member shall have the right to elect (which election shall be made by written notice to the Company and the other Members no later than ten (10) Business Days following the date of the Contribution Unfunded Amount Notice) to (A) receive a special distribution of the amount of such excess (the "Excess Contribution"), such that the Excess Contribution is returned to the Over-Contributing Member (and the Company shall cause such special distribution to be made as promptly as practicable), (B) have the portion of such Excess Contribution that would have been the Non-Contributing Member's share thereof treated as a loan to the Company (consistent with the methodology in clause (ii)(A), below), or (C) have the portion of such Excess Contribution that would have been the Non-Contributing Member's share thereof treated as a contribution to capital (consistent with the methodology in clause (ii)(B) below).

(ii) Top-Up Right. A Member that has paid its full Pro Rata Request Amount (the "Contributing Member") shall have the right (but not the obligation) to elect (which election shall be made by written notice to the Company and the other Members no later than ten (10) Business Days following the receipt of the Contribution Unfunded Amount Notice) to contribute any portion of the Unfunded Amount in accordance with this Section 5.1(c) either (A) as a loan to the Company, or (B) as a capital contribution to the Company (or as any combination thereof as the Contributing Member elects) in accordance with the following procedures:

(A) Loan. The Contributing Member may elect to advance all or a portion of the Unfunded Amount to the Company on behalf of the Non-Contributing Member, which advance shall be treated as a loan by the Contributing Member to the Company (an "Unfunded Amount Loan") at an interest rate equal to the highest interest rate payable on any subordinated third-party debt of any member of the Company Group then outstanding. Subject to the terms of this Agreement, each Unfunded Amount Loan shall be repaid out of any subsequent distributions made pursuant to Section 5.2 to which the Non-Contributing Member would otherwise be entitled under this Agreement, and such payments shall be applied first to the payment of accrued but unpaid interest on each such Unfunded Amount Loan and then to the payment of the outstanding principal, until such Unfunded Amount Loan is paid in full.

(B) Capital Contribution. The Contributing Member may elect to contribute an amount equal to all or a portion of the Unfunded Amount to the Company. If the Contributing Member elects to contribute to the Company all or a portion of the Unfunded Amount, then, on or after the earlier of the date that the Non-Contributing Member indicates it will not cure the failure to fund its full Pro Rata Request Amount and the thirtieth (30^{th}) day following the date of the Contribution Unfunded Amount Notice, the Company shall issue to the Contributing Member the amount of additional Common Membership Interests that can be purchased for such funded amount at a price per Common

Membership Interest equal to 90.0% of the Fair Market Value of the Company (measured as of the date that such contribution is to be made) per Common Membership Interest, and the Contributing Member's and the Non-Contributing Member's respective Common Percentage Interests will be adjusted accordingly.

(C) Cure Right. Notwithstanding anything to the contrary in this Section 5.1, on or before the thirtieth (30th) day following the date of the Contribution Unfunded Amount Notice, a Non-Contributing Member may make a contribution to the Company equal to the sum of the Unfunded Amount plus, if the Contributing Member already made an Unfunded Amount Loan in respect of such Unfunded Amount, any interest accrued on the Unfunded Amount Loan, following which (1) the Unfunded Amount advanced by the Contributing Member to the Company together with any such interest shall be paid to the Contributing Member, and (2) the former Non-Contributing Member shall be deemed to have cured its failure to pay the Pro Rata Request Amount prior to the Capital Request Funding Date with respect to the applicable Capital Request Notice.

(d) If the Non-Contributing Member refuses or fails to make its full Pro Rata Request Amount pursuant to this Section 5.1 on or prior to the applicable Capital Request Funding Date and the Contributing Member has not fully funded the Unfunded Amount in accordance with Section 5.1(c) then on or after the thirtieth (30th) day following the date of the applicable Contribution Unfunded Amount Notice, the Board may authorize (which, for so long as the Investor Member's Common Percentage Interest is at least 30.0%, such authorization by the Board shall require the approval of each Investor Director if the Non-Contributing Member is the FE Member) the Company to seek additional equity funds on commercially reasonable terms from a Third Party in an amount up to the difference between the total Additional Funding Requirement requested and the total funds received by the Company from the Non-Contributing Member and the Contributing Member (including any additional funds that the Contributing Member may have contributed pursuant to Section 5.1(c)), and to issue Membership Interests to Third Parties in connection therewith pursuant to this Section 5.1(d). If the Board determines to seek additional equity funds from and issue Common Membership Interests to a Third Party pursuant to this Section 5.1(d), then the Company must consummate such issuance within 180 days following the Capital Request Funding Date. If such issuance is not consummated within such 180-day period, then the Company's right to so issue Common Membership Interests to a Third Party in connection with the applicable Additional Funding Requirement shall be lapsed, and the Company shall not thereafter issue any Common Membership Interests to a Third Party in connection with such Additional Funding Requirement; provided that, if a definitive agreement providing for such issuance is executed prior to the expiration of such 180-day period but the issuance has not been consummated at the expiration of such period solely as a result of a failure to receive the requisite authorization, approval or consent of any Governmental Body in respect of such issuance, then such period shall be extended solely to the extent necessary to permit the receipt of all such authorizations, approvals or consents which are in process but have not been received from the relevant Governmental Body as of such original expiration date and the consummation of the issuance provided for in such definitive agreement; provided, further, that the Company shall have used its reasonable best efforts in seeking such authorizations, approvals and consents. Upon the completion of such issuance of Common Membership

Interests pursuant to this Section 5.1(d), the Company shall give written notice to the Members of such issuance, which notice shall specify (i) the total number of new Common Membership Interests issued, (ii) the price per Common Membership Interest at which the Company issued the Membership Interests, and (iii) any other material terms of the issuance. Upon the issuance of new Common Membership Interests pursuant to this Section 5.1(d), the Contributing Member's and Non-Contributing Member's respective Common Percentage Interests will be adjusted accordingly. For the avoidance of doubt, any issuance of Membership Interests to Third Parties pursuant to this Section 5.1(d) shall only be of Common Membership Interests, and no such issuance of Membership Interests to Third Parties in connection therewith may be made of Special Purpose Membership Interests.

(e) In the event that the Investor Member refuses or fails to fund all or any portion of its share of an Additional Funding Requirement pursuant to this Section 5.1 on or prior to the applicable Capital Request Funding Date in respect of two Additional Funding Requirements, subject to Section 5.1(c)(ii)(C), from and after the occurrence of the second such failure or refusal by the Investor Member, the FE Member may (but is not required to), at its option at any time, acquire all (but not less than all) of the Membership Interests held by the Investor Member (the "Call Right") by giving written notice (the "Call Notice") to the Investor Member of its election to exercise the Call Right; provided, that, the Investor Member shall have 60 days following the Call Notice to cure the most recent such failure to fund. The purchase price payable by the FE Member in connection with the exercise of the Call Right shall be equal to the product of (i) 90.0% of the Fair Market Value of the Company (measured as of the date of the delivery of the Call Notice to the Investor Member) multiplied (ii) by a fraction, (A) the numerator of which is the number of Membership Interests that the Investor Member owns at such time and (B) the denominator of which is the total number of Membership Interests then outstanding (the amount equal to such product, the "Call Exercise Price"). If the Call Right is exercised by the FE Member, each of the Parties shall take all actions as may be reasonably necessary to consummate the transactions contemplated by this Section 5.1(c) as promptly as practicable, but in any event not later than 30 days after, or, if the Investor Member indicates its intent to cure its funding failure prior to such 30th day, 60 days after, the delivery of the Call Notice (such period, the "Call Consummation Period"), including entering into agreements and delivering certificates and instruments and consents as may be deemed necessary. If the Investor Member fails to take all actions necessary to consummate the Transfer of the Membership Interests held by it in accordance with this Section 5.1(c) prior to the expiration of the Call Consummation Period, then the Investor Member shall be deemed to be in material breach of this Agreement for purposes of Article IV and for all other purposes hereunder, and shall be deemed to have granted (and hereby grants, contingent only on the occurrence of such failure) an irrevocable appointment of any Person nominated for the purpose by the FE Member to be the Investor Member's agent and attorney to execute all necessary documentation and instruments on its behalf to Transfer the Investor Member's Membership Interest to the Company as the holder thereof, in each case consistent with the provisions of this Section 5.1(e). At the consummation of any purchase and sale pursuant to this Section 5.1(e), the Investor Member shall sell to the FE Member all of the Membership Interests owned by the Investor Member in exchange for the Call Exercise Price. Contemporaneously with its receipt from the FE Member of the Call Exercise Price, the Investor Member shall Transfer to the FE Member all of the Membership Interests owned by the Investor Member, free and clear of all Liens. The Members and the Company acknowledge and agree that they shall cooperate reasonably to obtain any

necessary authorization, approval or consent of any Governmental Body to consummate the transactions contemplated by this Section 5.1(e).

(f) It is hereby acknowledged by the Parties that the FE Member has made the MAIT Class B Contribution effective as of the date hereof for the issuance from the Company of Special Purpose Membership Interests constituting a 100% Special Percentage Interest. Except for the MAIT Class B Contribution, no Member that is a holder of Special Purpose Membership Interests (acting in such capacity) has made or shall make, or shall be required or permitted to make, whether pursuant to a written capital funding request notice from the Company or otherwise, any additional capital contributions to the Company on account of its ownership of Special Purpose Membership Interests.

Section 5.2 Distributions Generally; Support Payments.

(a) Except as otherwise provided herein and subject to Section 5.2(c), Section 5.2(d) and the Act, no later than sixty (60) days after the end of each fiscal quarter, (i) for as long as the Investor Member's Common Percentage Interest is 30.0% or greater, the Company shall make distributions in cash to the Members that are holders of the Common Membership Interests (in their capacity as such) of all of the Company's Available Limited Discretion Cash in respect of such fiscal quarter, and (ii) in the event that the Investor Member's Common Percentage Interest falls below 30.0%, the Company shall make distributions in cash to the Members that are holders of the Common Membership Interests (in their capacity as such) of all the Company's Available Cash in respect of such fiscal quarter. The Company may make such other more frequent distributions (including interim distributions) to the Members that are holders of the Common Membership Interests (in their capacity as such) at such times and in such amounts as the Board may determine; provided, that, for so long as the Investor Member holds at least a 30.0% Common Percentage Interest, any such determination of the Board shall require the approval of each Investor Director; provided, further, that the Company shall only make distributions of any MAIT Class B Distributable Amounts (or any amounts that should be properly classified as MAIT Class B Distributable Amounts) in accordance with Section 5.2(b); provided, further, that except as set forth in Section 5.2(b) or in accordance with Section 5.3, no Member in its capacity as a holder of Special Purpose Membership Interests shall be entitled to, and no Member in its capacity as a holder of Special Purpose Membership Interests shall receive, any distributions from the Company on account of such holder's Special Purpose Membership Interests.

(b) Except as otherwise provided herein and subject to Section 5.2(c), Section 5.2(d) and the Act, for so long as any Special Purpose Membership Interests remain outstanding, as promptly as practicable (and in any event no later than two (2) Business Days) after each time that MAIT has made a validly authorized distribution to its equity holders in accordance with MAIT's Organizational Documents and applicable Law, the Company shall make distributions in cash to the Members that are holders of the Special Purpose Membership Interests (in their capacity as such) of all of the Company's MAIT Class B Distributable Amounts.

(c) Except as otherwise provided herein, all distributions shall be paid to the Members only in cash and in the same proportion as their respective Common Percentage

Interest or Special Percentage Interest, as applicable; provided that, in the case of distributions to be paid in respect of any period during which the applicable Common Percentage Interest or Special Percentage Interest, as applicable, of the Members changed, such distributions shall be prorated to reflect the Percentage Interest of the Members on each day of such measurement period, and the Company and the Members shall take such action as necessary to effectuate such proration.

(d) Notwithstanding the terms of this Section 5.2 and any other provision of this Agreement, (i) the Company shall not make any distribution to any Member on account of its Membership Interests to the extent such distribution would violate the Act, other applicable Law, and (ii) a Member may direct the payment of part or all of any distribution to another Person by providing written notice of such direction to the Company.

Section 5.3 Distributions upon the Occurrence of an Event of Dissolution. Upon the occurrence of an Event of Dissolution, the Board will proceed, subject to the provisions herein, to wind up the affairs of the Company, liquidate and distribute the remaining assets of the Company (provided, however, that all distributions shall be paid to the Members only in cash) and apply the proceeds of such liquidation in the order of priority in accordance with Section 18-804 of the Act or as may otherwise be agreed to by the Members, including, for the avoidance of doubt, the Investor Member; provided that, notwithstanding the foregoing (including the order of priority set forth in Section 18-804 of the Act to the extent it is contrary to the terms set forth in this proviso), to the extent permitted by applicable Law, the Members and the Company shall take all actions necessary to cause the Company to, before making any liquidating distributions to the Members as holders of the Common Membership Interests on account thereof, first make a liquidating distribution equal to the Fair Market Value of the MAIT Class B Interests then-owned by or for the benefit of the Company as of the date of the occurrence of an Event of Dissolution to the Members who are holders of the Special Purpose Membership Interest (on account thereof) in the same proportion as their respective Special Percentage Interests.

Section 5.4 Withdrawal of Capital; Interest. Except as expressly provided in this Agreement, (a) no Member may withdraw capital or receive any distributions from the Company and (b) no interest shall be paid by the Company on any capital contribution or distribution.

ARTICLE VI
TRANSFERS OF MEMBERSHIP INTERESTS

Section 6.1 General Restrictions.

(a) No Member shall Transfer any of its Membership Interests except pursuant to and in accordance with this Article VI. Any purported Transfer by any Member of its Membership Interests in violation of this Section 6.1(a), or without compliance in all respects with the provisions of this Article VI pertaining to such purported Transfer, shall be invalid and void *ab initio*, and such purported Transfer by such Member shall constitute a material breach of this Agreement for purposes of Article IV.

(b) Subject to Section 6.2, neither the Investor Member nor the FE Member may Transfer any of its Membership Interests to any Person prior to the expiration of the Lock-

Up Period, other than with the prior written consent of the FE Member or the Investor Member, as applicable. After the expiration of the Lock-up Period, each of the Investor Member and the FE Member, as applicable, may Transfer its Membership Interests in accordance with this Article VI. Notwithstanding the foregoing, each of the Members may at any time Transfer Membership Interests in compliance with Section 6.5.

Section 6.2 Transfers to Permitted Transferees; Liens by Members.

(a) Notwithstanding Section 6.1(a) and Section 6.1(b), each of the Members may Transfer at any time all or any portion of the Membership Interests held by it to any one of its Permitted Transferees; provided that, in connection with any such Transfer, (a) such Permitted Transferee shall, (i) in writing, assume all of the rights and obligations of the transferring Member as a Member under this Agreement and as a Party hereto with respect to the Transferred Membership Interests and (ii) obtain all requisite authorizations, approvals and consents of any Governmental Body in respect of such Transfer (and no such requisite authorization, approval or consent shall have been rescinded), and (b) effective provision shall be made whereby such Permitted Transferee shall be required, prior to the time when it shall cease to be a Permitted Transferee of the transferring Member, to Transfer such Membership Interests to the transferring Member or to another Person that would be a Permitted Transferee of the transferring Member as of such applicable time. In the event that a Member (including, as the case may be, a Permitted Transferee) intends to Transfer its Membership Interests to a Permitted Transferee, such transferring Member or the Permitted Transferee, as applicable, shall notify the other Member and the Company of the intended Transfer at least 20 Business Days prior to the intended Transfer.

(b) Each Member shall be permitted to directly or indirectly Encumber its Membership Interests or any equity interests in such Member in connection with any debt financing, the proceeds of which have been or will be used by such Member to finance its purchase of such Membership Interests (whether in respect of an issuance of new Membership Interests by the Company or the purchase of existing Membership Interests from a Member or the refinancing of any such debt financing in the future), and neither such Lien nor any commencement or consummation of foreclosure proceedings or exercise of foreclosure remedies by a secured party on, or the subsequent direct or indirect sale of, a Member's Membership Interests Encumbered in connection with any such debt financing shall, in either case, be considered a "Transfer" for any purpose under this Agreement; provided, that (i) such Member shall be obligated to promptly notify the other Member and the Company in writing following the commencement of any such foreclosure remedies or proceedings, (ii) in the event of the consummation of such a foreclosure, such Member will automatically cease to be deemed the owner of the Membership Interests so foreclosed and will cease to have any rights in respect thereof (with the financing source foreclosing on such Membership Interests succeeding to the rights and responsibilities of the Member hereunder), and (iii) the consummation of any such foreclosure will be subject to the receipt of any required authorization, approval or consent of all applicable Governmental Bodies.

Section 6.3 Right of First Offer.

(a) Prior to any Transfer by a Member (each, a "Transferring Member") of any Membership Interests, other than to a Permitted Transferee of such Transferring Member, the Transferring Member must first offer to sell to the other Member (such other Member, the "Non-Transferring Member") all of its Membership Interests that it desires to sell (such Membership Interests to be offered for sale to the Non-Transferring Member pursuant to this Section 6.3, the "Subject Membership Interests"), in each case, in accordance with the procedures set forth in the provisions of this Section 6.3.

(i) The Transferring Member shall first deliver to the Non-Transferring Member a written notice (a "Sale Notice") setting forth the cash price and all of the other material terms and conditions at which the Transferring Member is willing to sell the Subject Membership Interests to the Non-Transferring Member, which notice shall constitute an offer to the Non-Transferring Member to effect such purchase and sale on the terms set forth therein. Any such Sale Notice shall be firm, not subject to withdrawal and prepared and delivered in good faith. Within thirty (30) days following its receipt of a Sale Notice, the Non-Transferring Member may accept the Transferring Member's offer and purchase the Subject Membership Interests at the cash price and upon the other material terms and conditions set forth in the Sale Notice, in which event the closing of the purchase and sale of the Subject Membership Interests will take place as promptly as practicable. The Sale Notice shall contain representations and warranties by the Transferring Member to the Non-Transferring Member that (A) the Transferring Member has full right, title and interest in and to the Subject Membership Interests, (B) the Transferring Member has all the necessary power and authority and has taken all necessary action to Transfer the Subject Membership Interests to the Non-Transferring Member as contemplated by this Section 6.3, and (C) the Subject Membership Interests are free and clear of any and all Liens other than those arising as a result of or under the terms of this Agreement and those arising under securities Laws of general applicability pertaining to limitations on the transfer of unregistered securities.

(ii) If the Non-Transferring Member does not accept the Transferring Member's offer within such 30-day period, then the Transferring Member will, for a period of 120 days commencing on the earlier of (A) the expiration of such 30-day period and (B) the delivery of a written notice by the Non-Transferring Member to the Transferring Member rejecting the offer set forth in the Sale Notice (if any) (such 120-day period, the "Sale Period"), be entitled to sell the Subject Membership Interests to any one Third Party at the same or higher price and upon other terms and conditions (excluding price) that are not more favorable to the acquiror than those specified in the Sale Notice, subject to the other terms of this Section 6.3. If such sale to any Third Party is not completed prior to the expiration of the Sale Period, then the process initiated by the delivery of the Sale Notice shall be lapsed, and the Transferring Member will be required to repeat the process set forth in this Section 6.3 before entering into any agreement with respect to, or consummating, any sale of Membership Interests to any Third Party; provided that if a definitive agreement providing for the consummation of such sale is executed within the Sale Period but such sale has not been consummated at the expiration of the Sale Period solely as a result of a failure to receive the requisite

authorization, approval or consent of any Governmental Body in respect of such sale, then the Sale Period shall be extended solely to the extent necessary to permit the receipt of all such authorizations, approvals or consents which are in process but have not been received from the relevant Governmental Body as of the original expiration date of the Sale Period and the consummation of the sale provided for in such definitive agreement; provided, further, that the Transferring Member shall have used its reasonable best efforts in seeking such authorizations, approvals and consents.

(b) The Investor Member and its Permitted Transferees (if any) shall not be permitted to Transfer any of their Membership Interests to a Prohibited Competitor without the prior written consent of the FE Member. Within 10 Business Days after January 1, 2023 (and each year thereafter during the 10-Business Day period beginning on January 1 of the applicable year), the FE Member shall have the right to update the list of Prohibited Competitors set forth on Schedule 2 (i) to replace no more than three of the Prohibited Competitors with other Competitors designated by the FE Member, and (ii) in addition to any replacements pursuant to clause (i), to add up to two additional Prohibited Competitors designated by the FE Member to such list. Notwithstanding anything to the contrary set forth in this Agreement, this Section 6.3(b) and Schedule 2 (together with the definition of "Prohibited Competitor") shall automatically terminate and have no further force and effect in the event that the FE Member and its Permitted Transferees, individually or collectively, no longer control the Company. For purposes of this Section 6.3 and Section 6.4, "control" means (x) the ownership of a majority of the issued and outstanding Common Membership Interests of the Company, or (y) the ability to elect, directly or indirectly, a majority of the Directors of the Company in accordance with this Agreement.

(c) Prior to the consummation of any Transfer pursuant to Section 6.3(a)(ii), the Transferring Member shall have delivered to the Board and to the Non-Transferring Member evidence reasonably satisfactory to the Board (with the Directors appointed by the Transferring Member abstaining from any such determination) and to the Non-Transferring Member that (i) the transferee is financially capable of carrying out the obligations and promptly paying all liabilities of the Transferring Member pursuant to this Agreement with respect to the Subject Membership Interests, and (ii) the Transfer complies with the provisions of Section 6.3(b) (if applicable).

Section 6.4 Tag-Along Rights.

(a) Other than with respect to a Transfer proposed and made in accordance with Section 6.5, in the event that the FE Member proposes to effect a Transfer to a Third Party transferee (the "Tag-Along Buyer") of a number of its Membership Interests (i) constituting more than 5.0% of the total Common Membership Interests then outstanding (but which would not result in the Tag-Along Buyer acquiring control of the Company) or (ii) that would result in the Tag-Along Buyer acquiring control of the Company (in either case, a "Tag-Along Sale"), then the FE Member shall give the Investor Member written notice (a "Tag-Along Notice") of such proposed Transfer at least thirty (30) days prior to the consummation of such Tag-Along Sale, setting forth (w) the number of Membership Interests ("Tag-Along Offered Membership Interests") proposed to be Transferred to the Tag-Along Buyer and the purchase price, (x) the identity of the Tag-Along Buyer, (y) any other material terms and conditions of the proposed

Transfer, and (z) the intended dates on which the FE Member will enter into a definitive agreement in respect of such proposed Transfer and consummate such proposed Transfer.

(b) Upon delivery of a Tag-Along Notice, the Investor Member shall have the right, (i) in the case of a Tag-Along Sale described under Section 6.4(a)(i), to sell up to its Tag Portion, and (ii) in the case of a Tag-Along Sale described under Section 6.4(a)(ii), to sell all of the Common Membership Interests of the Company held by the Investor Member, in either case at the same price per Common Membership Interest, for the same form of consideration and pursuant to the same terms and conditions (including time of payment) as set forth in the Tag-Along Notice (or, if different, as such are applicable at the time of the entry into a definitive agreement in respect of, or at the time of the consummation of, the Tag-Along Sale). If the Investor Member wishes to participate in the Tag-Along Sale, then the Investor Member shall provide written notice to the FE Member no less than thirty (30) days after the date of the Tag-Along Notice, indicating such election. Such notice shall set forth the number of its Common Membership Interests that the Investor Member elects to include in the Tag-Along Sale (which number shall not exceed its Tag Portion solely in the case of a Tag-Along Sale described under Section 6.4(a)(i)), and such notice shall constitute the Investor Member's binding agreement to sell such Common Membership Interests on the terms and subject to the conditions applicable to the Tag-Along Sale.

(c) Any Transfer of the Investor Member's Common Membership Interests in a Tag-Along Sale shall be on the same terms and conditions as the Transfer of the FE Member's Common Membership Interests in such Tag-Along Sale, except as otherwise provided in this Section 6.4(c). The Investor Member shall be required to make customary representations and warranties in connection with the Transfer of the Investor Member's Common Membership Interests, including as to its ownership and authority to Transfer, free and clear of all Liens, the Investor Member's Common Membership Interests and shall indemnify and hold harmless, to the fullest extent permitted by applicable Law, the Tag-Along Buyer against all losses of whatever nature arising out of, in connection with or related to any material breach of any material representation or warranty made by, or agreements, understandings or covenants of the Investor Member, as the case may be, under the terms of the agreements relating to such Transfer of Investor Member's Common Membership Interests, in each case not to exceed the equivalent obligations to indemnify and hold harmless the Tag-Along Buyer provided by the FE Member; provided, that (i) liability for misrepresentation or indemnity shall (as between the FE Member and the Investor Member) be expressly stated to be several but not joint and the FE Member and the Investor Member shall not be liable for any breach of covenants or representations or warranties as to the Common Membership Interests of any other Member and shall not, in any event, be liable for more than its *pro rata* share (based on the proceeds to be received) of any liability for misrepresentation or indemnity, (ii) the Investor Member shall benefit from any releases of sellers or other provisions in the transaction documentation of general applicability to sellers to the same extent as the FE Member, (iii) the Investor Member shall not be obligated to agree to any non-customary administrative covenants (such as any non-compete covenants that would restrict its or its Affiliates' business activities), and (iv) the Investor Member shall not be obligated to provide indemnification obligations that exceed its proceeds from the Tag-Along Sale.

(d) Notwithstanding the foregoing, and for the avoidance of doubt, the Investor Member shall not be entitled to Transfer its Common Membership Interests pursuant to this Section 6.4 in the event that, notwithstanding delivery of a written notice of election to participate in such Tag-Along Sale pursuant to this Section 6.4, the Investor Member fails to consummate the Transfer of its Common Membership Interests (on the terms and conditions required by this Section 6.4) in the applicable Tag-Along Sale.

(e) For the avoidance of doubt, (i) the terms of this Section 6.4 apply to any Transfers of any Common Membership Interests by a Permitted Transferee of the FE Member that would otherwise constitute a Tag-Along Sale, and (ii) the rights conferred to the Investor Member under this Section 6.4 do not apply in the event of (A) a Change in Control of the FE Member or (B) a sale of all or any portion of the FE Member's Special Purpose Membership Interests.

Section 6.5 Drag-Along Rights.

(a) In the event that the FE Member intends to effect a sale of all of the Common Membership Interests owned by the FE Member and such Common Membership Interests constitute a majority of the issued and outstanding Common Membership Interests of the Company (a "Drag-Along Sale"), then the FE Member shall have the option (but not the obligation) to require the Investor Member to Transfer all of its Common Membership Interests to the Third Party buyer (the "Drag-Along Buyer") (or to such other Party as the Drag-Along Buyer directs) in accordance with the provisions of this Section 6.5 (such right of the FE Member, the "Drag-Along Right").

(b) If the FE Member elects to exercise the Drag-Along Right pursuant to Section 6.5(a), then the FE Member shall send a written notice to the Investor Member (a "Drag-Along Notice") specifying (i) that the Investor Member is required to Transfer all of its Common Membership Interests pursuant to this Section 6.5, (ii) the amount and form of consideration payable for the Investor Member's Common Membership Interests, (iii) the name of the Third Party to which the Investor Member's Common Membership Interests are to be Transferred (or which is otherwise entitled to direct the disposition thereof at the consummation of the Drag-Along Sale), (iv) any other material terms and conditions of the proposed Transfer, and (v) the intended dates on which the FE Member will enter into a definitive agreement in respect of such proposed Transfer and consummate such proposed Transfer.

(c) In the event that the FE Member elects to exercise the Drag-Along Right, then the Investor Member hereby agrees with respect to all Common Membership Interests it holds:

(i) in the event such transaction requires the approval of Members, to vote (in person, by proxy or by action by written consent, as applicable) all of its voting Membership Interests in favor of such Drag-Along Sale;

(ii) to execute and deliver all related documentation and take such other action reasonably necessary to enter into definitive agreements in respect of and to

consummate the proposed Drag-Along Sale in accordance with, and subject to the terms of, this Section 6.5; and

(iii) not to deposit its Common Membership Interests in a voting trust or subject any Common Membership Interests to any arrangement or agreement with respect to the voting of such Common Membership Interests, unless specifically requested to do so by the Drag-Along Buyer in connection with a Drag-Along Sale.

(d) Subject to Section 6.5(e), any Transfer of the Investor Member's Common Membership Interests in a Drag-Along Sale shall be on the same terms and conditions as the proposed Transfer of the FE Member's Common Membership Interests in the Drag-Along Sale. Upon the request of the FE Member, the Investor Member shall be required to make customary representations and warranties in connection with the Transfer of the Investor Member's Common Membership Interests, including as to its ownership and authority to Transfer, free and clear of all Liens, its Membership Interests, and shall indemnify and hold harmless, to the fullest extent permitted by applicable Law, the Drag-Along Buyer against all losses of whatever nature arising out of, in connection with or related to any material breach of any representation or warranty made by, or agreements, understandings or covenants of the Investor Member as the case may be, under the terms of the agreements relating to such Transfer of the Investor Member's Common Membership Interests, in each case not to exceed the equivalent obligations to indemnify and hold harmless the Tag-Along Buyer provided by the FE Member; provided, that (i) liability for misrepresentation or indemnity shall (as between the FE Member and the Investor Member) be expressly stated to be several but not joint and the FE Member and the Investor Member shall not be liable for any breach of covenants or representations or warranties as to the Membership Interests of any other Member and shall not, in any event, be liable for more than its *pro rata* share (based on the proceeds to be received) of any liability for misrepresentation or indemnity, (ii) the Investor Member shall benefit from any releases of sellers or other provisions in the transaction documentation of general applicability to sellers to the same extent as the FE Member and (iii) the Investor Member shall not be obligated to provide indemnification obligations that exceed its proceeds from the Drag-Along Sale.

(e) Any Transfer required to be made by the Investor Member pursuant to this Section 6.5 shall be for consideration consisting solely of cash. Without the consent of the Investor Member, the Investor Member shall not be required in connection with such Drag-Along Sale to agree to any material non-customary administrative covenants (such as any non-compete covenants that would restrict its or its Affiliates' business activities).

(f) At the consummation of the Drag-Along Sale, the Investor Member shall Transfer all of its Common Membership Interests to the Drag-Along Buyer (or its designee), and the Drag-Along Buyer shall pay the consideration due for the Investor Member's Common Membership Interest. If the Investor Member has, due to its own fault, failed, as of immediately prior to the time that the consummation of the Drag-Along Sale would otherwise have occurred, to have taken all actions necessary in accordance with this Agreement to consummate the Transfer of the Common Membership Interests held by it, then the Investor Member shall be deemed to be in material breach of this Agreement for purposes of Article IV, and shall be deemed to have granted (and hereby grants, contingent only on the occurrence of such failure) an irrevocable appointment of any Person nominated for the purpose by the FE Member to be the

Investor Member's agent and attorney to execute all necessary documentation and instruments on its behalf to Transfer the Investor Member's Common Membership Interest to the Drag-Along Buyer (or as it may direct) as the holder thereof, in each case consistent with the terms set forth in this Section 6.5.

(g) The FE Member shall have a period of 180 days commencing on the delivery of the Drag-Along Notice (such 180-day period, the "Drag Sale Period") to consummate the Drag-Along Sale. If the Drag-Along Sale is not completed prior to the expiration of the Drag Sale Period, then the process initiated by the delivery of the Drag-Along Notice shall be lapsed, and the FE Member will be required to repeat the process set forth in this Section 6.5 to pursue any Drag-Along Sale; provided that if a definitive agreement providing for the consummation of such Drag-Along Sale is executed within the Drag Sale Period but such Drag-Along Sale has not been consummated at the expiration of the Drag Sale Period solely as a result of a failure to receive the requisite authorization, approval or consent of any Governmental Body in respect of such Drag-Along Sale, then the Drag Sale Period shall be extended solely to the extent necessary to permit the receipt of all such authorizations, approvals or consents which are in process but have not been received from the relevant Governmental Body as of the original expiration date of the Drag Sale Period and the consummation of the Drag-Along Sale provided for in such definitive agreement; provided, further, that the FE Member shall have used efforts in seeking such authorizations, approvals and consents consistent with its obligations under such definitive agreement(s) in respect thereof.

(h) Notwithstanding the foregoing, the FE Member may not exercise the Drag-Along Right or consummate any Drag-Along Sale without the prior written consent of the Investor Member unless the applicable Drag-Along Sale would result in the Investor Member receiving net cash proceeds that result in the achievement of at least (x) an IRR of 10.0% and (y) an amount equal to 250.0% of the Investor Member's total Capital Contributions as of the exercise date of the Drag-Along Right *plus* the Purchase Price (as defined in the Initial PSA) *plus* the Purchase Price (as defined in the Second PSA) (the "Investor Member Minimum Return") and all outstanding loans (pursuant to Section 5.1 or otherwise) from the Investor Member to the FE Member, the Company or any of its Subsidiaries, including all accrued and unpaid interest thereon, are repaid in full at the closing of such contemplated Drag-Along Sale; provided, that any shortfall in the Investor Member receiving net cash proceeds that result in the achievement of the Investor Member Minimum Return may be paid by the FE Member to the Investor Member in immediately available funds at the closing of the Drag-Along Sale, in which case the prior written consent of the Investor Member shall not be required to exercise the Drag-Along Right or consummate such Drag-Along Sale.

(i) For the avoidance of doubt, the rights conferred to the FE Member under this Section 6.5 do not apply in the event of (A) a Change in Control of the FE Member or (B) a sale of all or any portion of the FE Member's Special Purpose Membership Interests.

Section 6.6 Cooperation. The Members and the Company acknowledge and agree that each of them shall cooperate reasonably to obtain the requisite authorization, approval or consent of any Governmental Body necessary to consummate (i) any Transfers contemplated or permitted by this Article VI or (ii) any indirect transfer of ownership interests of any direct or indirect member of the Investor Group ("Investor Group Transfer") to the extent that such

transfer necessitates the Company, any of its Subsidiaries, or the FE Member's participation in order to obtain such authorization, approval or consent of an applicable Governmental Body. The Members shall have the right in connection with any Transfer of Membership Interests permitted by this Agreement or any Investor Group Transfer (or in connection with the investigation or consideration of any such potential Transfer or Investor Group Transfer) to require the Company to reasonably cooperate with potential purchasers in such prospective Transfer or Investor Group Transfer (at the sole cost and expense of the applicable Member or such potential purchasers) by taking such actions reasonably requested by the applicable Member or such potential purchasers, including (a) preparing or assisting in the preparation of due diligence materials, (b) providing access to the Company's and each of its Subsidiaries' books, records, properties and other materials (subject, in each case, to the execution of customary confidentiality and non-disclosure agreements) to potential purchasers, and (c) making the directors, officers, employees (if any) and other Representatives of the Company and its Subsidiaries available to potential purchasers for presentations and due diligence interviews; provided that no such cooperation by the Company shall be required (i) until the relevant potential purchaser executes and delivers to the Company a customary confidentiality agreement, (ii) to the extent such cooperation would unreasonably interfere with the normal business operations of the Company or any of its Subsidiaries, and (iii) to the extent the provision of any information would (A) conflict with, or constitute a violation of, any applicable Law or cause a loss of attorney-client privilege of the Company or any of its Subsidiaries, (B) other than as may be necessary for the purpose of any regulatory filings necessary to consummate any such Transfer or Investor Group Transfer, in the FE Member's reasonable and good faith determination, require the disclosure of any information that is proprietary, confidential or sensitive to the FE Member or to any other member of the FE Outside Group, (C) other than as may be necessary for the purpose of any regulatory filings necessary to consummate any such Transfer or Investor Group Transfer, in the Investor Member's reasonable and good faith determination, require the disclosure of any information that is proprietary, confidential or sensitive to the Investor Member, or (D) require the disclosure of any confidential information relating to any joint, combined, consolidated or unitary Tax Return that includes the FE Member or any other member of the FE Outside Group or any supporting work papers or other documentation related thereto. Notwithstanding, anything herein to the contrary, the Company will not be required in connection with any Transfers contemplated or permitted by this Article VI or any Investor Group Transfer to offer or grant any non-*de minimis* accommodation or concession (financial or otherwise) to any Third Party or to otherwise suffer any non-*de minimis* detriment in connection with obtaining any authorization, approval or consent of any Governmental Body in connection with such transfer (it being understood that costs and expenses incurred by the Company that are promptly reimbursed by the Member seeking to effect such transfer will not be considered a "detriment" for purposes of this sentence).

Section 6.7 Contracts Inhibiting Transfer. The Company shall not, and shall cause its Subsidiaries not to, enter into any Contract (or modify the terms of any existing Contract of the Company or any of its Subsidiaries so as to provide) that includes a provision that, by its terms, is triggered by a Transfer of the Investor Member's Membership Interests or an Investor Group Transfer and that the consequence of such triggering event under such Contract would have an effect that is materially adverse to the Company or any of its Subsidiaries.

ARTICLE VII
PREEMPTIVE RIGHTS

Section 7.1 Preemptive Rights. The Company hereby grants to each Member the right to purchase such Member's Preemptive Right Share of all (or any part) of any New Securities that the Company may from time to time issue after the date of this Agreement (the "Preemptive Right"). In the event the Company proposes to undertake an issuance of New Securities (in a single transaction or a series of related transactions), the Company shall give to each Member written notice of its intention to issue New Securities (the "Preemptive Right Participation Notice"), describing the amount and type of New Securities, the cash purchase price and the general terms upon which it proposes to issue such New Securities. Each Member shall have ten (10) Business Days from the date of receipt of any such Preemptive Right Participation Notice (the "Preemptive Right Notice Period") to agree in writing to purchase for cash up to such Member's Preemptive Right Share of such New Securities for the price and upon the terms and conditions specified in the Preemptive Right Participation Notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased (not to exceed such Member's Preemptive Right Share). If any Member fails to so respond in writing within the Preemptive Right Notice Period, then such Member shall forfeit the right hereunder to purchase its Preemptive Right Share of such New Securities. Subject to obtaining the requisite authorization, approval or consent of any Governmental Body, the closing of any purchase by any Member pursuant to this Section 7.1 shall be consummated concurrently with the consummation of the issuance or sale described in the Preemptive Right Participation Notice. The Company shall be free to complete the proposed issuance or sale of New Securities described in the Preemptive Right Participation Notice with respect to any New Securities not elected to be purchased pursuant to this Section 7.1 in accordance with the terms and conditions set forth in the Preemptive Right Participation Notice (except that the amount of New Securities to be issued or sold by the Company may be reduced upon approval by the Board, which shall require the approval of each Investor Director so long as the Investor Member holds a Common Percentage Interest of at least 30.0%).

ARTICLE VIII
PROTECTIVE PROVISIONS

Section 8.1 Investor Member No Threshold Matters. Notwithstanding anything to the contrary in this Agreement, the Company shall not cause or permit, in each case, without the prior written consent of the Investor Member (except that no such written consent shall be required to the extent that such matter is necessary to comply with applicable Law); provided, that the Investor Member may not unreasonably withhold its consent to the matters under clause (i) below (it being acknowledged and agreed that it shall be deemed unreasonable for the Investor Member to withhold its consent to any matter under clause (i) below solely on the basis of the pricing or other terms thereof if such pricing or other terms are provided for by, and are otherwise in accordance with, applicable Law):

(a) the issuance of (i) any membership interests by the Company or (ii) any equity interests by any of the Company's Subsidiaries to any Person that is not the Company or one of its Subsidiaries;

(b) the taking of any action that would reasonably be expected to result in the Company not being classified as a corporation for U.S. federal income Tax purposes (or for the purposes of any applicable state and local Taxes, to the extent material);

(c) causing the conversion of the Company or any of its Subsidiaries from its current legal business entity form to any other business entity form (*e.g.*, the conversion of the Company from a Delaware limited liability company to a Delaware corporation);

(d) any non-*pro rata* repurchase or redemption of any equity interests issued by the Company;

(e) the transfer, sale or other disposition, whether by way of asset sale, stock sale, merger or otherwise, of all or substantially all of the assets of the Company and the Company's Subsidiaries, taken as a whole on a consolidated basis (it being understood, for the avoidance of doubt, that this Section 8.1(e) shall not be deemed to restrict a transfer, sale or other disposition of the equity of the Company);

(f) any amendment or modification to any Organizational Document of any Subsidiary of the Company, other than (i) ministerial amendments thereto or (ii) amendments thereto that would not reasonably be expected to have a material and adverse impact on the Investor Member;

(g) any election that would cause the Company to be treated as a "real estate investment trust" (within the meaning of Section 856 of the Code);

(h) (i) any amendment or modification to the Company Group Intercompany Income Tax Allocation Agreement dated as of the Effective Date, among the Company and its Subsidiaries listed therein (or any replacement agreement thereof entered into among the Company and its Subsidiaries for the purpose of allocating consolidated tax liabilities, the "Company Group Tax Allocation Agreement"), or (ii) the entry by the Company into any Tax sharing or allocation agreement other than the Company Group Tax Allocation Agreement;

(i) the entry into, amendment or termination of, or waiver of any material right under, any Affiliate Transaction (which shall not be deemed to include any corporate allocations involving the Company or any of its Subsidiaries that are made in compliance with Section 2.14, other than those corporate allocations that relate to operating electric transmission assets and facilities (non-corporate support services) that are specific to the Company or its Subsidiaries) other than Affiliate Transactions that satisfy each of the following requirements: (i) any and all such Affiliate Transactions are entered into on terms that are no less favorable in the aggregate to the Company (or the relevant Subsidiary thereof party thereto) than reasonably would be obtainable by another similarly-situated utility company from an unaffiliated third party (it being agreed that any pricing or other terms required by applicable Law shall be deemed to constitute an arm's length term for purposes of this clause (i)); and (ii) any and all such Affiliate Transactions involve revenues or expenditures of less than $10,000,000 per Contract, transaction or series of related transactions individually and less than $30,000,000 in the aggregate for any fiscal year for all such Affiliate Transactions (it being acknowledged and agreed that no prior written consent of the Investor Member will be required with respect to any

amendments to any Affiliate Transaction made in the ordinary course of business unless and only to the extent such amendment would adversely affect the Company or its relevant Subsidiary party thereto in any material respect); provided, that with respect to any Affiliate Transaction contemplated by Section 8.2(b) or Section 8.1(h), Section 8.2(b) or Section 8.1(h) shall control over this Section 8.1(i);

(j) the filing of a petition seeking relief, or the consent to the entry of a decree or order for relief in an involuntary case, under the bankruptcy, rearrangement, reorganization or other debtor relief Laws of the United States or any state or any other competent jurisdiction or a general assignment for the benefit of its creditors by the Company or any of its Subsidiaries; or

(k) the entry into any binding agreement or arrangement by the Company or any of its Subsidiaries to effect any of the foregoing actions.

Section 8.2 Investor Member Threshold Matters. Notwithstanding anything to the contrary in this Agreement, but subject to Section 8.4, the Company shall not cause or permit, in each case, without the prior written consent of the Investor Member, for so long as the Investor Member holds at least a 9.9% Common Percentage Interest (unless such matter is necessary (i) to comply with applicable Law, or (ii) with respect to clauses (b), (c), (d) or (f) or, to the extent related to the foregoing, (j), in response to an Emergency Situation):

(a) any material change to any line or scope of the existing business of the Company or any of its Subsidiaries;

(b) without limiting the requirements of Section 2.14, the direct or indirect acquisition by the Company or any of the Company's Subsidiaries (whether by merger or consolidation, acquisition of assets or stock or by formation of a joint venture or otherwise), or any request for capital in connection therewith, (i) of any equity interests of any member of the FE Outside Group, or (ii) of any business, assets or operations of any member of the FE Outside Group, in either case having a Fair Market Value in excess of 2.5% of the Rate Base Amount in the aggregate in any calendar year, other than Qualifying Core Assets;

(c) the transfer, sale or other disposition, whether by way of asset sale, stock sale, merger or otherwise, of any business, assets or operations of one or more of the Company's Subsidiaries having a Fair Market Value in excess of 2.5% of the Rate Base Amount in the aggregate in any single transaction or series of related transactions, other than Qualifying Core Assets;

(d) other than in connection with capital expenditures (which are addressed in subparagraph (e) below), any acquisition of assets, including equity securities, or any request for capital in connection therewith, by the Company or any of its Subsidiaries from a Third Party the aggregate purchase price of which exceeds 2.5% of the Rate Base Amount in any calendar year, other than Qualifying Core Assets;

(e) any capital expenditure by the Company or its Subsidiaries, or any request for capital in connection therewith, that exceeds in the aggregate 1.0% of the Rate Base Amount in any calendar year and that is not (i) made in connection with obtaining, constructing or

otherwise acquiring a Qualifying Core Asset, or (ii) reasonably necessary to fund any Emergency Expenditures;

(f) the incurrence of Indebtedness (other than the refinancing of existing Indebtedness on commercially reasonable terms reflecting then-current credit market conditions) by the Company or any of its Subsidiaries that would reasonably be expected to result in the Company's Debt-to-Capital Ratio equaling or exceeding (i) prior to the fifth (5^{th}) anniversary of the Effective Date, sixty five percent (65%), and (ii) thereafter, seventy percent (70%); provided, that the Company shall notify the Investor Member at least thirty (30) days prior to the Company or any of its Subsidiaries incurring any Indebtedness in excess of the annual budget;

(g) the listing of any equity interests of the Company (or a successor to the Company, including by merger, conversion or other reorganization) on any stock exchange;

(h) the entrance into any joint venture, partnership or similar agreement, unless the aggregate amount of cash, property or other assets anticipated to be contributed by the Company or its applicable Subsidiary to such joint venture or partnership is less than 2.5% of the Rate Base Amount, or such joint venture, partnership or similar interests (or the cash, property or other assets so contributed to such joint venture or partnership) would continue to qualify as Qualifying Core Assets;

(i) material decisions relating to the conduct (including the settlement) of any litigation, administrative, or criminal proceeding to which the Company or any of its Subsidiaries is a party where (i) it is reasonably expected that the liability of the Company and its Subsidiaries would exceed $30,000,000 in the aggregate and (ii) such proceeding would reasonably be expected to have an adverse effect on the Investor Member or any of its Affiliates (other than in its or (if applicable, their) capacity as an investor in the Company); provided, that, for the avoidance of doubt, the foregoing shall not be applicable to any ordinary course regulatory proceedings (including rate cases) that do not involve claims of criminal conduct or intentional violations of applicable Law; provided that, notwithstanding the foregoing, the prior written consent of the Investor Member shall not be required in any litigation, administrative or criminal proceeding between one or more members of the Company Group, on the one hand, and one or more of the Investor Member and any of its Affiliates, on the other hand; or

(j) the entry into any binding agreement or arrangement by the Company or any of its Subsidiaries to effect any of the foregoing actions.

Section 8.3 Threshold Consultation Matters. Notwithstanding anything to the contrary in this Agreement, but subject to Section 8.4, for so long as (x) the Investor Member's Common Percentage Interest is at least 9.9% and (y) the Investor Member is not a Defaulting Member, the Company (and, as applicable, the Board) shall use its reasonable best efforts to consult in good faith with the Investor Member (which consultation shall be deemed to include the participation of Investor Directors in the meetings of the Board with respect to such matters, and, to the extent requested by the Investor Member, reasonable discussions between Representatives of the Company, of the Investor Member and of the FE Member) prior to the Company undertaking, or causing or permitting any of its Subsidiaries to undertake, any of the following matters (except as would be impracticable in respect of a particular action that the Board reasonably believes to be

necessary or appropriate to comply with applicable Law or in response to an Emergency Situation):

(a) establishing or materially amending the annual budget and business plan of the Company and its Subsidiaries;

(b) without limiting the Investor Member's rights under Section 8.2(f), incurring long-term Indebtedness of the Company or any of its Subsidiaries if such incurrence would be subject to the authorization or approval of any of the Public Utilities Commission of Ohio, the Pennsylvania Public Utility Commission or FERC, except for (i) any refinancing of Indebtedness using similar instruments on substantially similar or more favorable terms relative to the existing Indebtedness being so refinanced and (ii) any such incurrence of Indebtedness made in the ordinary course of business consistent with the Company's or the applicable Subsidiary's established target regulatory capital structure consistent with the Company's or the applicable Subsidiary's historical practices;

(c) without limiting the Investor Member's rights under Section 8.2(j), initiating, settling or compromising any arbitration, lawsuit, proceeding or regulatory process (i) with a settlement or compromise amount in excess of 2.5% of the Rate Base Amount, or (ii) that has material non-monetary penalties or obligations on the Company and/or any of its Subsidiaries;

(d) the appointment or replacement of any member of the Transmission Leadership Team; and

(e) any material Tax election by or with respect to the Company or any Subsidiary that would reasonably be expected to have a material impact on the Investor Member.

Section 8.4 Investor Member Enhanced Threshold Matters. Notwithstanding anything to the contrary in this Agreement, for so long as (x) the Investor Member holds at least a 30.0% Common Percentage Interest and (y) the Investor Member is not a Defaulting Member (it being understood that if at any time the Investor Member holds at least a 30.0% Common Percentage Interest and is not a Defaulting Member, then Section 8.2 and Section 8.3(b) and (d) shall not apply), the Company shall not cause or permit, in each case, without the prior written consent of the Investor Member (unless such matter is necessary (i) to comply with applicable Law, or (ii) with respect to clauses (e), (f), or, to the extent related to the foregoing, (t), in response to an Emergency Situation):

(a) any material change to any line or scope of the existing business of the Company or any of its Subsidiaries;

(b) without limiting the requirements of Section 2.14, the direct or indirect acquisition by the Company or any of the Company's Subsidiaries (whether by merger or consolidation, acquisition of assets or stock or by formation of a joint venture or otherwise), or any request for capital in connection therewith, (i) of any equity interests of any member of the FE Outside Group, or (ii) of any business, assets or operations of any member of the FE Outside Group, in either case having a Fair Market Value in excess of 1.5% of the Rate Base Amount in the aggregate in any calendar year;

(c) the transfer, sale or other disposition, whether by way of asset sale, stock sale, merger or otherwise, of any business, assets or operations of one or more of the Company's Subsidiaries having a Fair Market Value in excess of 1.5% of the Rate Base Amount in the aggregate in any single transaction or series of related transactions;

(d) other than in connection with capital expenditures that are included in the Annual Approved Budget, any (i) acquisition of assets, including equity securities, or any request for capital in connection therewith, by the Company or any of its Subsidiaries from a Third Party the aggregate purchase price of which exceeds 1.5% of the Rate Base Amount in any calendar year or (ii) any loans to or investments in a Third Party;

(e) (i) any capital expenditure (A) made in connection with a Material Project by the Company or its Subsidiaries, or any request for capital in connection therewith, that varies from the amount for such Material Project as set forth for such project in the project listing provided by the FE Member to the Investor Member in connection with approval of the Annual Approved Budget by more than 10.0% or (B) made in connection with obtaining, constructing or otherwise acquiring any asset that is not a Qualifying Core Asset by any Subsidiary by the Company or its Subsidiaries, or any request for capital in connection therewith, that exceeds the amount set forth for such project in the project listing provided by the FE Member to the Investor Member in connection with the approval of the Annual Approved Budget for such capital expense item by more than 5.0%, or (ii) any increase in the capital expenditures of the Subsidiaries of the Company, such that the aggregate amount of capital expenditures for the current fiscal year would reasonably be expected to exceed by 10.0% or more the aggregate capital expenditures set forth in the Annual Approved Budget; provided that the Investor Member may not unreasonably withhold its consent to capital expenditures reasonably necessary to fund any Emergency Expenditures;

(f) (i) the incurrence or refinancing of Indebtedness of the Company or (ii) the incurrence or refinancing of Indebtedness of any Subsidiary of the Company if such incurrence or refinancing would reasonably be expected to cause such Subsidiary to deviate from its Targeted Capital Structure;

(g) the entry into, modification, amendment or termination of, or waiver of any material right under, any Affiliate Transaction (which shall not be deemed to include any corporate allocations involving the Company or any of its Subsidiaries that are made in compliance with Section 2.14), other than Affiliate Transactions that satisfy each of the following requirements: (i) any and all such Affiliate Transactions are entered into on terms that are no less favorable in the aggregate to the Company (or the relevant Subsidiary thereof party thereto) than reasonably would be obtainable by another similarly-situated utility company from an unaffiliated third party (it being agreed that any pricing or other terms required by applicable Law shall be deemed to constitute an arm's length term for purposes of this clause (i)); and (ii) any and all such Affiliate Transactions involve revenues or expenditures of less than $10,000,000 per Contract, transaction or series of related transactions individually and less than $20,000,000 in the aggregate for any fiscal year for all such Affiliate Transactions (it being acknowledged and agreed that no prior written consent of the Investor Member will be required with respect to (1) intercompany interconnection service agreements entered into in the ordinary course of business as required by Law or any Governmental Body in connection with services

provided to or within the PJM Region or (2) any amendments to any Affiliate Transaction made in the ordinary course of business unless and only to the extent such amendment would adversely affect the Investor Member, the Company, or any Subsidiary of the Company in any non-*de minimis* respect);

(h) the filing of a petition seeking relief, or the consent to the entry of a decree or order for relief in an involuntary case, under the bankruptcy, rearrangement, reorganization or other debtor relief Laws of the United States or any state or any other competent jurisdiction or a general assignment for the benefit of its creditors by the Company or any of its Subsidiaries;

(i) the listing of any equity interests of the Company (or a successor to the Company, including by merger, conversion or other reorganization) on any stock exchange;

(j) the entrance into any joint venture, partnership or similar agreement;

(k) material decisions relating to the initiation or conduct (including the settlement) of any litigation, administrative or criminal proceeding (other than regulatory matters, which are addressed below in clause (n)) to which the Company or any of its Subsidiaries is a party where (i) it is reasonably expected that the liability of the Company and its Subsidiaries would exceed $20,000,000 in the aggregate or (ii) such proceeding would reasonably be expected to have an adverse effect on the Investor Member or any of its Affiliates or the Company or any of its Subsidiaries; provided that, notwithstanding the foregoing, the prior written consent of the Investor Member shall not be required in any litigation, administrative or criminal proceeding between one or more members of the Company Group, on the one hand, and one or more of the Investor Member and any of its Affiliates, on the other hand;

(l) establishing or amending the Annual Approved Budget;

(m) (i) the Company or any of its Subsidiaries employing any individual or entering into or amending the terms of such employment, (ii) compensation decisions with respect to any employees or officers of the Company or any of its Subsidiaries (but not, for the avoidance of doubt, independent contractors) and (iii) the appointment or replacement of any member of the Transmission Leadership Team;

(n) if the FE Member is no longer directly or indirectly the beneficial owner of at least a majority of the Common Membership Interests of the Company, any adoption, amendment or modification of accounting policies of the Company or any Subsidiary;

(o) any (i) filings made pursuant to FPA Section 205 by any of the Company's Subsidiaries that have a material effect on the rates or terms and conditions of service, (ii) responses to FPA Section 206 proceedings, in which the Company's Subsidiaries are named parties, that are material, (iii) responses on behalf of the Company and/or its Subsidiaries to FERC enforcement proceedings involving matters material to the Company and/or its Subsidiaries, (iv) filings made with any state Governmental Body on behalf of the Company and/or its Subsidiaries involving matters material to the Company and/or its Subsidiaries, and (v) in each of the above cases, any settlement filings with respect thereto; provided, however, that all of the above rights will not apply to the extent that any member of the FE Outside Group other than Parent is a party to the relevant proceeding unless the filing, response, or proceeding as a

whole (x) is likely to have a material adverse impact on the Company and its Subsidiaries or the Investor Member that is disproportionate to the relative impact on the FE Outside Group (it being understood that any such filing whose impact is proportionate to the relative impact on the FE Outside Group will not be subject to this approval right, but that the FE Member will reasonably consult with the Investor Member in respect of such filing) or (y) presents a conflict of interest between the Company and/or its Subsidiaries, on the one hand, and one or more members of the FE Outside Group, on the other hand (in each case as reasonably determined by either Member in good faith based on the facts and circumstances, and it being understood that the FE Member will provide information as reasonably requested by the Investor Member for the purpose of determining whether such a conflict exists), it being understood that in the event of a Deadlock in respect of these filings, the applicable provisions of Schedule 4 will apply (it being acknowledged that, without limiting the foregoing, in no event shall the Investor Member have a consent right over a filing, response or proceeding of a member to the extent relating to the FE Outside Group);

(p) any execution of, termination of, material amendment to, material modification of, or waiver of any material rights under, any material contract of the Company or any of its Subsidiaries that relates to a subject matter that is different from the other subject matters addressed by the other clauses of this Section 8.4;

(q) any action reasonably expected to cause a default or breach of a material contract of the Company or any Subsidiary;

(r) creation of any material Lien, other than a Permitted Lien;

(s) causing (i) any reorganization of the Company or any of its Subsidiaries or (ii) the conversion of the Company or any of its Subsidiaries from its current legal business entity form to any other business entity form (e.g., the conversion of the Company from a Delaware limited liability company to a Delaware corporation); or

(t) the entry into any binding agreement or arrangement by the Company or any of its Subsidiaries to effect any of the foregoing actions.

Section 8.5 Enhanced Consultation Matters. Notwithstanding anything to the contrary in this Agreement, for so long as (x) the Investor Member's Common Percentage Interest is at least 25.0% but is less than 30.0% and (y) the Investor Member is not a Defaulting Member, the Company (and, as applicable, the Board) shall use its reasonable best efforts to consult in good faith with the Investor Member (which consultation shall be deemed to include the participation of Investor Directors in the meetings of the Board with respect to such matters, and, to the extent requested by the Investor Member, reasonable discussions between Representatives of the Company, of the Investor Member and of the FE Member) prior to the Company undertaking, or causing or permitting any of its Subsidiaries to undertake, any of the matters listed in Section 8.4 (except as would be impracticable in respect of a particular action that the Board reasonably believes to be necessary or appropriate to comply with applicable Law or in response to an Emergency Situation). For the avoidance of doubt, nothing in this Section 8.5 shall affect the Investor Member's rights under Sections 8.1 and 8.2.

Section 8.6 Actions by the Investor Director(s) on behalf of the Investor Member. Where any action requires the consent of the Investor Member pursuant to Section 8.1, Section 8.2 or Section 8.4, the Investor Director(s) shall, unless the Investor Member indicates in writing to the FE Member otherwise, have the authority to provide such consent on behalf of the Investor Member at any meeting of the Board called to discuss such matters, and the Company, the other Members and the other Directors shall be entitled to rely on such action of the Investor Director(s) as an action of the Investor Member with such action being binding upon the Investor Member.

Section 8.7 Certain Other Matters.

(a) For the avoidance of doubt, and notwithstanding Section 8.1, Section 8.2 and Section 8.3, in no event will the Investor Member have any consent or consultation rights in respect of the dissolution, liquidation or winding up (or similar actions taken having the same effect) of AET PATH or any of its Subsidiaries or the business and affairs of any of such Persons; provided, however, that the foregoing provisions of this Section 8.7 shall not have any effect for so long as the Investor Member holds at least a 30.0% Common Percentage Interest.

(b) Notwithstanding anything in this Agreement to the contrary, for so long as the Investor Member holds at least a 30.0% Common Percentage Interest, the Investor Member may make recommendations concerning the removal of any member of the Transmission Leadership Team, which recommendation the FE Directors must consider and discuss in good faith with the Investor Directors.

ARTICLE IX
OTHER COVENANTS AND AGREEMENTS

Section 9.1 Books and Records.

(a) The Company shall keep and maintain, or cause to be kept and maintained, books and records of accounts, taxes, financial information and all matters pertaining to the Company and its Subsidiaries at the principal offices and place of business of the Company in a commercially reasonable manner consistent with the manner in which similar books and records are kept and maintained by other members of the FE Outside Group. Each Member (other than any Defaulting Member) and its duly authorized Representatives shall have the right to, at reasonable times during normal business hours, upon reasonable notice, under supervision of the Company's personnel and in such a manner as to not unreasonably interfere with the normal operations of any member of the Company Group: (i) visit and inspect the books and records of the Company Group, and, at its expense, make copies of and take extracts from any books and records of the Company Group, (ii) meet and consult with officers, other managers of the Company Group and Representatives of the Company Group regarding their businesses and activities, and (iii) in the case of the Investor Member, for so long as the Investor Member holds at least a 30.0% Common Percentage Interest, inspect and, at its expense, make copies of and take extracts from any written reports made available to the FE Member concerning the Company Group (provided that the Company may redact or omit any portions thereof not solely related to the Company Group) or any other written information regarding the Company Group as may reasonably be requested by the Investor Member (it being

acknowledged that, for the avoidance of doubt, the obligations in this clause (iii) shall not require the disclosure of emails and other non-recurring informal correspondence, and shall not unreasonably require the creation of data or information that is not already in existence); provided that, in the case of the Investor Member, any Person gaining access to such information regarding the Company Group pursuant to this Section 9.1 and Section 9.2 shall agree to hold in strict confidence, not make any disclosure of, and not use for purposes other than good faith administration of the Investor Member's continuing investment, all information regarding any member of the Company Group that is not otherwise publicly available.

(b) Notwithstanding the foregoing or anything in Section 9.2(f), the Company shall not be obligated to provide to the Investor Member any record or information (i) relating to the negotiation and consummation of the transactions contemplated by this Agreement, the Initial PSA and the Second PSA, including confidential communications with Representatives or Advisors, including legal counsel, representing the Company or any of its Affiliates, (ii) that is subject to an attorney-client or other legal privilege, (iii) that, in the FE Member's reasonable and good faith determination are proprietary, confidential or competitively sensitive to the FE Member or to any other member of the FE Outside Group, (iv) relating to any joint, combined, consolidated or unitary Tax Return that includes the FE Member or any other member of the FE Outside Group or any supporting work papers or other documentation related thereto, or (v) the provision of which would violate any applicable Law.

(c) Each Member shall reimburse the Company for all documented out-of-pocket costs and expenses incurred by the Company in connection with such Member's exercise of its inspection and information rights pursuant to this Section 9.1 and Section 9.2(f).

Section 9.2 Financial Reports. The Company shall provide, or otherwise make available, to any Member (unless such Member is a Defaulting Member):

(a) for so long as the Investor Member holds at least a 30.0% Common Percentage Interest, on a monthly basis, operating and financial reports and any periodic updates made to financial forecasts (provided that the obligation to do so may be satisfied by delivering such information to the Board or Advisory Committee at the next scheduled monthly meeting thereof);

(b) on an annual basis, within 105 days after the end of each fiscal year, an audited consolidated balance sheet, statement of operations and statement of cash flow of each member of the Company Group;

(c) on a quarterly basis, within 60 days after the end of each fiscal quarter, an unaudited quarterly and year-to-date consolidated balance sheet and related statement of operation and statement of cash flow of each member of the Company Group;

(d) on an annual basis, as soon as reasonably practicable after the approval thereof by the Board, the annual budget and business plan (if applicable) for each member of the Company Group;

(e) on an annual basis, as soon as reasonably practicable after the approval thereof by the Board, financial forecasts for each member of the Company Group for the fiscal

year, which shall be in such manner and form as approved by the Board, and which shall include a projection of income and a projected cash flow statement for each fiscal quarter in such fiscal year and a projected balance sheet as of the end of each fiscal quarter in such fiscal year; and

(f) to the Investor Member, any other financial information regarding the Company Group reasonably requested by the Investor Member; provided, however, that the Company shall not be unreasonably required pursuant to this clause (f) to create data or information that is not already in existence.

Section 9.3 Other Business; Corporate Opportunities.

(a) To the extent permitted by applicable Law and, in the case of the FE Member, subject to its compliance with its obligations under Section 9.3(b), any Member and any Affiliate of any Member may engage in, possess an interest in or otherwise be involved in other business ventures of any nature or description, independently or with others, similar or dissimilar to the businesses of the Company Group, and neither the Company nor any other Member shall have any rights by virtue of this Agreement in and to such independent ventures or the income or profits derived therefrom, and the pursuit of any such venture, even if competitive with the businesses of the Company Group, shall be deemed not to be wrongful or improper so long as it is consistent with all Laws applicable to the Company and its Subsidiaries.

(b)

(i) In the event that the FE Member identifies an acquisition, "greenfield" development, expansion or upgrade opportunity primarily involving, related to or in furtherance of the activities described in clauses (i) and (iii) of the definition of the Company Business within the PJM Transmission Zones within the PJM Region in which the Company and its Subsidiaries then currently operate or, to the extent permitted by applicable Law, in any other area not then-covered by an existing member of the FE Outside Group (excluding the JCP&L PJM Transmission Zone) (a "Company Business Opportunity"), if and to the extent it would be permissible by the relevant Governmental Body for the Company or one of its Subsidiaries to pursue such Company Business Opportunity, then such Company Business Opportunity shall be presented by the FE Member to the Board for pursuit by the Company (subject to Article VIII) prior to any members of the FE Outside Group undertaking such opportunity; provided, however, that a "Company Business Opportunity" shall, subject to Sections 9.3(b)(ii) and 9.3(b)(iii), exclude any business activities conducted by the FE Outside Group as of the Effective Date, including direct or indirect investments in, or directly or indirectly developing, constructing, commercializing, operating, maintaining or owning, electric transmission assets and facilities in the Allegheny Power Systems Transmission Zone (but only to the extent such activities are otherwise not permitted to be undertaken by the Company) and JCP&L PJM Transmission Zone. If the Company declines the Company Business Opportunity, then the FE Outside Group will have the right to pursue the Company Business Opportunity without further involvement of the Company.

(ii) For so long as the Investor Member holds at least a 30.0% Common Percentage Interest, if the FE Member receives a bona fide third party offer to

acquire any or all of the KATCo Interests, which such offer the FE Member wishes to accept, then the FE Member shall promptly notify the Company and the Investor Member in writing of such offer (such notice, the "KATCo ROFR Notice"), setting forth the name and address of the prospective purchaser, the price or method of determining such price (the "KATCo ROFR Price"), and the material terms and conditions of such proposed sale.

(1) The Investor Member shall have a period of up to forty-five (45) days (the "KATCo ROFR Option Period") after receipt of the KATCo ROFR Notice within which to notify the FE Member in writing that it wishes for the Company to acquire all (but not less than all) of the KATCo Interests at a price equal to the KATCo ROFR Price and upon the same terms and conditions set forth in the KATCo ROFR Notice. Subject to such terms and conditions, the FE Member and Investor Member shall cooperate in good faith to obtain any necessary consents or approvals and enter into any definitive agreements to consummate the sale of the KATCo Interests to the Company. If such consents or approvals are obtained, then the FE Member shall be obligated to sell to the Company, and the Company shall be obligated to acquire from the FE Member, the KATCo Interests at the price and on the terms and conditions set forth in the KATCo ROFR Notice.

(2) If the Investor Member does not give such notice to the FE Member within such KATCo ROFR Option Period or if, having given such notice, the Investor Member and FE Member do not obtain the necessary consents or regulatory approvals despite the parties' good faith cooperation to do so, then the FE Member shall be free to sell the KATCo Interests to the Third Party named in its notice, provided that such sale is consummated at a price equal to or greater than the KATCo ROFR Price and upon substantially the same terms and conditions (other than the price, which may be higher than the KATCo ROFR Price) as are set forth in the KATCo ROFR Notice. If such sale to any Third Party is not completed prior a period of 120 days commencing on the earlier of (A) the expiration of the ROFR Option Period and (B) the delivery of a written notice by the Investor Member to the FE Member rejecting the offer set forth in the KATCo ROFR Notice (such 120-day period, the "KATCo ROFR Sale Period"), then the process initiated by the delivery of the KATCo ROFR Notice shall be lapsed, and the FE Member will be required to repeat the process set forth in this Section 9.3(b)(ii) before entering into any agreement with respect to, or consummating, any sale of KATCo Interests to such Third Party; provided, that if a definitive agreement providing for the consummation of such sale is executed within the KATCo ROFR Sale Period but such sale has not been consummated at the expiration of the KATCo ROFR Sale Period solely as a result of a failure to receive the requisite authorization, approval or consent of any Governmental Body in respect of such sale, then the KATCo ROFR Sale Period shall be extended solely to the extent necessary to permit the receipt of all such authorizations, approvals or consents which are in process but have not been received from the relevant Governmental Body as of the original expiration date of the KATCo ROFR Sale Period and the consummation of the sale provided for

in such definitive agreement; provided, further, that the FE Member shall have used its reasonable best efforts in seeking such authorizations, approvals and consents.

(iii) In connection with the sale of any KATCO Interests, the FE Member shall promptly provide any due diligence materials that were provided to the Third Party making the relevant bona fide third party offer or any other due diligence materials that are in the FE Member's possession or control or are otherwise reasonably available to the FE Member that are reasonably requested by the Investor Member in furtherance of the Investor Member's exercise of its rights under Section 9.3(b)(ii).

(c) The Company and each Member expressly acknowledge and agree, that, except as set forth in Section 9.3(b), (i) neither the Members nor any of their respective Affiliates or Representatives shall have any duty to communicate or present an investment or business opportunity to the Company in which the Company may, but for the provisions of this Section 9.3, have an interest or expectancy (a "Corporate Opportunity"), and (ii) neither of the Members nor any of their respective Affiliates or Representatives (even if such Person is also an officer or Director of the Company) shall be deemed to have breached any duty or obligation to the Company by reason of the fact that such Person pursues or acquires a Corporate Opportunity for itself or directs, sells, assigns or transfers such Corporate Opportunity to another Person or does not communicate information regarding such Corporate Opportunity to the Company. The Company and each Member expressly renounce any interest in Corporate Opportunities and any expectancy that a Corporate Opportunity will be offered to the Company.

(d) For so long as the Investor Member is a Member, the Company shall not, and shall cause its Subsidiaries not to, seek approval from the applicable Governmental Body to permit the members of the FE Outside Group that directly own equity interests in MAIT to make any capital contributions to MAIT; provided that, for so long as the Investor Member is a Member and the Company directly owns the MAIT Class B Interests, the Company shall not make any capital contributions to MAIT on account of the Company's ownership of its MAIT Class B Interests.

Section 9.4 Compliance with Laws.

(a) The Company shall not, and shall cause its Subsidiaries not to, and shall use its commercially reasonable efforts to procure that the Company Group's respective Representatives shall not in the course of their actions for, or on behalf of, any Member of the Company Group:

(i) offer promise, provide or authorize the provision of any money, property, contribution, gift, entertainment or other thing of value, directly or knowingly indirectly, to any government official, to unlawfully influence official action or secure an improper advantage, or to unlawfully encourage the recipient to improperly influence or affect any act or decision of any Governmental Body, in each case, in order to assist any member of the Company Group in obtaining or retaining business, or otherwise act in violation of any applicable Anti-Corruption Laws;

(ii) violate any applicable Anti-Money Laundering Laws;

(iii) engage in any unlawful dealings or transactions with or for the benefit of any Sanctioned Person or otherwise violate Sanctions; or

(iv) violate any applicable FDI Law.

(b) The Company shall promptly notify the Members of (i) any allegations of misconduct by any member of the Company Group or any actions, suits or proceedings by or before any Governmental Body to which any member of the Company Group becomes a party, or to which the Company becomes aware that any Representative of the Company Group (in relation to such Representative's actions for, or on behalf of, any member of the Company Group) is a party, in each case, relating to any material breach or suspected material breach of any applicable Anti-Corruption Laws, Anti-Money Laundering Laws, Sanctions or FDI Laws or (ii) any fact or circumstances of which it becomes aware that would reasonably be expected to result in a breach of this Section 9.4.

(c) The Company and its Subsidiaries have implemented and maintain, and will continue to implement and maintain, policies and procedures and a system of internal controls to ensure compliance by the Company, its Subsidiaries, their respective directors, officers, employees and agents (in their capacity as such) and Affiliates with Anti-Corruption Laws, Anti-Money Laundering Laws, Sanctions and FDI Laws.

(d) The Company and its Affiliates shall comply in all respects with all relevant terms of the Deferred Prosecution Agreement with the Southern District of Ohio entered into on July 22, 2021.

(e) Each Director and Board Observer may confer with the Member that appointed such Director and/or Board Observer regarding any allegations of misconduct by any member of the Company Group relating to any breach or suspected breach of any applicable anti-terrorism Laws, Anti-Corruption Laws, Anti-Money Laundering Laws, Sanctions or FDI Laws.

(f) Each Member shall, and shall use its commercially reasonable efforts to procure that its Representatives in the course of their actions for, or on behalf of, such Member or its Affiliates, comply in all respects with all Anti-Corruption Laws, Anti-Money Laundering Laws and FDI Laws applicable to such Persons.

(g) All Persons serving as Directors, Board Observers, Designated Alternates or members of the Advisory Committee (or any other committee of the Board) shall at all times comply with and be bound by the obligations of the members of the Company Group under the Standards of Conduct. Each Member shall cause each of its Directors, Board Observers, Designated Alternates and members of the Advisory Committee (or any other committee of the Board) to complete training on the Standards of Conduct within the first thirty (30) days of their appointment to their position as a Director, Board Observer, Designated Alternate or Member of the Advisory Committee (or any other committee of the Board if necessary) and then, thereafter, ensures on an annual basis that each such Person maintains full compliance with the Standards of Conduct compliance obligations for so long as such Person remains a Director, Board Observer,

Designated Alternate or member of the Advisory Committee (or any other committee of the Board) (as applicable). Notwithstanding anything in this Agreement to the contrary, each Member and the Company acknowledges and agrees that: (i) the Company and/or the Board may withhold access to (including by excluding him or her from the relevant portion of any Board or committee meeting regarding) material non-public transmission function information subject to FERC's Standards of Conduct until the applicable Person has satisfied the Standards of Conduct compliance obligations set forth in this Section 9.4(g); and (ii) no member of the Company Group shall be required to disclose or otherwise provide any information or materials to any Person to the extent such information is required to be kept confidential by the Standards of Conduct in accordance with applicable Law.

Section 9.5 Non-Solicit. Without the prior written consent of the Company, the members of the Investor Group shall not solicit for employment, hire or engage as a consultant any individual who is serving in any position within the Transmission Leadership Team or an FE Director; provided that this Section 9.5 shall not prohibit any Person from issuing general public solicitations not specifically targeted at the Transmission Leadership Team or from hiring any Person responding to such general solicitations.

Section 9.6 Confidentiality.

(a) Each Member shall, and shall cause its Representatives to, keep confidential and not divulge any information (including all budgets, business plans and analyses) concerning the Company and its Subsidiaries, including their respective assets, business, operations, financial condition and prospects ("Confidential Information"), and to use such Confidential Information only in connection with the operation of the Company and its Subsidiaries or such Member's administration of its investment in the Company; provided that nothing herein shall prevent any Member from disclosing such Confidential Information (i) upon the Order of any court or administrative agency, (ii) upon the request or demand of any Governmental Body having jurisdiction over such party, (iii) to the extent compelled by legal process or required or requested pursuant to subpoena, interrogatories or other discovery requests, (iv) to the other Parties, (v) to such party's Representatives that in the reasonable judgment of such party need to know such Confidential Information, (vi) to any potential Permitted Transferee in connection with a proposed Transfer of Membership Interests from a Member so long as such transferee agrees to be bound by the provisions of this Section 9.6 as if a Member or (vi) in the case of the Investor Member, the limited partners of and other direct or indirect co-investors in the Investor Member and their respective Affiliates (provided that such disclosures are subject to and in accordance with the guidelines and restrictions set forth on Schedule 3); provided, further, that in the case of clauses (i), (ii) or (iii), such Member shall, to the extent legally permissible, notify the other Parties of the proposed disclosure as far in advance of such disclosure as practicable and use reasonable efforts to ensure that any Confidential Information so disclosed is accorded confidential treatment, when and if available.

(b) The restrictions in Section 9.6(a) shall not apply to information that (i) is or becomes generally available to the public other than as a result of a disclosure by a Member or any of its Representatives in violation of this Agreement, (ii) is or becomes available to a Member or any of its Representatives on a non-confidential basis prior to its disclosure to the receiving Member and any of its Representatives, (iii) is or has been independently developed or

conceived by such Member or its Affiliates without use of the Company's or any of its Subsidiaries' Confidential Information or (iv) becomes available to the receiving Member or any of its Representatives on a non-confidential basis from a source other than the Company or any of its Subsidiaries, any other Party or any of their respective Representatives; provided that such source is not known by the recipient of the information to be bound by a confidentiality agreement with the disclosing party or any of its Representatives.

(c) Each Party shall inform any Representatives to whom it provides Confidential Information that such information is confidential and instruct them (i) to keep such Confidential Information confidential and (ii) not to disclose Confidential Information to any Third Party (other than those Persons to whom such Confidential Information has already been disclosed in accordance with the terms of this Agreement). The disclosing Party shall be responsible for any breach of this Section 9.6 by the Person to whom the Confidential Information is disclosed.

(d) The restrictions in Section 9.6(a) shall not restrict any Member and its Affiliates from disclosing any Confidential Information required to be disclosed under applicable securities Laws or the rules of any stock exchange on which any of their securities are traded.

(e) Notwithstanding anything herein to the contrary, the provisions of this Section 9.6 shall survive the termination of this Agreement for a period of three years and, with respect to each Member, shall survive for a period of three years following the date on which such Member is no longer a Member. The provisions of this Section 9.6 shall supersede the provisions of any non-disclosure agreements entered into by the Company (or its Affiliates, including the FE Member) and any of the Members (or their respective Affiliates) with respect to the transactions contemplated hereby, by the Initial PSA or by the Second PSA prior to the Effective Date.

Section 9.7 Expenses. Except as otherwise expressly provided herein, all costs and expenses, including fees and disbursements of Representatives and other Advisors, incurred in connection with this Agreement and with the continuing relationship between the Company and its Members, and among any of them, shall be paid by the Party incurring such costs and expenses.

Section 9.8 Commitment to the Company Business. In furtherance of the Company's commitment to engaging only in activities and conduct consistent with the Company Business or any reasonable extension thereof, other than any transaction or series of transactions approved unanimously by the Board or as otherwise agreed in writing by the Members, the Company shall not, during any 10 year period, transfer, sell or otherwise dispose, or permit the Company's Subsidiaries to or otherwise cause the transfer, sale or other disposition, whether by way of asset sale, stock sale, merger or otherwise, of Qualifying Core Assets of the Company or one or more of its Subsidiaries having a Fair Market Value in excess of 20.0% of the Fair Market Value of the Company and its Subsidiaries' aggregate Qualifying Core Assets (such percentage to be measured immediately prior to such transfer, sale or disposition, and in the case of multiple transactions, the percentages will be added to determine if such 20.0% threshold has been exceeded) in any single transaction or series of transactions unless the proceeds from such transactions are reinvested (or committed to be reinvested) in other Qualifying Core Assets or

other capital expenditure projects set forth in the Annual Approved Budget; provided that the foregoing shall not apply to any transfer, sale or other disposition of any of the Company's or its Subsidiaries' Qualifying Core Assets that is required by any Governmental Body or otherwise required under applicable Law.

Section 9.9 Budget; Business and Capital Plans.

(a) The (i) Annual Approved Budget shall be approved and (ii) each of the Business Plan and the Capital Plan shall be established, in each case in accordance with Schedule 5 hereto.

ARTICLE X
TAX MATTERS

Section 10.1 Tax Classification. The Parties intend that the Company be classified as a corporation for U.S. federal income (and applicable state and local) Tax purposes, and Internal Revenue Service Form 8832 was filed on May 10, 2022.

Section 10.2 Tax Matters Shareholder. The FE Member is hereby designated the "Tax Matters Shareholder" of the Company and its Subsidiaries. Except as otherwise provided in this Agreement, the Tax Matters Shareholder may, in its reasonable discretion, make or refrain from making any Tax elections allowed under applicable Law for the Company or any of its Subsidiaries. The Tax Matters Shareholder shall prepare and file or cause to be prepared and filed any Tax Return required to be filed by or with respect to the Company or its Subsidiaries. Notwithstanding any other provision of this Agreement, the Tax Matters Shareholder shall be entitled to control in all respects, and neither the Investor Member nor its Affiliates shall have the right to participate in, any Tax audits, examinations or other proceedings by any taxing authority of any Governmental Body with respect to any Tax Return of the Company or any of its Subsidiaries.

Section 10.3 Cooperation. The Investor Member shall, and shall cause its Affiliates to, provide to the FE Member and its Subsidiaries (including the Company and its Subsidiaries), and the FE Member and the Company shall, and shall cause their Affiliates to, provide to the Investor Member, in each case, such cooperation, documentation and information as any of them reasonably may request in connection with (a) filing any Tax Return, amended Tax Return or claim for refund, (b) determining a liability for Taxes or (c) preparing for or conducting any Tax audits, examinations or other proceedings by any taxing authority of any Governmental Body.

Section 10.4 Withholding. The Company may withhold and pay over to the United States Internal Revenue Service (or any other relevant Tax authority) such amounts as it is required to withhold or pay over, pursuant to the Code or any other applicable Law, on account of a Member, including in respect of distributions made pursuant to Section 5.2 or Section 5.3, and, for the avoidance of doubt, the amount of any such distribution or other payment to a Member shall be net of any such withholding. To the extent that any amounts are so withheld and paid over, such amounts shall be treated as paid to the Person(s) in respect of which such withholding was made. To the extent that a Member claims to be entitled to a reduced rate of, or exemption from, a withholding Tax pursuant to an applicable income Tax treaty, or otherwise,

such Member shall furnish the Company with such information and forms as such Member may be required to complete where necessary to comply with any and all Laws and regulations governing the obligations of withholding Tax agents, and the Company shall apply such reduced rate of, or exemption from, withholding Tax as reflected on such information and forms that have been provided by such Member. Each Member agrees that if any information or form provided pursuant to this Section 10.4 expires or becomes obsolete or inaccurate in any respect, such Member shall update such form or information.

Section 10.5 Certain Representations and Warranties. Each Member represents and warrants that any such information and forms furnished by such Member shall be true and accurate and agrees to indemnify the Company from any and all damages, costs and expenses resulting from the filing of inaccurate or incomplete information or forms relating to such withholding Taxes.

ARTICLE XI
LIABILITY; EXCULPATION; INDEMNIFICATION

Section 11.1 Liability; Member Duties. The debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Covered Person shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Covered Person. Each Member acknowledges and agrees that each Member, in its capacity as a Member, may decide or determine any matter subject to the approval of such Member pursuant to any provision of this Agreement in the sole and absolute discretion of such Member, and in making such decision or determination such Member shall have no duty, fiduciary or otherwise, to any other Member or to the Company Group, it being the intent of all Members that such Member, in its capacity as a Member, has the right to make such determination solely on the basis of its own interests.

Section 11.2 Exculpation. To the fullest extent permitted by applicable Law, no Covered Person shall be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person's fraud, gross negligence or willful misconduct.

Section 11.3 Indemnification. The Company shall indemnify, defend and hold harmless any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed actions, suits or proceedings by reason of the fact that such Person is or was a Director or officer of the Company, or is or was a Director or officer of the Company serving at the request of the Company as a director, officer or agent of another limited liability company, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, settlements, penalties and fines actually and reasonably incurred by him or her in connection with the defense or settlement of such, action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company; and, with respect to any criminal action or proceeding,

either he or she had reasonable cause to believe such conduct was lawful or no reasonable cause to believe such conduct was unlawful.

Section 11.4 Authorization. To the extent that such present or former Director or officer of the Company has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Section 11.3, or in the defense of any claim, issue or matter therein, the Company shall indemnify him or her against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith. Any other indemnification under Section 11.3 shall be made by the Company only as authorized in the specific case, upon a determination that indemnification of the present or former Director or officer is permissible in the circumstances because such present or former Director or officer has met the applicable standard of conduct. Such determination shall be made, with respect to a Person who is a Director or officer at the time of such determination, (a) by a majority vote of the Directors who are not parties to such action, suit or proceeding, even with less than a quorum, or (b) if there are no such Directors, or if such Directors so direct, by independent legal counsel in a written opinion, or (c) by the Members. Such determination shall be made, with respect to former Directors and officers, by any Person or Persons having the authority to act on the matter on behalf of the Company.

Section 11.5 Reliance on Information. For purposes of any determination under Section 11.3, a present or former Director or officer of the Company shall be deemed to have acted in good faith and have otherwise met the applicable standard of conduct set forth in Section 11.3 if his or her action is based on the records or books of account of the Company or on information supplied to him or her by the officers of the Company in the course of his or her duties, or on the advice of legal counsel for the Company or on information or records given or reports made to the Company by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Company. The provisions of this Section 11.5 shall not be deemed to be exclusive or to limit in any way the circumstances in which a present or former Director or officer of the Company may be deemed to have met the applicable standard of conduct set forth in Section 11.3.

Section 11.6 Advancement of Expenses. Expenses (including reasonable attorneys' fees) incurred by the present or former Director or officer of the Company in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the Company as authorized in the specific case in the same manner described in Section 11.4, upon receipt of a written affirmation of the present or former Director or officer that he or she has met the standard of conduct described in Section 11.3 and upon receipt of a written undertaking by or on behalf of him or her to repay such amount if it shall ultimately be determined that he or she did not meet the standard of conduct, and a determination is made that the facts then known to those making the determination shall not preclude indemnification under this Article XI.

Section 11.7 Non-Exclusive Provisions. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article XI shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled.

Section 11.8 Survival of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article XI shall, unless otherwise provided when authorized or ratified, continue as to a Person who has ceased to be a Director or officer of the Company and shall inure to the benefit of his or her heirs, executors and administrators.

Section 11.9 Limitations. Notwithstanding anything contained in this Article XI to the contrary, the Company shall not be obligated to indemnify any Director or officer (or his or her heirs, executors or personal or legal representatives) or advance expenses in connection with a proceeding (or part thereof) initiated by such Person unless such proceeding (or part thereof) was authorized or consented to by the Board.

ARTICLE XII
REPRESENTATIONS AND WARRANTIES

Section 12.1 Members Representations and Warranties. Each Member hereby represents and warrants, severally and not jointly, to the Company and to the other Member as follows:

(a) Such Member is a company duly organized, validly existing and in good standing under the Laws of its jurisdiction of incorporation or formation, as applicable, with full power and authority to enter into this Agreement and perform all of its obligations hereunder.

(b) The execution and delivery of this Agreement by such Member, and the performance by such Member of its obligations hereunder, have been duly and validly authorized by all requisite action by such Member, and no other proceedings on the part of such Member are necessary to authorize the execution, delivery or performance of this Agreement by such Member.

(c) This Agreement has been duly and validly executed and delivered by such Member, and, assuming that this Agreement is a valid and binding obligation of the other Parties, this Agreement constitutes a valid and binding obligation of such Member, enforceable against such Member in accordance with its terms, except as limited by the application of bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other Laws relating to or affecting creditors' rights or general principles of equity.

(d) The execution and delivery by such Member of this Agreement, and the performance by such Member of its obligations hereunder, does not (i) violate or breach its Organizational Documents, (ii) violate any applicable Law to which such Member is subject or by which any of its assets are bound, or (iii) result in any breach of or constitute a default (or an event that, with notice or lapse of time or both, would become a default) under any Contract to which such Member is a party or by which any of its assets are bound.

ARTICLE XIII
MISCELLANEOUS

Section 13.1 Notices. Except as otherwise expressly provided herein, all notices, demands and other communications to be given or delivered under or by reason of the provisions

of this Agreement shall be in writing and shall be deemed to have been given (a) when personally delivered, (b) when transmitted by electronic mail (unless if transmitted after 5:00 p.m. Eastern time or other than on a Business Day, then on the next Business Day) to the address specified below in which case such notice shall be deemed to have been given when the recipient transmits manual written acknowledgment of successful receipt, which the recipient shall have an affirmative duty to furnish promptly after successful receipt, (c) when sent by internationally-recognized courier in which case it shall be deemed to have been given at the time of actual recorded delivery, or (d) the third Business Day following the day on which the same is sent by certified or registered mail, postage prepaid, in each case, to the respective Party at the number, electronic mail address or street address, as applicable, set forth below, or at such other number, electronic mail address or street address as such Party may specify by written notice to the other Parties.

Notices to the Investor Member:

North American Transmission Company II L.P.
c/o Brookfield Infrastructure Group
1200 Smith Street, Suite 640
Houston, Texas 77002
Attention: Fred Day
Email: fred.day@brookfield.com

with copies to (which shall not constitute notice):

Skadden, Arps, Slate, Meagher & Flom LLP
1000 Louisiana Street
Houston, Texas 77002
Attention: Eric Otness
Email: eric.otness@skadden.com

and

Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005
Attention: Aryan Moniri
Email: aryan.moniri@skadden.com

Notices to the FE Member and to the Company:

FirstEnergy Transmission, LLC
c/o FirstEnergy Corp.
76 South Main Street
Akron, Ohio 44308
Attention: David W. Pinter
Email: dpinter@firstenergycorp.com

with a copy to (which shall not constitute notice):

Jones Day
901 Lakeside Ave.
Cleveland, Ohio 44114
Attention: Peter Izanec; George Hunter
Email: peizanec@jonesday.com; ghunter@jonesday.com

Section 13.2 Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided that no Member, nor the Company, shall purport to assign or Transfer all or any of its rights or obligations under this Agreement nor grant, declare, create or dispose of any right or interest in this Agreement in whole or in part except with respect to a Transfer in accordance with the terms of this Agreement, and any attempted or purported assignment hereof not in accordance with the terms hereof shall be void *ab initio*.

Section 13.3 Waiver of Partition. Each Member hereby waives any right to partition of the Company property.

Section 13.4 Further Assurances. From and after the Effective Date, from time to time, as and when requested by any Party and at such Party's expense, any other Party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as such requesting Party may reasonably deem necessary or desirable to carry out the purposes and intent of this Agreement.

Section 13.5 Third Party Beneficiaries. Except as otherwise expressly provided herein, nothing expressed or referred to in this Agreement shall be construed to give any Person other than the Parties any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement; provided, that Covered Persons are express third party beneficiaries of Article XI.

Section 13.6 Parties in Interest. This Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective successors, legal representatives and permitted assigns.

Section 13.7 Severability. If any term, provision, covenant or restriction contained in this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against its regulatory policy, the remainder of the terms, provisions, covenants and restrictions contained in this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and, to the extent permitted and possible, any invalid, void or unenforceable term shall be deemed replaced by a term that is valid and enforceable and that comes closest to expressing the intention of such invalid, void or unenforceable term.

Section 13.8 Construction. The language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Person. The headings of the sections and paragraphs of this Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions hereof.

Section 13.9 Complete Agreement. This Agreement (including any schedules thereto), constitutes the entire agreement of the Parties hereto with respect to the subject matter hereof and thereof and supersedes any prior understandings, agreements or representations by or among the Parties hereto or Affiliates thereof, written or oral, to the extent they relate in any way to the subject matter hereof.

Section 13.10 Amendment; Waiver. Subject to Article VIII, neither this Agreement nor any other Organizational Document of the Company may be amended (whether by merger or otherwise) except in a written instrument signed by the FE Member and the Investor Member; provided, however, that any modification, alteration, supplement or amendment to this Agreement that would have a disproportionately adverse impact on the Members that are holders of the Special Purpose Membership Interests (in such holders' capacity as such) as compared to holders of any other Membership Interests shall require the approval of the Members who are holders of the Special Purpose Membership Interests, voting in their capacity as such holders as a separate class. In the event that (i) the Company issues Membership Interests to one or more Third Parties pursuant to Section 5.1(d) or Section 7.1, (ii) if the FE Member is no longer directly or indirectly the beneficial owner of a majority of the Company, or (iii) if the Investor Member Transfers Membership Interests to another Person, the Members and the Company shall negotiate in good faith to amend this Agreement to the extent reasonably necessary to reflect such additional Members or changes appropriate to reflect the new respective Percentage Interests of the Members. For the avoidance of doubt, any transferee of the Investor Member shall be entitled to the same protective provisions set forth in this Agreement (including Article VIII) for so long as such transferee's Percentage Interest is at least equal to the Percentage Interest at which such right is afforded to the Investor Member, and any such amendment to this Agreement made in accordance with this Section 13.10 shall reflect as much. Any amendment or revision to Schedule 1 that is made by an officer solely to reflect information regarding Members or the Transfer or issuance of Membership Interests made in accordance with the terms of this Agreement shall not be considered an amendment to this Agreement and shall not require any Board or Member approval. Any failure or delay on the part of any Party in exercising any power or right hereunder shall not operate as a waiver thereof, nor shall any single or partial exercise of any such right or power preclude any other or further exercise thereof or the exercise of any other right or power hereunder or otherwise available at law or in equity.

Section 13.11 Governing Law. This Agreement, and any claim, action, suit, investigation or proceeding of any kind whatsoever, including a counterclaim, cross-claim or defense, regardless of the legal theory under which such liability or obligation may be sought to be imposed, whether sounding in contract or tort, or whether at law or in equity, or otherwise under any legal or equitable theory, that may be based upon, arising out of or related to this Agreement or the negotiation, execution or performance of this Agreement or the transactions contemplated hereby shall be governed by and construed in accordance with the internal Laws of the State of Delaware applicable to agreements executed and performed entirely within such State without regards to conflicts of law principles of the State of Delaware or any other jurisdiction that would cause the Laws of any jurisdiction other than the State of Delaware to apply.

Section 13.12 Specific Performance. The Parties agree that irreparable damage, for which monetary relief, even if available, shall not be an adequate remedy, would occur in the

event that any provision of this Agreement is not performed in accordance with its specific terms or is otherwise breached. It is accordingly agreed that (a) the Parties shall be entitled to seek an injunction or injunctions, specific performance or other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof without proof of damages or otherwise, this being in addition to any other remedy to which they are entitled under this Agreement, and (b) the right of specific performance and other equitable relief is an integral part of this Agreement and the business and legal understandings between the Members with respect to the Company, and without that right, none of the Members would have entered into this Agreement. The Parties acknowledge and agree that any Party pursuing an injunction or injunctions or other Order to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in accordance with this Section 13.12 shall not be required to provide any bond or other security in connection with any such Order. The remedies available to the Parties pursuant to this Section 13.12 shall be in addition to any other remedy to which they may be entitled at law or in equity, and the election to pursue an injunction or specific performance shall not restrict, impair or otherwise limit any Party from seeking to collect or collecting damages. Each of the Parties agrees that it shall not oppose the granting of an injunction, specific performance and other equitable relief on the basis that any other Party has an adequate remedy at law or that any award of specific performance is not an appropriate remedy for any reason at law or in equity.

Section 13.13 Arbitration.

(a) With the exception only of any proceeding seeking interim or provisional relief in order to protect the rights or property of a Party which a Party may elect to pursue in court, all claims or disputes arising out of or relating to this Agreement, not amicably resolved between the Parties shall be determined by binding arbitration upon demand by a Party. Such arbitration shall be administered by the American Arbitration Association ("AAA") utilizing its Commercial Arbitration Rules in effect as of the date the arbitration is commenced. The arbitration shall be conducted before a single arbitrator, if the Parties can agree on the one arbitrator. If the Parties cannot agree on a single arbitrator, there shall be a panel of three arbitrators with one chosen by each Member and the third arbitrator selected by the two Members-appointed arbitrators. If a Party fails to appoint an arbitrator within 30 days following a written request by another Party to do so or if the two party-appointed arbitrators fail to agree upon the selection of a third arbitrator, as applicable, within 30 days following their appointment, the additional arbitrator shall be selected by the AAA pursuant to its applicable procedures. Each arbitrator shall be disinterested and have at least 20 years of experience with commercial matters. The arbitrator(s) shall have the power to award any appropriate remedy consistent with the objectives of the arbitration and subject to, and consistent with, all Laws applicable to the Company and its Subsidiaries (including, for the avoidance of doubt, the necessity of obtaining any requisite authorization, approval or consent of any Governmental Body necessary to implement the appropriate remedy). The decision of the one arbitrator or, if applicable, the majority of the three arbitrators shall be final and binding upon the Parties (subject only to limited review as required by applicable Law). Judgment upon the award of the arbitrator(s) may be entered in any court of competent jurisdiction or otherwise enforced in any jurisdiction in any manner provided by applicable Law. The losing Party shall pay the prevailing Party's attorney's fees and costs and the costs associated with the arbitration, including expert fees and costs and the arbitrators' fees and costs; provided, however, that each Party shall bear its own

fees and costs until the arbitrator(s) determine which, if any, Party is the prevailing Party and the amount that is due to such prevailing Party. The arbitration proceedings shall take place in Akron, Ohio and, for the avoidance of doubt, the arbitration proceedings shall be conducted in the English language.

(b) All discussions, negotiations and proceedings under this Section 13.13, and all evidence given or discovered pursuant hereto, will be maintained in strict confidence by all Parties, except where disclosure is required by applicable Law, necessary to comply with any legal requirements of such Party or necessary or advisable in order for a Party to assert any legal rights or remedies, including the filing of a complaint with a court or, based on the advice of counsel, such disclosure is determined to be necessary or advisable under applicable securities Laws or the rules of any stock exchange on which any of such Party's securities are traded. Disclosure of the existence of any arbitration or of any award rendered therein may be made as part of any action in court for interim or provisional relief or to confirm or enforce such award.

(c) Any settlement discussions occurring and negotiating positions taken by any Party in connection with the procedures under this Section 13.13 will be subject to Rule 408 of the Federal Rules of Civil Procedure and shall not be admissible as evidence in any proceeding relating to the subject matter of this Agreement.

(d) The fact that the dispute resolution procedure specified in this Section 13.13 has been or may be invoked will not excuse any Party from performing its obligations under this Agreement, and during the pendency of any such procedure, all Parties must continue to perform their respective obligations in good faith.

Section 13.14 Counterparts. This Agreement may be executed in counterparts, and any Party may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute one and the same instrument. This Agreement shall become effective when each Party shall have received a counterpart hereof signed by the other Parties. The Parties agree that the delivery of this Agreement may be effected by means of an exchange of facsimile or electronically transmitted signatures.

Section 13.15 Fair Market Value Determination. Upon request by any Member, so long as such Member holds a Common Percentage Interest greater than 5.0%, or, to the extent necessary for purposes of determining Fair Market Value of the outstanding Special Purpose Membership Interests pursuant to Section 5.3, any Member that is the owner of a majority of the issued and outstanding Special Purpose Membership Interests, within five (5) Business Days after receiving written notice of the Board's determination in connection with any determination of Fair Market Value of Membership Interests or other assets under this Agreement (which determination shall be provided by the Company to each Member promptly following the making thereof), the Company shall select a nationally recognized independent valuation firm with no existing or prior business or personal relationship with any Member or any of its Affiliates in the five-year period immediately preceding the date of engagement pursuant to this Section 13.15 (the "Independent Evaluator") to determine such Fair Market Value. Each of the Company and the requesting Member shall submit their view of the Fair Market Value of the Membership Interests or the relevant asset(s) to the Independent Evaluator, and each party will

receive copies of all information provided to the Independent Evaluator by the other party. The final Independent Evaluator's determination of the Fair Market Value of such Membership Interests or asset(s) shall be set forth in a detailed written report addressed to the Company and the requesting Member within 30 days following the Company's selection of such Independent Evaluator and such determination shall be final, conclusive and binding. In rendering its decision, the Independent Evaluator shall determine which of the positions of the Company and the requesting Member submitted to the Independent Evaluator is, in the aggregate, more accurate (which report shall include a worksheet setting forth the material calculations used in arriving at such determination), and, based on such determination, adopt either the Fair Market Value determined by the Company or the requesting Member. Any fees and expenses of the Independent Evaluator incurred in resolving the disputed matter(s) will be borne by the party whose positions were not adopted by the Independent Evaluator.

Section 13.16 Certain Definitions. As used in this Agreement, the following terms shall have the meanings ascribed to them below:

"Act" means the Delaware Limited Liability Company Act, as amended from time to time.

"Advisors" means, with respect to any Person, the accountants, attorneys, consultants, advisors, investment bankers, or other representatives of such Person.

"AET PATH" means AET PATH Company, LLC, a Delaware limited liability company.

"Affiliate" of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, Contract or otherwise.

"Annual Approved Budget" means an annual approved budget, which will be in the form attached to Schedule 5 hereto.

"Anti-Corruption Laws" means (a) the U.S. Foreign Corrupt Practices Act of 1977, as amended; (b) the U.K. Bribery Act 2010, as amended; and (c) any other Law concerning or relating to bribery or corruption imposed, administered or enforced by any Governmental Body.

"Anti-Money Laundering Laws" means any Law concerning or relating to money laundering, any predicate crime to money laundering or any record keeping, disclosure or reporting requirements related to money laundering imposed, administered or enforced by any Governmental Body.

"Available Cash" means, for any applicable fiscal quarter, the cash flow generated from the business operations of the Company and its Subsidiaries in such fiscal quarter (but excluding any MAIT Class B Distributable Amounts), less any amounts that the Board reasonably determines are necessary and appropriate to be retained in order to (a) permit the Company and its Subsidiaries to pay their obligations as they become due in the ordinary course of business, (b) maintain the Company's and its Subsidiaries' target regulatory capital structure and investment-grade credit metrics, (c) fund planned capital expenditures, (d) maintain an adequate

level of working capital, (e) maintain prudent reserves for future obligations (including contingent obligations of the Company and its Subsidiaries), (f) comply with the terms of the Company's and its Subsidiaries Indebtedness (including making any required payments of principal or interest in satisfaction of Indebtedness) or (g) comply with applicable Law or respond to an Emergency Situation. For the avoidance of doubt, the proceeds of the issuance of the Investor Member's Membership Interests shall be excluded from the calculation of Available Cash (and may be held in a segregated sub-account in the money pool of the FE Member).

"Available Limited Discretion Cash" means, for any applicable fiscal quarter, the cash flow generated from the business operations of the Company and its Subsidiaries in such fiscal quarter (but excluding any MAIT Class B Distributable Amounts), less any amounts that the Board, based on the recommendation of the Transmission Leadership Team as substantiated by written financial reports and forecasts included therewith, reasonably determines (which such determination shall include the approval of the Investor Director(s) for so long as the Investor Member holds at least a 30.0% Common Percentage Interest) in good faith are necessary to be retained in order to (a) permit the Company and its Subsidiaries to pay their obligations due as of such date or that are expected to become due in the next ninety (90) days in the ordinary course of business (including making any required payments of principal or interest in satisfaction of Indebtedness) that cannot be satisfied on commercially reasonable terms by the Company's available liquidity, or (b) comply with applicable Law or respond to an Emergency Situation.

"Business Day" means any day other than a Saturday, Sunday or a day on which banking institutions located in New York, New York are authorized by applicable Law to be closed.

"Business Plan" has the meaning set forth on Schedule 5 hereto.

"Capital Plan" has the meaning set forth on Schedule 5 hereto.

"Change in Control" means with respect to the applicable Party, any person or group (within the meaning of Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended) at any time becoming the beneficial owner of 50.0% or more of the combined voting power of the voting securities of such Party.

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

"Common Percentage Interest" means, in respect of any Member, their relative ownership in the outstanding Common Membership Interests at the relevant time, expressed as a percentage, which shall be deemed to be equal to the number of outstanding Common Membership Interests that such Member owns at the relevant time divided by the total number of Common Membership Interests then outstanding.

"Company Group" means the Company and each of its Subsidiaries, collectively.

"Competitor" means any Person that is, or through its Subsidiaries is, directly involved in the transmission of electricity in the United States; provided that no Financial Investor shall be considered a "Competitor" as defined herein.

"Contract" means any written agreement, arrangement, commitment, indenture, instrument, purchase order, license or other binding agreement.

"Covered Person" means any (a) Member, any Affiliate of a Member or any officers, directors, shareholders, partners, members, employees, representatives or agents of a Member or their respective Affiliates, (b) Director, or (c) employee, officer or agent of the Company or its Affiliates.

"Debt-to-Capital Ratio" means, with respect to any Person, the ratio of (a) the Indebtedness of such Person and its Subsidiaries to (b) the sum of (i) the Indebtedness of such Person and its Subsidiaries plus (ii) Member equity (including, if applicable, noncontrolling interest of MAIT Class B membership equity), capital stock (but excluding treasury stock and capital stock subscribed and unissued) and other equity accounts (including retained earnings and paid in capital but excluding accumulated other comprehensive income and loss) of such Person and its Subsidiaries, determined in accordance with GAAP.

"Emergency Expenditure" means amounts required to be incurred in order to respond to an Emergency Situation or to avoid an Emergency Situation in a manner that is consistent with general practices applicable to facilities used in the Company Business, but only to the extent such expenditures are reasonably designed to ameliorate the consequences, or an immediate threat of any of the consequences, of the issues set forth in the definition of "Emergency Situation."

"Emergency Situation" means, with respect to the business of the Company and its Subsidiaries, (a) any abnormal system condition or abnormal situation requiring immediate action to maintain system frequency, loading within acceptable limits or voltage or to prevent loss of firm load, material equipment damage or tripping of system elements that is reasonably likely to materially and adversely affect reliability of an electric system, (b) any other occurrence or condition that otherwise requires immediate action to prevent an immediate and material threat to the safety of Persons or the operational integrity of, or material damage to, any material assets of, or the business of the Company or its Subsidiaries, or (c) any other condition or occurrence requiring immediate implementation of emergency procedures as defined by the applicable transmission grid operator or transmitting utility.

"Encumber" means to place a Lien against.

"Excluded Membership Interests" means any Membership Interests or other equity interests in the Company issued in connection with:

(a) any arrangement approved unanimously by the Board for the return of income or capital to the Members;

(b) any equity split, equity dividend or any similar recapitalization; or

(c) the commencement of any offering of Membership Interests or other equity interests of the Company or any of its Subsidiaries, pursuant to a registration statement filed in accordance with the United States Securities Act of 1933.

"Fair Market Value" means, with respect to any asset (including equity interest), the price at which the asset would change hands between a willing buyer and a willing seller that are not affiliated parties, neither being under any compulsion to buy or to sell, and both having knowledge of the relevant facts and taking into account the full useful life of the asset. In valuing Membership Interests, no consideration of any control, liquidity or minority discount or premium shall be taken into account. Fair Market Value shall be determined by the Board in accordance with the foregoing, subject to Section 13.15.

"FDI Law" means any Law concerning or relating to foreign investment or national security imposed, administered or enforced by any Governmental Body.

"FE Outside Group" means the FE Member and its Subsidiaries, other than the Company and its Subsidiaries.

"FERC" means the U.S. Federal Energy Regulatory Commission or any successor agency thereto.

"Financial Investor" means any non-strategic financial investor such as a retirement fund, pension fund, exchange traded fund, sovereign wealth fund, private equity fund, asset management fund, hedge fund or similar institutional investor, including any Subsidiary of such Person, whose principal business activity is acquiring, holding and selling investments (including controlling interests) in other Persons.

"FPA " means the Federal Power Act.

"GAAP" means United States generally accepted accounting principles applied on a consistent basis during the periods involved.

"Governmental Body" means any national, foreign, federal, regional, state, local, municipal or other governmental authority of any nature (including any division, department, agency, commission or other regulatory body thereof) and any court or arbitral tribunal, including any governmental, quasi-governmental or non-governmental body administering, regulating or having general oversight over electricity, power or the transmission or transportation thereof (including, for the avoidance of doubt, FERC, PJM, NERC, the Pennsylvania Public Utility Commission, the Public Utilities Commission of Ohio and the Virginia State Corporation Commission), including any regional transmission operator or independent system operator.

"Indebtedness" means, with respect to any Person, (a) all indebtedness of such Person, whether or not contingent, for borrowed money or in respect of any loans or advances, (b) all other indebtedness of such Person evidenced by bonds, debentures, notes or other similar instruments or debt securities (excluding trade accounts payables constituting short term liabilities under GAAP), (c) the maximum amount of all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments, (d) all guarantees of the obligations of any other Person, (e) net obligations of such Person under any hedging arrangement, and (f) any accrued interest, premiums and penalties.

"Initial PSA" means the Purchase and Sale Agreement, dated November 6, 2021, by and among the Company, the FE Member, the Investor Member, and, solely for the purposes of Sections 5.5, 5.6(c) and 8.1(a) and Article X thereof, the Guarantors (as defined therein).

"Investor Group" means Brookfield Super-Core Infrastructure Partners L.P., together with its controlled investment vehicles.

"IRR" means, with respect to the Investor Member, as of the consummation of a Drag-Along Sale, the actual pre-Tax annual rate of return of the Investor Member (specified as a percentage) taking into account only the following, on a cash-in, cash-out basis: (a) all Capital Contributions actually made to the Company by or on behalf of the Investor Member or any of its Permitted Transferees with respect to their Membership Interests on or before such date *plus* the Purchase Price (as defined in the Initial PSA) *plus* the Purchase Price (as defined in the Second PSA), and (b) all cash distributions to the Investor Member or any of its Permitted Transferees on or before such date. The IRR will be calculated using the XIRR function in the most recent version of Microsoft Excel (or if such program is no longer available, such other software program for calculating the IRR as is reasonably determined by the Board), and will be based on the actual dates of funding of such capital contributions and the actual dates of receipt of such cash distributions and proceeds.

"JCP&L" means Jersey Central Power & Light.

"KATCo Interests" means the equity interests in Keystone Appalachian Transmission Company.

"Law" means any (a) law (statutory, common, or otherwise), rule, regulation, code or ordinance enacted, adopted, promulgated or applied by any Governmental Body, including the Federal Power Act, as amended, and FERC's implementing regulations thereunder and all other regulatory requirements or Orders emanating from state and federal regulators of the Company Group's businesses and operations or the ownership of the Membership Interests and (b) any other Order.

"Liens" means all liens, mortgages, deeds of trust, pledges, security interests, charges, claims, proxy, voting trust or transfer restriction under any stockholder or similar agreement.

"Lock-Up Period" means the date that is the third (3rd) anniversary of the Effective Date.

"MAIT" means Mid-Atlantic Interstate Transmission, LLC.

"MAIT Class B Distributable Amounts" means any amount of distributions received by the Company on account of the Company's MAIT Class B Interests from MAIT in accordance with its Organizational Documents.

"Material Project" means any acquisition, construction, expansion, improvement, alteration, replacement or significant repair activity or series of related activities of/to any Qualifying Core Assets that exceeds in the aggregate the lower of: (i) 0.75% of the Rate Base Amount, or (ii) $75 million adjusted by annually by the Consumer Price Index, in any calendar year.

"Member" means each of FE Member and Investor Member, and any Person admitted as an additional member of the Company or a substitute member of the Company pursuant to the provisions of this Agreement, each in its capacity as a member of the Company that owns Membership Interests.

"Membership Interests" means membership interests of the Company.

"NERC" means the North American Electric Reliability Corporation (including any of the eight (8) designated regional entities) or any successor electric reliability organization certified by FERC.

"New Securities" means any Membership Interests or other equity interests in the Company, other than any Excluded Membership Interests; provided that no New Securities that are issued shall be issued as Special Purpose Membership Interests.

"OFAC" means the U.S. Office of Foreign Assets Control.

"Order" means any judgment, order, injunction, decree, ruling, writ or arbitration award of any Governmental Body or any arbitrator.

"Organizational Documents" means, with respect to any corporation, its articles or certificate of incorporation, memorandum or articles of association and by-laws or documents of similar substance; with respect to any limited liability company, its articles of association, articles of organization or certificate of organization, formation or association and its operating agreement or limited liability company agreement or documents of similar substance; with respect to any limited partnership, its certificate of limited partnership and partnership agreement or documents of similar substance; and with respect to any other entity, documents of similar substance to any of the foregoing.

"Percentage Interest" means, in respect of any Member, their relative ownership in the outstanding Membership Interests at the relevant time, expressed as a percentage, which shall be deemed to be equal to the number of outstanding Membership Interests that such Member owns at the relevant time divided by the total number of Membership Interests then outstanding.

"Permitted Lien" means (a) Liens for Taxes not yet delinquent or for Taxes that the taxpayer is contesting in good faith through appropriate proceedings so long as adequate reserves are maintained in accordance with GAAP, (b) Liens of lessors, lessees, sublessors, sublessees, licensors or licensees to the extent arising under and in accordance with the terms of the disclosed Leases arising or incurred in the ordinary course of business, (c) Liens arising under the Indebtedness set forth on Schedule 10.17(b) to the Second PSA, (d) mechanics Liens and similar Liens for labor, materials, or supplies relating to obligations as to which there is no breach or default on the part of the Company or any of its Subsidiaries, as the case may be, or the validity or amount of which is being contested in good faith through appropriate proceedings so long as adequate reserves are maintained on the financial statements in accordance with GAAP, (e) zoning, building codes, and other land use Laws regulating the use or occupancy of real property or the activities conducted thereon that are imposed by any Governmental Body having jurisdiction over such real property, in each case that do not adversely impact in any material respect the current use, occupancy or operation of the owned or leased real property of the

Company and its Subsidiaries, and are not violated by the then-current use, occupancy or activity conducted thereon by the Company or any of its Subsidiaries, as applicable, which does not in any material respect affect the value or current use thereof, (f) easements, servitudes, covenants, conditions, restrictions, and other similar matters of record affecting title to any assets of the Company or any of its Subsidiaries and other title defects that do not or would not reasonably be expected to, individually or in the aggregate, materially impair the use or occupancy of such assets in the operation of the business of the Company and its Subsidiaries, (g) all matters set forth on title policies or surveys made available by or on behalf of the FE Outside Group to Investor prior to the date of the Second PSA other than those Liens that, individually or in the aggregate, impair in any material respect the current use or occupancy of the subject real property to which they relate, and (h) Liens arising under Laws of general applicability, other than to the extent such Liens arise from or relate to any applicable Person's failure to comply with any such Law.

"Permitted Transferee" means, with respect to the FE Member or the Investor Member, (i) a directly or indirectly wholly owned Subsidiary of such Member, (ii) an Affiliate of such Member of which such Member is, directly or indirectly, a wholly owned Subsidiary (an "Affiliate Parent"), or (iii) an Affiliate of such Member that is a wholly owned Subsidiary of an Affiliate Parent.

"Persons" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a Governmental Body.

"PJM" means PJM Interconnection L.L.C., a regional transmission organization, or any designated successor thereto.

"PJM Market Rules" refers collectively to the PJM Open Access Transmission Tariff and the Amended and the Restated PJM Operating Agreement, and all schedules, appendices, or exhibits attached thereto to each, on file with FERC as may be amended from time to time (or any successor tariff, agreement, or rules governing the operations of PJM).

"PJM Region" has the meaning set forth under the PJM Market Rules.

"PJM Transmission Zone" means Zone as such terms are defined under the PJM Market Rules.

"Preemptive Right Share" means a ratio of (a) the number of Membership Interests (excluding Special Purpose Membership Interests) held by such Member with Preemptive Rights, to (b) the total number of Membership Interests (excluding Special Purpose Membership Interests) then outstanding immediately prior to the issuance of New Securities giving rise to the Preemptive Rights.

"Prohibited Competitor" means any Competitor listed on Schedule 2, as may be updated from time to time in accordance with Section 6.3(b).

"Qualified Designee" means either (a) an employee of any Affiliate of the Investor Member (an "Investor Employee") or (b) an individual with at least 10 years of management-

level experience in the private sector electricity transmission, distribution and generation business; provided, that a "Qualified Designee" shall not include (i) any director, officer, employee or other Person affiliated with a Competitor; provided, further, that this clause (i) shall not be deemed to apply to an Investor Employee solely because such Person serves on an investment committee or is otherwise employed at any Affiliate of the Investor Group that is an investment fund and (A) such investment fund holds investments in a Competitor, or (B) such Person serves on the board of directors of a Competitor that does not conduct any non-*de minimis* operations in the PJM region or in any regional transmission organization or independent system transmission operator interconnected with PJM (provided, further, in the case of this clause (B), that such Person's service on such board of directors and on the Board would not constitute a prohibited director interlock, or otherwise be prohibited, under any applicable Law, (ii) any Person that is, or within 10 years prior to the Effective Date was, an employee or consultant of FERC or any other Governmental Body, a public official or a candidate for public office (it being agreed that any individual affiliated with the Investor Member shall not be considered a public official as a result of such affiliation), (iii) any Person convicted by a court or equivalent tribunal of any felony (or equivalent crime in the applicable jurisdiction) or of any misdemeanor (or equivalent crime in the applicable jurisdiction) that involves financial dishonesty or moral turpitude, or (iv) solely in the case of an individual that is not an Investor Employee, any Person that would create a material regulatory or reputational risk to the Company based on a good-faith determination by the Board.

"Qualifying Core Assets" means assets utilized in connection with the conduct of the Company's and its Subsidiaries' business on which the Company reasonably expects (a) that it or its Subsidiaries will be eligible to include in the applicable rate base, and (b) to earn a return through rates approved by FERC (or such other Governmental Body that may then be applicable) that are commercially reasonable (to be determined by the Board in good faith) and are not otherwise inconsistent with applicable FERC (or such other Governmental Body, as the case may be) rate precedent). For the avoidance of doubt, "Qualifying Core Assets" shall also include necessary or ancillary expenses to support such assets (including working capital).

"Rate Base Amount" means an amount equal to the net utility plant of the Company and its Subsidiaries, taken as a whole, as determined based on the most recently filed FERC Form 1s for the Company and each of its Subsidiaries.

"Representatives" means the directors, officers, employees, agents, and Advisors of a Party.

"Sanctioned Person" means a Person named on the list of Specially Designated Nationals or Blocked Persons maintained by OFAC available at http://www.treas.gov/offices/enforcement/ofac/sdn/index.html, or as otherwise published from time to time or any other Sanctions-related list of designated Persons maintained by an applicable Governmental Body described in the definition of "Sanctions."

"Sanctions" means any sanctions imposed, administered or enforced from time to time by OFAC, the U.S. Department of State, Her Majesty's Treasury, the United Nations, the European Union or any agency or subdivision of any of the foregoing, including any regulations, rules and executive orders issued in connection therewith.

"Special Percentage Interest" means, in respect of any Member, their relative ownership in the outstanding Special Purpose Membership Interests at the relevant time, expressed as a percentage, which shall be deemed to be equal to the number of outstanding Special Purpose Membership Interests that such Member owns at the relevant time divided by the total number of Special Purpose Membership Interests then outstanding.

"Standards of Conduct" means (a) (i) FERC's standards of conduct for transmission providers codified at 18 C.F.R. Part 358 and the rules, regulations, and Orders issued by FERC pertaining thereto, and (ii) any applicable or relevant requirements under NERC standards, including but not limited to, protection of Critical Energy/Electric Infrastructure Information (as such terms are defined under FERC rules and regulations), CIP requirements, and receipt and storage of other non-public information containing sensitive information regarding the Company Group's transmission system and the safety and reliability of the bulk-electric system (as that term is defined under the Federal Power Act, as amended, and FERC); and (b) the policies, procedures and internal compliance practices of any member of the Company Group, or its Subsidiaries governing internal compliance regarding part (a) of this definition or as may be designated by the chief compliance officer(s) (as such term is defined by under 18 CFR 358.8(c)(2)) for the Company Group.

"Subsidiary" means, with respect to any Person, any entity of which a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof or any partnership, association or other entity of which a majority of the partnership or other similar ownership interest is at the time owned or controlled, directly or indirectly, by such Person or one or more Subsidiaries of such Person or a combination thereof. For purposes of this definition, a Person is deemed to have a majority ownership interest in a partnership, limited liability company, association or other business entity if such Person is allocated a majority of the gains or losses of such partnership, limited liability company, association or other entity or is or controls the managing director or general partner of such partnership, limited liability company, association or other business entity.

"Tag Portion" means an amount of Membership Interests equal to the specified quantity of Tag-Along Offered Membership Interests multiplied by Investor Member's Percentage Interest.

"Targeted Capital Structure" means the targeted regulatory capital structure of an applicable Subsidiary of the Company as it appears in the applicable attachment H of the PJM Open Access Transmission Tariff, which amount shall comply with all applicable Laws and shall otherwise be determined by the Board (which determination shall include the approval of the Investor Directors as long as the Investor Member holds at least a 30.0% Common Percentage Interest).

"Tax" or "Taxes" means any federal, state, local, foreign or other income, gross receipts, capital stock, capital gains, franchise, profits, withholding, payroll, social security, unemployment, disability, real property, ad valorem/personal property, stamp, excise,

occupation, sales, use, excise, escheat, unclaimed property, transfer, value added, import, export, alternative minimum, estimated or other tax, duty, assessment or governmental charge of any kind whatsoever, including any interest, penalty or addition thereto.

"Tax Return" means any return, claim for refund, report, election, form, statement or information return relating to Taxes, including any schedule or attachment thereto, and including any amendments thereof.

"Third Party" means, with respect to a Member, another Person that is not another Member or an Affiliate of a Member.

"Transfer" shall mean, with respect to the legal or beneficial ownership of any of a Member's Membership Interests, any sale, assignment, transfer, pledge, encumbrance, hypothecation or other similar arrangement or disposal, directly or indirectly, whether voluntarily, involuntarily or by operation of applicable Law including by the entry into any contract, option or other arrangement, or the granting or imposition of any Lien, that gives any Person other than the Member, whether or not upon the occurrence or nonoccurrence of an event, the right to acquire any Membership Interests or any interest therein, to vote any Membership Interest, or to require that any Membership Interests be transferred, directly or indirectly, whether voluntarily, involuntarily or by operation of applicable Law, except in any such case as expressly set forth in Section 6.2(b). For the avoidance of doubt and notwithstanding the foregoing, (a) any sale, assignment, transfer, or other disposition of equity interests in any Member or any direct or indirect parent of such Member in which the Membership Interests held by such Member represent more than 50.0% of the Fair Market Value of all of the assets directly or indirectly held by such Member or direct or indirect parent the equity interests of which are being disposed shall constitute a "Transfer" for all purposes of this Agreement, except in any such case as expressly set forth in Section 6.2(b) or the following clause (b), (b) any direct or indirect transfer of equity interests in any Member that does not result in a Change in Control of such Member shall not constitute a "Transfer" for any purpose under this Agreement so long as any required authorization, approval or consent of all applicable Governmental Bodies in respect of such transfer has been received, and (c) a Change in Control of the FE Member shall not constitute a "Transfer" for any purpose under this Agreement.

"Transmission Leadership Team" means the individuals serving in the following positions (or any successor positions thereof, however titled or restyled) at FE Member: (a) President of the Company, (b) Vice President of Transmission, (c) Vice President of Construction and Design Services, (d) Vice President of Compliance and Regulated Services, and (e) Director of Transmission Rates and Regulatory Affairs.

Section 13.17 Terms Defined Elsewhere in this Agreement. As used in this Agreement, the following terms shall have the meanings ascribed to them in the sections indicated:

Term	**Section**
Annual Approved Budget	13.16
AAA	13.13(a)
Act	13.16
Additional Funding Requirement.	5.1(a)(iv)

Tag-Along Sale ..... 6.4(a)
Targeted Capital Structure 13.16
Tax 13.16
Tax Matters Shareholder 10.2
Tax Return 13.16
Taxes 13.16
Third A&R LLC Agreement ..... Preamble
Third Party 13.16
Transfer ..... 6.2(b), 13.16
Transferring Member ..... 6.3(a)
Transmission Leadership Team 13.16
Unfunded Amount ..... 5.1(c)
Unfunded Amount Loan ..... 5.1(c)(ii)(A)

Section 13.18 Other Definitional Provisions. The following shall apply to this Agreement:

(a) Accounting terms which are not otherwise defined in this Agreement have the meanings given to them under GAAP. To the extent that the definition of an accounting term defined in this Agreement is inconsistent with the meaning of such term under GAAP, the definition set forth in this Agreement shall control.

(b) The terms "hereof," "herein" and "hereunder" and terms of similar import are references to this Agreement as a whole and not to any particular provision of this Agreement. Section, clause, schedule and exhibit references contained in this Agreement are references to sections, clauses, schedules and exhibits in or to this Agreement, unless otherwise specified.

(c) Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." Where the context permits, the use of the term "or" shall be equivalent to the use of the term "and/or."

(d) When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a day other than a Business Day, the period in question shall end on the next succeeding Business Day. In addition, notwithstanding any deadline for payment, performance, notice or election under this Agreement, if such deadline falls on a date that is not a Business Day, then the deadline for such payment, performance, notice or election will be extended to the next succeeding Business Day.

(e) Words denoting any gender shall include all genders, including the neutral gender. Where a word is defined herein, references to the singular shall include references to the plural and vice versa.

(f) The word "will" will be construed to have the same meaning and effect as the word "shall". The words "shall," "will," or "agree(s)" are mandatory, and "may" is permissive.

(g) All references to "$" and dollars shall be deemed to refer to United States currency unless otherwise specifically provided.

(h) All references to a day or days shall be deemed to refer to a calendar day or calendar days, as applicable, unless otherwise specifically provided.

(i) Any reference to any Contract shall be a reference to such agreement or Contract, as amended, amended and restated, modified, supplemented or waived.

(j) Any reference to any particular Code section or any Law shall be interpreted to include any amendment to, revision of or successor to that section or Law regardless of how it is numbered or classified; provided, that, for the purposes of the representations and warranties contained herein, with respect to any violation of or non-compliance with, or alleged violation of or non-compliance, with any Code section or Law, the reference to such Code section or Law means such Code section or Law as in effect at the time of such violation or non-compliance or alleged violation or non-compliance.

(k) For all purposes of this Agreement (including the determination of a Member's Percentage Interest and its entitlement, if applicable, to designate one or more Directors), such Member and its Permitted Transferees shall be deemed to be, and shall be treated as, one and the same Member.

[Remainder of Page Intentionally Left Blank]

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

The Company:

FirstEnergy Transmission, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

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

FE Member:

FirstEnergy Corp., an Ohio corporation

By: _____
Name:
Title:

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

Investor Member:

North American Transmission Company II L.P.,
a Delaware limited liability company

By: _____
Name:
Title:

Schedule 1

Schedule of Members

Name	Address	Common Percentage Interest	Special Percentage Interest
FirstEnergy Corp.	76 South Main Street Akron, Ohio 44308	50.1%	100%
North American Transmission Company II L.P.	1200 Smith Street, Suite 640 Houston, Texas 77002	49.9%	-

Schedule 2

Prohibited Competitors

1. American Electric Power
2. American Municipal Power
3. AES
4. Dominion Energy
5. Duke Energy
6. Duquesne Light Company
7. Exelon
8. ITC
9. LS Power
10. PSE&G
11. PPL
12. NextEra Energy

Schedule 3

Investors Guidelines and Restrictions for Disclosures to Co-Investors

See attached.

Schedule 3

Investor Guidelines and Restrictions for Disclosures to Co-Investors[1]

1. For purposes of this Schedule 3, "Co-Investor" has the same meaning as that term is defined in the Second PSA. Any other capitalized terms used, but not defined herein, shall have the meanings set forth in the Agreement.

2. The Investor Member may only provide or disclose Confidential Information to any Co-Investor or its Representatives to the extent such disclosure does not violate applicable Law or Order.

3. Any Co-Investor and its Representatives shall be bound by all applicable Laws in their receipt and use of Confidential Information, including but not limited to, all antitrust Laws, Standards of Conduct, including CIP, CEII, and NERC rules and regulations, and Governmental Body Laws and Orders.

4. The Investor Member (as set forth in Section 9.4(g) of the Agreement), the Co-Investors and their respective Representatives shall be bound by the Standards of Conduct. Prior to receiving any utility operations information, and on an annual basis, the Investor Member, Co-Investors and their respective Representatives shall complete Standards of Conduct training.

5. For the avoidance of doubt, any Co-Investor and its Representatives shall be bound by confidentiality requirements no less restrictive in the aggregate than the requirements by which the Investor Member is bound pursuant to Section 9.6 of the Agreement.

[1] Any disclosure of CEII shall be in accordance with all applicable Laws, including, but not limited to, the CFIUS Regulations (Section 721 of Title VII of the Defense Production Act of 1950, as amended (50 U.S.C. § 4565), and all applicable rules and regulations issued and effective thereunder) and in accordance with any commitments made in any notice to CFIUS, or as set forth in the CFIUS Clearance, as such terms are defined in the Second PSA.

Schedule 4

Specific Deadlock Resolution Procedures

See attached.

[redacted]

Schedule 4
Specific Deadlock Resolution Procedures

Resolution for Deadlocks over Annual Approved Budget (other than Capital Expenditures)	• *Annual Approved Budget (excluding Capital Expenditures, which are addressed in the next row below)*. In the event that the FE Member and Investor Member continue to be unable to agree on line items in the Annual Approved Budget after the senior executive discussions contemplated by the second sentence of Section 1.10(b), then such line items in the Annual Approved Budget for the relevant fiscal year will be deemed to be the same as the Annual Approved Budget for the preceding fiscal year with the following modifications: o Adjustments to reflect the consumer price index and increases in costs pursuant to documented then-current contractual and compliance obligations; and o The values resulting from the preceding bullet may be adjusted by the Company to reflect the need to account for the occurrence of events beyond the reasonable control of the Company and its Subsidiaries. ▪ If the Investor Member believes that the FE Member's adjustments are not commercially reasonable, then such dispute may be submitted to binding arbitration as contemplated by Section 13.13.
Resolution for Deadlocks Over the Aggregate Capital Expenditures in the Annual Approved Budget	• In the event that the FE Member and Investor Member continue to be unable to agree on a line item (either "Regulatory Required" or "Reliability Enhancements") in the capital expenditure budget in the Annual Approved Budget after the senior executive discussions contemplated by the second sentence of Section 1.10(b), then the aggregate Annual Capital Expenditure Budget for such line item in the relevant fiscal year will be deemed to be the same as the aggregate Annual Capital Expenditure Budget for such line item in the prior fiscal year, increased by the greater of a percentage equal to (i) the implied annual investment growth rate for the FET utilities in the applicable year, as presented in the FE Member's most recent publicly announced Factbook as found on the FE Member's website and (ii) CPI *plus* 2.5%. • If the Investor Member believes that the calculation is not commercially reasonable, then such dispute may be submitted to binding arbitration as contemplated by Section 13.13.

Resolution for Officer and/or Transmission Leadership Team Deadlocks	• In the event that the FE Member and Investor Member continue to be unable to agree on the appointment of an officer and/or the Transmission Leadership Team after the senior executive discussions contemplated by the second sentence of Section 1.10(b), then FE Member, on the one hand, and the Investor Member, on the other hand, will each prepare in good faith a list of five appropriately qualified individuals (each person so listed at least satisfying the qualifications set forth in the below sub bullets) for any deadlocked officer position or member of the Transmission Leadership Team, as applicable. o Each individual proposed must (i) have at least 10 years of management-level experience in the private sector, (ii) not have been an employee or consultant of FERC or any other Governmental Body, a public official or a candidate for public office (it being agreed that any individual affiliated with the Investor Member shall not be considered a public official as a result of such affiliation), and (iii) not have been convicted by a court or equivalent tribunal of any felony (or equivalent crime in the applicable jurisdiction) or of any misdemeanor (or equivalent crime in the applicable jurisdiction) that involves financial dishonesty or moral turpitude. o In the case of the Investor Member's proposed appointees, such individuals must also not create a material regulatory or reputational risk to the Company based on a good-faith determination by the Board. • Following receipt of the lists, if one or more individuals are listed on both the FE Member's list and the Investor Member's list, then the FE Member will have the right to designate one of those individuals to the deadlocked officer or Transmission Leadership Team position, as applicable, and the parties will take all necessary actions to cause such appointment as promptly as practicable. • If there are no individuals included on both lists, then the FE Member and the Investor Members will take turns striking an individual from the other's list. o The FE Member will go first in striking from the Investor Members' list. Whichever individual is the last person remaining on the list will be selected for the position (and if such individual is unable or unwilling to serve, then the next-last individual on the list will be selected, and so on).

Resolution for "Available Limited Discretion Cash" Deadlocks	• In the event that the FE Member and Investor Member continue to be unable to agree on the determination of the "Available Limited Discretion Cash" amount for any fiscal quarter after the senior executive discussions contemplated by the second sentence of Section 1.10(b), then the "Available Limited Discretion Cash" for such fiscal quarter shall be deemed to be equal to: o The cash flow generated from the business operations of the Company and its Subsidiaries in such fiscal quarter; less o An amount equal to 50% of the aggregate payment obligations that are then due or scheduled to be due during the next succeeding fiscal quarter in the ordinary course of business (including making any required payments of principal or interest in satisfaction of Indebtedness), provided that the Company has then-available liquidity that is sufficient to pay the other 50% of such aggregate payment obligations (and if the Company does not have such then-available liquidity, then the amount reserved pursuant to this bullet will be increased by such shortfall in then-available liquidity); less o An amount equal to the amount reasonably recommended by the Transmission Leadership Team for such fiscal quarter in order to enable the Company and its Subsidiaries to comply with applicable Law or Order or respond to an ongoing Emergency Situation. ▪ If the Investor Member believes that the Transmission Leadership Team's recommendation is not reasonable, then such dispute may be submitted to binding arbitration as contemplated by Section 13.13.
Resolution for "Targeted Capital Structure" Deadlocks	• In the event that the FE Member and Investor Member continue to be unable to agree on the determination of the Company's "Targeted Capital Structure" after the senior executive discussions contemplated by the second sentence of Section 1.10(b), then the Targeted Capital Structure of the applicable Subsidiary will be equal to the Targeted Capital Structure of such for the preceding fiscal year, subject to compliance with applicable Law.

Resolution for Regulatory Filing Deadlocks	• To the extent that any regulatory filing that is subject to the consent rights in Section 8.4(o) has a deadline by which the regulatory filing must be made, such that there is not sufficient time for the fifteen (15) Business Day and twenty (20) Business Day discussion periods contemplated by Section 1.11(b) to take place, the Investor Member and the FE Member will agree in good faith on shorter time periods such that the filing will be made by such deadline. • In the event that the FE Member and Investor Member continue to be unable to agree on the content of such regulatory filing after these discussion periods: o In respect of filings made pursuant to FPA Section 205 that are voluntary, the filing will not be made unless and until the FE Member and Investor Member are able to agree on the filing. o In respect of all other filings covered by Section 8.4(o), the Company will retain independent qualified regulatory counsel that is mutually acceptable to FE Member and Investor Member (negotiating in good faith). The Company will direct its internal and applicable external counsel to cooperate with this independent counsel, and the independent counsel will be responsible for preparing the filing. After consultation with the FE Member and Investor Member, which shall equally have the right to participate in the consultation and preparation of any such filings, the independent counsel will be instructed to prepare a commercially reasonable filing that is in the best interests of the Company.

Schedule 5

Annual Approved Budget, Business Plan, and Capital Plan Procedures

See attached.

[redacted]

Schedule 5

Budget, Business Plan and Capital Plan Process

Defined Terms:

- "Annual Budget" means a one-year budget for the Company and its Subsidiaries, presented on both a consolidated basis and a by-subsidiary basis, including an income statement, balance sheet, cash flow statement, and aggregate capital expenditure budget, consistent with the forms of the relevant worksheets in Attachment 1 to this Schedule 5. The aggregate capital expenditure budget in an Annual Budget will include two line items ("Regulatory Required" and "Reliability Enhancements").

- "Business Plan" means the five-year financial forecast (covering the next five full fiscal years, commencing with the fiscal year starting in the following January) for the Company and its Subsidiaries, presented on both a consolidated basis and a by-subsidiary basis, including an income statement, balance sheet and cash flow statement, consistent with the forms of the relevant worksheets in Attachment 1 to this Schedule 5.

- "Capital Plan" means the five-year capital expenditure forecast for the Company (on an aggregate total Company basis), in the form of the relevant worksheet in Attachment 1 to this Schedule 5 and, for the avoidance of doubt, is specifically row 9 of the worksheet titled "Form: Financial Forecast – Consolidated".

Process Steps

- FE Member and Investor Member will cooperate and work together in good faith to jointly establish the date by which the Board shall each year approve the Annual Budget for the following fiscal year and the Capital Plan (such date, as may be subsequently adjusted from time to time by the written agreement of the FE Member and the Investor Member, the "Approval Date"), provided, however, that the Approval Date shall be no later than December 31st of a year for the Annual Budget and Capital Plan for the following calendar year.

- The Company shall commit to present to the Board no later than 45 days prior to the Approval Date, a draft Annual Budget and a Business Plan, which will include the draft Capital Plan, for the following period, and the FE Member and the Investor Member will direct their respective Directors to discuss in good faith and seek to approve such Annual Budget and Capital Plan no later than Approval Date or as promptly as reasonably practicable thereafter. Upon the Board's approval, such draft Annual Budget and draft Capital Plan (in each case, with such amendments or modifications thereto as authorized by the Board) shall become the Annual Approved Budget and the Capital Plan, respectively; provided that, in the case of the Annual Budget, the draft Annual Budget's approval as the Annual Approved Budget is, for so long as the Investor Member's Common Percentage

Interest is at least 30.0%, subject to the Investor Member's approval rights in Section 8.4(l) and the deadlock provisions in Section 1.11.

- In addition, as supporting information to and in conjunction with the Annual Budget, Business Plan and Capital Plan, the Company will provide to the Board a list of the capital projects consistent with the worksheet titled "Form Ill. Capex Project List", it being understood that the specific list of capital projects is subject to change over the course of the fiscal year.

- On a periodic basis throughout the year, the Company will also provide to the Board any forecast updates to the Annual Approved Budget.

Schedule 6

Voting Calculation Methodology for Special Purpose FE Director

See attached.

[redacted]

Schedule 6

Voting Calculation Methodology for Special Purpose FE Director

For purposes of the vote required to determine the FE Director jointly designated for appointment by FE Member's Common Membership Interests and the Members that are holders of the Special Purpose Membership Interests, the following shall apply:

- As of the Effective Date, the FE Member on account of its Common Membership Interests (in such capacity a "Common Voter") shall have 86 votes (the "Common Votes") and the Member(s) that are holders of the Special Purpose Membership Interests (in such capacity a "Special Purpose Voter") shall have 14 votes (the "Special Purpose Votes") in respect of voting to designate such FE Director as required by Section 2.2(d) of the Agreement.
- At all times when such vote is required pursuant to Section 2.2(d) of the Agreement, such FE Director designee shall be the individual who receives a plurality of the Common Votes and Special Purpose Votes cast, voting together as a single class.
- Both Common Voters and Special Purpose Voters may vote all of its or their votes for the same individual or multiple individuals for such FE Director position (for example, the Common Voter could elect to vote 45 of its Common Votes for "Individual A" and 43 of its Common Votes for "Individual B", while the Special Purpose Voter may elect to likewise split its Special Purpose Votes amongst multiple individuals or vote all of its Special Purpose Votes for a single individual).
- During the five year period that such vote is required, the total number of Special Purpose Votes shall be adjusted periodically to proportionally decrease as the Special Purpose Value declines. For this purpose, the "Special Purpose Value" shall mean the respective value of (i) the Special Purpose Membership Interests as compared to (ii) the FE Member's Common Membership Interests and the Special Purpose Membership Interests collectively, which value is presumed to decrease proportionately as (i) the capital account balance maintained by MAIT pursuant to its Organizational Documents for its members on account of such member(s)' MAIT Class B Interests decreases relative to (ii) the collective capital account balance of the holders of the FE Member's Common Membership Interests and the holders of the Special Purpose Membership Interests in the Company; provided that such total number of Special Purpose Votes will in all circumstances (subject to the next bullet point) be rounded down to the next nearest whole number such that there are no fractional Special Purpose Votes. By way of examples, (i) if on the Effective Date, the relevant capital account balance (measured as a percentage) was 20% and subsequently decreases to 10%, then the total number of Special Purpose Votes would be automatically reduced to 7; (ii) assuming again an initial capital account balance of 20% but in this instance that decreases to 9%, the total number of Special Purpose Votes in such circumstance would automatically be reduced to 6.
- During the five year period that such vote is required, for so long as any Special Purpose Membership Interests are outstanding and the MAIT Class B Interests are owned by the Company, in no event will there be less than 1 Special Purpose Vote in existence. Therefore, to the extent that a decrease required by the immediately preceding bullet would result in 0

Special Purpose Votes, such determination will be adjusted so that 1 Special Purpose Vote remains in existence.

- In the event that multiple Members are the holders of Special Purpose Membership Interests, the total number of Special Purpose Votes that each Member holds in respect of their Special Purpose Membership Interest will be based on such Member's Special Percentage Interest (rounding as appropriate to the nearest whole number(s) so that no Member holds any fractional Special Purpose Votes).

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY COMPARABLE STATE SECURITIES LAWS. EXCEPT AS EXPRESSLY PROVIDED HEREIN, NEITHER THIS NOTE NOR ANY PORTION HEREOF OR INTEREST HEREIN MAY BE SOLD, ASSIGNED, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF UNLESS THE SAME IS REGISTERED UNDER SAID ACT AND APPLICABLE STATE SECURITIES LAWS OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE AND BORROWER HAS RECEIVED EVIDENCE OF SUCH EXEMPTION REASONABLY SATISFACTORY TO BORROWER.

PROMISSORY NOTE

US $[1,750,000,000][1] [New York, NY]
[_____], 20[__][2]

FOR VALUE RECEIVED, North American Transmission FinCo L.P., a Delaware limited partnership ("Borrower"), hereby promises upon the terms and subject to the provisions hereof to pay to FirstEnergy Corp., an Ohio corporation ("Lender"), the aggregate principal sum of [one billion seven hundred fifty million] Dollars ($[1,750,000,000]) (as such amount may be increased in accordance with Section 1(b) or reduced in accordance with Section 2, the "Note Principal"), together with interest that accrues at the rate of five and seventy-five hundredths percent (5.75%) per annum (the "Note Rate") on the unpaid Note Principal from time to time outstanding from the date hereof until the earlier of the payment in full of the unpaid Note Principal and interest owed thereon and the Maturity Date (as defined below). This note (this "Note") is issued pursuant to, and any capitalized term used in this Note and not otherwise defined herein shall have the meaning ascribed to each such term in, the Purchase and Sale Agreement, executed on [_____], 2023, by and among Lender, First Energy Transmission, LLC, North American Transmission Company II L.P. ("NATC II"), Borrower, and each of the guarantors party thereto.

1. Payment of Principal and Interest.

(a) The outstanding unpaid Note Principal and all accrued and unpaid interest thereon (the "Loan Amount") shall be due and payable on [_____], 20[__][3] (subject to the following proviso, the "Maturity Date"); provided that if on such date any governmental or quasi-governmental or similar approval necessary in connection with an investment by any Co-Investor (as defined below) in Borrower is pending, such date shall be automatically extended to the earlier of (x) the date which is twenty-five (25) Business Days after the last such approval is obtained and (y) [_____], 20[__] (the "Initial Extension Date");[4] provided further, that if any such approval remains pending as of the Initial Extension Date, the Initial Extension Date shall automatically extend an additional six (6) months.

(b) Interest on the Note Principal shall be due and payable to Lender quarterly in arrears on [____], [____], [____] and [____] of each year commencing on [____], 20[__] (each, a "Payment

[1] Amount to be updated as necessary at issuance in accordance with the Purchase Agreement.

[2] Insert Closing Date under the Purchase Agreement.

[3] Insert date that is 18 months from the issuance of this Note.

[4] Insert date that is 6 months from original maturity date.

Date"), of which (i) an amount equal to [thirty percent (30%)][5] of the distribution made by FirstEnergy Transmission, LLC in accordance with its organizational documents to NATC II in the quarter ending on the Payment Date (the "Cash Interest Percentage") shall be paid in cash by Borrower to Lender on such Payment Date; provided that, if Borrower makes any partial prepayments of the Note Principal pursuant to Section 2 at any time prior to payment in full of the Loan Amount, the Cash Interest Percentage that Borrower shall be required to pay on each Payment Date from and after such prepayment shall permanently be reduced proportionately to the aggregate reduction in the Note Principal (by way of example, prepayment(s) of fifty percent (50%) of the Note Principal would result in a permanent reduction of the Cash Interest Percentage to [fifteen percent (15%)][6]) and (ii) the remaining amount shall be added to the Note Principal, and amounts so added shall thereafter be deemed to be part of the Loan Amount payable on the Maturity Date and accrue interest at the Note Rate.

(c) Interest on the unpaid Note Principal shall accrue at the Note Rate on a daily basis commencing on the date hereof, and shall continue accruing until repayment of all amounts due hereunder, calculated on a daily basis of a 365-day year and the actual number of days elapsed. Notwithstanding any provisions of this Note to the contrary, in no event shall the amount of interest paid or agreed to be paid by Borrower exceed the highest rate of interest permissible under applicable Law.

2. Prepayment.

(a) Optional Prepayment. Borrower may, at any time and from time to time upon at least fifteen (15) Business Days' prior notice, without premium or penalty, prepay all or any portion of the Loan Amount. All prepayments shall be accompanied by payment of all accrued but unpaid interest on the Note Principal prepaid.

(b) Mandatory Prepayments. If at any time after the date hereof (i) Borrower or any Affiliate of the Borrower receives any Net Cash Proceeds from direct or indirect investors in NATC II (but solely investors who are exclusively indirectly invested in First Energy Transmission, LLC) (other than Brookfield Asset Management or any of its Affiliates) (each, a "Co-Investor") or (ii) Borrower incurs or issues any Indebtedness (other than pursuant to this Note), Borrower shall apply 100% of the Net Cash Proceeds thereof to the prepayment of the Loan Amount within five (5) Business Days after Borrower's receipt of such Net Cash Proceeds. For purposes of this Section 2(b), "Net Cash Proceeds" means the proceeds actually received in cash by Borrower or its applicable affiliate, net of all paid or payable taxes and fees, commissions, costs, expenses and share of organizational expenses incurred in connection therewith, as determined by Borrower in its reasonable discretion.

3. Taxes; Application of Payments.

(a) If, pursuant to applicable Law, Borrower is required to deduct or withhold taxes on any payment made to Lender pursuant to this Note, then the sum payable by Borrower (in respect of which such

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[5] If the initial Note Principal on the date of issuance of this Note is less than US$1,750,000,000, then this initial Cash Interest Percentage shall be reduced proportionately to the aggregate reduction in the Note Principal from US$1,750,000,000. By way of example, if the initial Note Principal on the date of issuance is US$875,000,000, then the initial the Cash Interest Percentage (unless and until further reduced pursuant to the proviso to this Section 1(b)) shall be fifteen percent (15%)).

[6] To the extent the initial Cash Percentage Interest is less than 30% as a result of applying FN 5, this percentage shall be updated accordingly so that it is 50% of the initial Cash Percentage Interest.

deduction or withholding is required to be made) shall be increased to the extent necessary to ensure that Lender receives a sum equal to the sum which it would have received if no taxes were required to be deducted or withheld by Borrower under applicable Law. The Borrower shall indemnify Lender for the full amount of any taxes required to be withheld or deducted from a payment to Lender and any reasonable expenses arising therefrom or with respect thereto, whether or not such taxes were correctly or legally imposed or asserted by the relevant taxing authority.

(b) Except as expressly provided to the contrary herein or in the Purchase Agreement, all payments on this Note shall be applied in the following order of priority: (a) the payment or reimbursement of any expenses, costs or obligations for which Borrower shall be obligated pursuant to the provisions of this Note (if any), (b) the payment of accrued but unpaid interest on the Note Principal, and (c) the payment of all or any portion of the Note Principal. If any payment hereunder shall become due and payable on a day other than a Business Day, such payment shall be made on the next succeeding Business Day. Borrower agrees that all payments of any obligation due hereunder shall be final, and if any such payment is recovered in any bankruptcy, insolvency or similar proceedings instituted by or against Borrower, all obligations due hereunder shall be automatically reinstated in respect of the obligation as to which any such payment is so recovered.

4. Partial or Incomplete Payments. Remittances in payment of any part of this Note other than in immediately available funds to the account of Lender shall not, regardless of any receipt or credit issued therefor, constitute payment until the required amount is actually received by Lender in full. Acceptance by Lender of any payment in an amount less than the full amount then due shall be deemed an acceptance on account only, and the failure to pay the entire amount then due may be and continue to be an Event of Default as set forth in Section 7.

5. Representations and Warranties of Borrower. Borrower hereby represents and warrants to Lender, on the date of this Note, that:

(a) Borrower is a limited partnership duly organized, validly existing and in good standing under the Laws of the State of Delaware, with full power and authority to enter into this Note and perform all of its obligations hereunder;

(b) The execution, delivery and performance of this Note by Borrower and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite action by Borrower, and no other proceedings on the part of Borrower are necessary to authorize the execution, delivery or performance of this Note by Borrower. This Note has been duly and validly executed and delivered by Borrower, and this Note constitutes a valid and binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as limited by the Bankruptcy and Equity Exception; and

(c) No filing or registration with, notification to, or authorization, consent or approval of, any Governmental Body or any other Person (other than the parties, their equity holders or their Affiliates) is required in connection with the execution and delivery by Borrower of this Note, the performance of Borrower's obligations hereunder or the consummation of the transactions contemplated hereby, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not, individually or in the aggregate, reasonably be expected to prevent or materially delay the ability of Borrower to perform its obligations hereunder.

6. Sale of Interests in First Energy Transmission, LLC. Borrower shall not sell or otherwise transfer any of its direct or indirect equity interests in First Energy Transmission, LLC, other than (a) any direct or indirect collateral assignment thereof or other lien thereon and (b) any transfer of such

equity interests to North American Transmission Company I LP, NATC II or any other Affiliate of Borrower, provided that Borrower continues to own 100% of such equity interests directly or indirectly.

7. Default. Each of the following shall constitute an event of default ("Event of Default") under this Note:

(a) Borrower shall fail to pay when due any Note Principal or interest hereunder, and solely in the case of any such failure in respect of a mandatory prepayment pursuant to Section 2(b), such failure shall continue unremedied for three (3) Business Days;

(b) Borrower shall default in the performance of any covenant or obligation contained in this Note or that certain letter agreement[, dated as of the date hereof,] by Brookfield Corporation ("Guarantor") and accepted and agreed by FirstEnergy Corp., pursuant to which Guarantor guarantees Borrower's payment and performance of its obligations and liabilities under this Note (the "Guaranty"), other than any such obligation referred to in any paragraph (a) of this Section 7, which default continues without cure (if curable) for a period of thirty (30) days after the earlier of (i) an officer of Borrower becoming aware of such failure to perform or comply or (ii) receipt by Borrower of notice from Lender of such failure to perform or comply;

(c) either the Note or the Guaranty ceases to be in full force and effect (other than by reason of the satisfaction in full of the Loan Amount) or Borrower or Guarantor contests in any manner in writing the validity or enforceability of the Note or the Guaranty; or

(d) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) liquidation, reorganization or other relief in respect of either Borrower or Guarantor or its debts, or of a substantial part of its assets, under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for either Borrower or Guarantor or for a substantial part of its assets, and, in any such case, such proceeding or petition is consented to by Borrower or Guarantor, as applicable, or shall continue undismissed for a period of sixty (60) or more days or an order or decree approving or ordering any of the foregoing shall be entered; or

(e) either Borrower or Guarantor shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any such proceeding or petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for either Borrower or Guarantor or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding or (v) make a general assignment for the benefit of creditors.

8. Remedies. Upon the occurrence and continuance of any of the Events of Default, Lender may, at its option and upon written notice to Borrower, do any one or more of the following: (a) declare the entire Loan Amount to be immediately due and payable (which shall be automatic upon an Event of Default pursuant to clause 7(d) or (e) above), (b) reduce any claim to judgment, or (c) pursue and enforce any of Lender's other rights and remedies provided under or pursuant to any applicable Laws. All rights and remedies of Lender under this Note may be pursued singularly, successively or together, at the sole discretion of Lender, and may be exercised as often as the occasion therefor shall arise. Failure by Lender

to exercise any right or remedy upon the occurrence of an Event of Default shall not constitute a waiver of the right to exercise such right or remedy upon the occurrence of any subsequent Event of Default.

9. Costs. All costs and expenses (including, without limitation, attorneys' fees) incurred in connection with this Note and the transactions contemplated herein are to be paid by the party incurring such costs and expenses.

10. Waiver by Lender. Lender may, by notice to Borrower, waive any existing or future Event of Default and its consequences. When an Event of Default is so waived, it is deemed cured, but no such waiver shall extend to any subsequent or other Event of Default or impair any consequent right. No failure to exercise and no delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

11. Waiver of Presentment by Borrower. Borrower hereby waives presentment and demand for payment, notice of protest, notice of non-payment or dishonor and notice of intent to demand, before or after the Maturity Date.

12. Cancellation. After all unpaid Note Principal and interest owed on this Note has been paid in full, this Note shall be surrendered to Borrower for cancellation and shall not be reissued.

13. Amendment. Except as explicitly set forth herein, neither this Note nor any provision hereunder may be waived, amended, modified, terminated, or discharged orally, other than pursuant to an agreement in writing signed by all parties hereto.

14. Assignment. Neither Borrower nor Lender may transfer or assign all or any part of its rights or obligations under this Note without the prior written consent of the other party. No assignment by Borrower or Lender may be made unless the proposed transferee agrees in writing to be bound by the provisions of this Note as though he, she or it were an original signatory hereto. Borrower will maintain, at its principal place of business, a register for the recordation of the names and addresses of Lender and any assignee or other transferee and the principal amount (and stated interest) owing to Lender and any assignee or other transferee from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and Borrower and Lender shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Note, notwithstanding notice to the contrary. The registered owner of this Note (or any portion hereof) as indicated on the Register shall be the party with the exclusive right to receive payment of any principal amount and accrued and unpaid interest thereon under this Note. The Register shall be available for inspection by Borrower and Lender at any reasonable time and from time to time upon reasonable prior notice. No assignment, transfer or other disposition of this Note (or any portion thereof) shall be effective unless it has been recorded in the Register. It is intended that the Register constitute a "book entry system" within the meaning of Treasury Regulations Section 5f.103-1(c)(1)(ii) and shall be interpreted consistently therewith.

15. Governing Law; Disputes. The internal laws of the State of New York (without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of laws of any other jurisdiction) govern all matters arising out of or relating to this Note and all of the transactions it contemplates, including its validity, interpretation, construction, performance and enforcement and any disputes or controversies arising therefrom or related thereto. Any action or proceeding arising out of or relating to this Note or the transactions contemplated hereby must be brought in the courts of New York, New York, or, if it has or can acquire jurisdiction, in

the United States District Court for the Southern District of New York. Each of Borrower and Lender knowingly, voluntarily and irrevocably submits to the exclusive jurisdiction of each such court in any such action or proceeding and waives any objection it may now or hereafter have to venue or to convenience of forum. Borrower or Lender may make service on the other party by sending or delivering a copy of the process to the party to be served at the address and in the manner provided for the giving of notices in Section 17. Nothing in this Section 15, however, affects the right of either party to serve legal process in any other manner permitted by law.

16. WAIVER OF JURY TRIAL. NEITHER BORROWER NOR LENDER, NOR ANY PERMITTED ASSIGNEE, SUCCESSOR, HEIR OR PERSONAL REPRESENTATIVE THEREOF, MAY SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY OTHER LITIGATION PROCEDURE BASED ON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE, NOR MAY ANY SUCH PERSON SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED.

17. Notices. Except as otherwise expressly provided herein, all notices, demands and other communications to be given or delivered under or by reason of the provisions of this Note shall be in writing and shall be deemed to have been given (a) when personally delivered, (b) when transmitted by electronic mail (unless if transmitted after 5:00 p.m. Eastern time or other than on a Business Day, then on the next Business Day) to the address specified below in which case such notice shall be deemed to have been given when the recipient transmits manual written acknowledgment of successful receipt, which the recipient shall have an affirmative duty to furnish promptly after successful receipt, (c) sent by internationally-recognized courier, in which case it shall be deemed to have been given at the time of actual recorded delivery, or (d) the third Business Day following the day on which the same is sent by certified or registered mail, postage prepaid, in each case, to the respective party at the number, electronic mail address or street address, as applicable, set forth below, or at such other number, electronic mail address or street address as such party may specify by written notice to the other party.

If to Lender: to the address set forth on the signature page hereto.

If to Borrower:

North American Transmission FinCo L.P.
c/o Brookfield Infrastructure Group
1200 Smith Street, Suite 640
Houston, Texas 77002
Attention: Fred Day
Email: fred.day@brookfield.com

with a copy (which will not constitute notice) to:

Skadden, Arps, Slate, Meagher & Flom LLP
1000 Louisiana, Suite 6800
Houston, Texas 77002
Attention: Eric Otness
Email: eric.otness@skadden.com

18. **Binding Nature.** This Note and all the covenants, promises and agreements contained herein shall be binding upon the parties' respective successors, assigns, and representatives and inure to the benefit of their respective successors and assigns.

19. **Construction**. The language used in this Note shall be deemed to be the language chosen by Borrower and Lender to express their mutual intent, and no rule of strict construction shall be applied against any Person. The headings of the sections and paragraphs of this Note have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions hereof. Unless the context otherwise requires, words in the singular include the plural and words in the plural include the singular.

20. **Severability**. If any term, provision, covenant or restriction contained in this Note is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against its regulatory policy, the remainder of the terms, provisions, covenants and restrictions contained in this Note shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and, to the extent permitted and possible, any invalid, void or unenforceable term shall be deemed replaced by a term that is valid and enforceable and that comes closest to expressing the intention of such invalid, void or unenforceable term.

21. **Counterparts.** This Note may be executed in counterparts, and any party hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute one and the same instrument. This Note shall become effective when each party shall have received a counterpart hereof signed by the other party.

22. **No Recourse Against Others.** Except with respect to Guarantor as expressly set forth in the Guaranty, no recourse under or upon any obligation, covenant or agreement of Borrower contained in this Note, or because of any indebtedness evidenced hereby, shall be had against any past, present or future employee, stockholder, member, manager, partner, officer, director, affiliate or agent, as such, of Borrower or of any successor, either directly or through Borrower or any successor, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or penalty by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of this Note by Lender and as part of the consideration for the issuance of this Note.

23. **No Oral Agreements.** This Note, the Purchase Agreement, the Guaranty, and other documents and instruments executed and delivered pursuant hereto and thereto) represents the final agreement between Borrower and Lender and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between Borrower and Lender.

[*remainder of page intentionally left blank; signatures appear on following page(s)*]

IN WITNESS WHEREOF, Borrower has executed this Note, and this Note has been accepted and agreed to by Lender, as of the date and year first above written.

North American Transmission FinCo L.P.

By: _____
Name:
Title:

[*Signature Page to Parent Note*]

ACCEPTED AND AGREED TO
BY LENDER

FirstEnergy Corp.

By:_____
Name:
Title:

[Address: FirstEnergy Corp.
76 South Main St.
Akron, Ohio 44308
Attention: [David W. Pinter]
Email: [dpinter@firstenergycorp.com]][7]

with copies to (which shall not constitute notice):

Jones Day
901 Lakeside Ave.
Cleveland, Ohio 44114
Attention: Peter Izanec; George Hunter
Email: peizanec@jonesday.com; ghunter@jonesday.com

[7] FirstEnergy to confirm.

ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement") is effective as of [•] [•], 20[•] (the "Effective Date"), by and among FirstEnergy Corp., an Ohio corporation ("Seller"), and North American Transmission Company II L.P., a Delaware limited partnership ("Buyer"). Each capitalized term used but not defined in this Agreement has the meaning ascribed to such term in the Purchase and Sale Agreement, dated as of February 1, 2023, by and among Buyer, Seller, FirstEnergy Transmission, LLC, a Delaware limited liability company (the "Company"), Brookfield Super-Core Infrastructure Partners L.P., a limited partnership organized under the laws of Ontario, Brookfield Super-Core Infrastructure Partners (NUS) L.P., a limited partnership organized under the laws of Ontario and Brookfield Super-Core Infrastructure Partners (ER) SCSp, a special limited partnership organized under the laws of Luxemburg, solely for the purposes of Sections 5.5, 5.6(c) and 8.1(a) and Article X therein (the "Purchase Agreement").

RECITALS

WHEREAS, as of the date hereof, Seller owns 100% of the Purchased Interests; and

WHEREAS, subject to the terms and conditions of the Purchase Agreement, at the Closing, Buyer shall purchase from Seller, and Seller shall sell to Buyer, all of the Purchased Interests.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations and warranties, and other good and valuable consideration set forth in the Purchase Agreement, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller agree as follows:

1. Purchase and Sale. On the terms and conditions set forth in the Purchase Agreement, Seller hereby transfers, sells, assigns, conveys and delivers to Buyer, and Buyer hereby purchases and acquires from Seller, as of the Effective Date, the Purchased Interests, free and clear of any Lien, and Seller hereby irrevocably constitutes and appoints Buyer, as Seller's attorney-in-fact, to transfer the Purchased Interests on the books of the Company maintained for that purpose, with full power of substitution in the premises, and Buyer hereby accepts such transfer, sale, assignment, conveyance and delivery.

2. Successors and Assigns. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and permitted assigns.

3. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall be one and the same instrument. Delivery of an executed counterpart hereof by facsimile or other electronic transmission (including email or any electronic signature) shall be effective as delivery of an original counterpart hereof.

4. Other Terms. The provisions of Sections 5.8 (Further Assurances), 10.4 (Notices), 10.8 (Severability), 10.13 (Jurisdiction and Exclusive Venue) and 10.14 (Governing Law;

WAIVER OF JURY TRIAL), of the Purchase Agreement are incorporated herein by reference and shall apply to the terms and provisions of this Agreement and the parties *mutatis mutandis*.

5. Entire Agreement. This Agreement, the Purchase Agreement and the other documents executed by the parties hereto in connection therewith, constitute the entire agreement, and supersede all prior agreements and understandings, both written and oral, among or between any of the parties hereto related to the subject matter hereof and thereof.

6. Conflicts or Inconsistencies. In the event of any conflict or inconsistency between the terms of the Purchase Agreement and the terms of this Agreement, the terms of the Purchase Agreement shall govern. For the avoidance of doubt, nothing contained in this Agreement shall in any way supersede, modify, replace, amend, rescind, waive, narrow or broaden any provision set forth in the Purchase Agreement or any of the rights, remedies or obligations arising therefrom.

[SIGNATURE PAGES FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed, or caused their duly authorized representatives to execute, this Agreement as of the date first above written.

FIRSTENERGY CORP.

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have executed, or caused their duly authorized representatives to execute, this Agreement as of the date first above written.

NORTH AMERICAN TRANSMISSION COMPANY II L.P.

By: _____

Name:
Title:

[redacted]

Brookfield Corporation

February 2, 2023

FirstEnergy Corp.
76 South Main St.
Akron, Ohio 44308
Attention: David W. Pinter
Email: dpinter@firstenergycorp.com

Re: Guaranty of Promissory Note

Ladies and Gentlemen:

Reference is made to the (a) Purchase and Sale Agreement, dated as of the date hereof (as amended or modified from time to time in accordance with its terms, the "PSA"), by and among FirstEnergy Corp., an Ohio corporation ("Parent"), FirstEnergy Transmission, LLC, a Delaware limited liability company (the "Company"), North American Transmission Company II L.P., a Delaware limited partnership ("NATCo II"), Brookfield Super-Core Infrastructure Partners L.P., a limited partnership organized under the laws of Ontario, Brookfield Super-Core Infrastructure Partners (NUS) L.P., a limited partnership organized under the laws of Ontario, and Brookfield Super-Core Infrastructure Partners (ER) SCSp, a special limited partnership organized under the laws of Luxemburg, solely for the purposes of Sections 5.5, 5.6(c) and 8.1(a) and Article X of the PSA, pursuant to which, among other things, upon the terms and subject to the conditions set forth therein, NATCo II will purchase from Parent, and Parent will sell to NATCo II, membership interests of the Company representing thirty percent (30%) of the outstanding Membership Interests (as defined in the PSA), and North American Transmission FinCo L.P., a Delaware limited partnership ("NATFinCo"), solely for purposes of Section 1.4 of the PSA, and (b) the Promissory Note to be issued at Closing (as defined in the PSA) to Parent by NATFinCo (the "Note"), the principal amount of which forms a portion of the Purchase Price (as defined in the PSA). Capitalized terms used and not defined herein but defined in the PSA shall have the meanings ascribed to them in the PSA.

In connection with the issuance of the Note at Closing, Brookfield Corporation, a Canadian corporation ("Guarantor") and Parent (together with Guarantor, the "Parties" and each of them individually, a "Party") hereby agree as follows:

1. Guaranty. Subject to and conditioned upon the consummation of the Closing and the delivery of the Note by NATFinCo to Parent at the Closing, Guarantor hereby unconditionally and irrevocably guarantees to Parent, until the valid termination of this letter agreement in accordance with its terms, the due and punctual payment and performance by NATFinCo (and any assignees thereof) of NATFinCo's obligations and liabilities under the Note, including to repay any outstanding unpaid principal under the Note and all accrued and unpaid interest thereon on the Maturity Date (as defined in the Note) or on any date on which

such amounts become due and payable pursuant to the terms of the Note, if any, which obligations and liabilities shall in no event exceed (a) (i) the face amount of the Note at Closing plus (ii) all interest that accrues on the unpaid principal of the Note pursuant to the terms of the Note, less (b) any payments of principal under the Note and any interest accruing thereon pursuant to the terms of the Note by or on behalf of NATFinCo (the "Guaranteed Obligations"). The foregoing sentence is an absolute, unconditional and irrevocable guaranty of the full and punctual discharge and performance of the Guaranteed Obligations. Should NATFinCo default in the discharge or performance of all or any portion of the Guaranteed Obligations, the obligations of Guarantor hereunder shall, upon Parent's demand, become immediately due and, if applicable, payable; provided, that notwithstanding anything to the contrary in this letter agreement, the PSA or the Note, Guarantor shall retain all defenses under the PSA or the Note available to NATFinCo. Notwithstanding anything in this letter agreement to the contrary and for the avoidance of doubt, the aggregate amount payable by Guarantor hereunder shall not exceed the Guaranteed Obligations. The Guarantor waives to the fullest extent permitted by Law (x) any defense based on any claim that the Guarantor's obligations exceed or are more burdensome than those of NATFinCo, (y) any right to require the Parent to proceed against NATFinCo or pursue any other remedy in the Parent's power whatsoever and any defense based upon the doctrine of marshalling of assets or of election of remedies; and (z) to the fullest extent permitted by Law, any and all other defenses or benefits that may be derived from or afforded by applicable Law limiting the liability of or exonerating guarantors or sureties other than the defense that the Guaranteed Obligations have been fully performed and indefeasibly paid in full in cash.

2. Representations and Warranties. Guarantor represents and warrants to Parent as of the date hereof as follows: (a) Guarantor is duly organized and validly existing under the Laws of the jurisdiction recited in the Preamble hereto and has full power and authority to execute and deliver this letter agreement and to perform its obligations hereunder; (b) the execution, delivery and performance of this letter agreement by Guarantor have been duly authorized by all requisite action by Guarantor, and no other proceedings on the part of Guarantor are necessary therefor; (c) this letter agreement constitutes a valid and binding obligation of Guarantor, and is enforceable against Guarantor in accordance with its terms, except as limited by the Bankruptcy and Equity Exception; (d) none of the execution, delivery or performance by Guarantor of this letter agreement will result in a violation of any Laws to which Guarantor is subject or bound, and there is no action, suit, or proceeding pending or, to its knowledge, threatened against it or affecting it with respect to any of the transactions contemplated by this letter agreement; (e) Guarantor has sufficient funds immediately available to pay and perform all of its obligations under this letter agreement, and (f) it is not relying upon, and will not rely upon, any representation or warranty, expressed or implied, at law or in equity, made by any Person in respect of the Parent or any of its affiliates or any of their respective businesses, assets, liabilities, operations, prospects or condition (financial or otherwise).

3. Termination. This letter agreement will terminate automatically and immediately upon the earliest to occur of the (a) valid termination of the PSA in accordance with the terms of Article 7 (Termination) thereof without the Closing having occurred; and (b) repayment of the Note in its entirety by or on behalf of NATFinCo. Upon termination of this letter agreement, Guarantor shall not have any further obligations or liabilities hereunder.

Notwithstanding anything in this letter agreement to the contrary, Guarantor shall not have any obligation or liability to any Person under this letter agreement once the Guaranteed Obligations have been satisfied in accordance with this letter agreement.

4. Assignment; Amendments and Waivers; Entire Agreement.

(a) This letter agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns, but neither this letter agreement nor any of the rights, interests or obligations hereunder shall be assigned by operation of law or otherwise, by either Party without the prior written consent of the other Party; provided, that Guarantor may assign its rights, interests or obligations under this letter agreement, in whole or in part, to one or more affiliates, which assignment shall not release Guarantor from its obligations hereunder, including its obligation to discharge and perform the Guaranteed Obligations.

(b) Any provisions hereof for the benefit of a Party may be waived by such Party (either generally or in particular and either retroactively or prospectively) only by a written instrument signed by the Party waiving compliance.

(c) This letter agreement constitutes the entire agreement and understanding of the Parties in respect of the subject matter contained herein. This letter agreement supersedes all prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter and supersede any letters, memoranda or other documents or communications, whether oral, written or electronic, submitted or made by (i) Parent or any its affiliates, agents or representatives to Guarantor or any of its agents or representatives, or (ii) Guarantor or any of its affiliates, agents or representatives to Parent or any of its agents or representatives, prior to the execution of this letter agreement or otherwise in connection with the negotiation and execution of this letter agreement. This letter agreement may not be amended except by an instrument in writing signed by each of the Parties.

5. No Third-Party Beneficiaries. This letter agreement shall be binding solely the Parties, and shall inure solely to the benefit of the Parties, and nothing set forth in this letter agreement shall be construed to confer upon or give to any Person other than the Parties and their respective successors and permitted assigns any benefits, rights or remedies under or by reason of, or any rights to enforce any provisions of this letter agreement; provided, that each Related Party (as defined below) is an intended third-party beneficiary of Section 6 of this letter agreement and shall have the right to enforce Section 6 of this letter agreement. For the avoidance of doubt, Parent's and its affiliates' respective creditors shall have no right to enforce this letter agreement.

6. Limited Recourse. Notwithstanding anything that may be expressed or implied in this letter agreement, Parent, by its acceptance of the benefits of this letter agreement, agrees and acknowledges that (a) no Person other than Guarantor shall have any obligation hereunder and (b) (i) no recourse hereunder shall be had against any Related Party, whether by or through attempted piercing of the corporate veil or based on any Law or interpretation thereof, and (ii) it is expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on, or otherwise be incurred by any Related Party, in the case of each of clauses

(i) and (ii), as such, for any obligations of Guarantor under this letter agreement, in respect of any oral representations made or alleged to be made in connection herewith, or for any claim (whether in tort, contract or otherwise) based on, in respect of, or by reason of, the obligations of Guarantor hereunder. "Related Party" means any former, current or future affiliate of Guarantor (and to the extent a portion of the Guaranteed Obligations are assigned to one or more permitted assignees, such permitted assignees) or any of its or their respective directors, managing directors, general or limited partners, officers, employees, agents, equity holders, controlling persons, members, managers and advisors.

7. Confidentiality. This letter agreement shall be treated as confidential by the Parties, and is being provided to Parent, solely in connection with the PSA, the Note and the transactions contemplated thereby. Neither this letter agreement nor the terms or substance hereof, may be disclosed, used, circulated, quoted or otherwise referred to in any document other than the PSA, the Note and any ancillary agreement or document with respect thereto by the Parties, except with the prior written consent of the other Party (so long as such consent is not unreasonably withheld, delayed or conditioned); provided, that no such written consent shall be required for disclosures by either Party to its officers, directors, employees, partners, advisors, representatives, successors, permitted assigns and agents (each such officer, director, employee, advisor, representative or agent, a "Representative") so long as such Party agrees to cause each such Representative to keep such information confidential on terms substantially identical to the terms contained in this Section 7; provided, further, that either Party may disclose the existence and terms of this letter agreement to the extent required by any applicable Law, Governmental Body or stock exchange rules or pursuant to any dispute, litigation or claim arising out of or relating to the transactions contemplated hereby.

8. Governing Law; Consent to Jurisdiction and Service of Process. This letter agreement and all disputes arising out of or relating to this letter agreement shall be construed and enforced in accordance with the Laws of the State of New York without giving effect to the choice of law principles thereof. Each Party irrevocably (a) consents to personal jurisdiction in any action brought in any court, federal or state, within the Borough of Manhattan having subject matter jurisdiction arising under this letter agreement, (b) agrees that any action instituted by any of them against the other with respect to this letter agreement will be instituted exclusively in a court, federal or state, within the Borough of Manhattan, (c) agrees service of process, summons, notice or document by registered mail addressed to them at their respective addresses provided in Annex A to this letter agreement shall be effective service of process against it for any such action, suit or proceeding brought in any such court, (d) waives the defense of an inconvenient forum to the maintenance of any such action and (e) agrees that all claims in respect of such disputes or actions may be heard and determined in any such court. Each of the Parties hereby agrees that a final judgment in any action, suit or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Law. Nothing in this Section 8, however, shall affect the right of any Party to serve legal process in any other manner permitted by Law. Each Party agrees that a final, non-appealable judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by Law.

9. WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS LETTER AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT A PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION RESULTING FROM, ARISING OUT OF OR RELATING TO THIS LETTER AGREEMENT OR THE CONTEMPLATED TRANSACTIONS. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (a) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD, IN THE EVENT OF LITIGATION, CHALLENGE OR DISPUTE THE ENFORCEMENT OF THE FOREGOING WAIVER, (b) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (c) EACH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (d) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS LETTER AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.

10. Waiver of Presentment. Guarantor hereby waives presentment and demand for payment, notice of protest, notice of non-payment or dishonor and notice of intent to demand, before or after the Maturity Date.

11. Counterparts. This letter agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this letter agreement by facsimile transmission or other electronic transmission shall be effective as delivery of a manually executed counterpart of this letter agreement.

12. No Fiduciary Relationship. This letter agreement will not create any fiduciary relationship between Guarantor and any other Person.

[*Signature pages follow*]

Please confirm the above agreement between the Parties by signing and returning to the undersigned a copy of this letter agreement.

BROOKFIELD CORPORATION

By:_____
Name: Swati Mandava
Title: Authorised Signatory

Accepted and Agreed as of the date first written above:

FirstEnergy Corp.

By:_____
Name: Steven R. Staub
Title: Vice President and Treasurer

Annex A
Parties

Brookfield Corporation
c/o Brookfield Infrastructure Group
1200 Smith Street Suite 640
Houston, Texas 77002
Attention: Fred Day
Email: fred.day@brookfield.com

FirstEnergy Corp.
76 South Main St.
Akron, Ohio 44308
Attention: David W. Pinter
Email: dpinter@firstenergycorp.com

[redacted]

DISCLOSURE SCHEDULE

February 2, 2023

These Disclosure Schedules are made and given pursuant to the Purchase and Sale Agreement, dated as of the date hereof (the "Agreement"), by and among FirstEnergy Corp., an Ohio corporation ("Parent"), FirstEnergy Transmission, LLC, a Delaware limited liability company (the "Company"), North American Transmission Company II L.P., a Delaware limited partnership ("Investor"), Brookfield Super-Core Infrastructure Partners L.P., a limited partnership organized under the laws of Ontario, Brookfield Super-Core Infrastructure Partners (NUS) L.P., a limited partnership organized under the laws of Ontario and Brookfield Super-Core Infrastructure Partners (ER) SCSp, a special limited partnership organized under the laws of Luxemburg (each, a "Guarantor" and collectively, the "Guarantors"), solely for the purposes of Sections 5.5, 5.6(c) and 8.1(a) and Article X, and North American Transmission FinCo L.P., a Delaware limited partnership ("NATFinCo"), solely for purposes of Section 1.4. The Company, Parent, Investor and, solely for the purposes of Sections 5.5, 5.6(c) and 8.1(a) and Article X, Guarantors are each sometimes referred to herein as a "Party" and, collectively, as the "Parties".

These Disclosure Schedules have been arranged for purposes of convenience in separately numbered sections corresponding to the sections of the Agreement; provided, however, that each section of these Disclosure Schedules relating to a section of Article II or Article III shall be deemed to incorporate by reference any information disclosed in any other section of these Disclosure Schedules relating to a section of Article II or Article III to the extent that it is reasonably apparent that such disclosure is applicable to such other section. Capitalized terms used in these Disclosure Schedules and not otherwise defined therein have the meanings given to them in the Agreement. The specification of any dollar amount or the inclusion of any item in the representations and warranties contained in the Agreement, these Disclosure Schedules or the attached exhibits is not intended to imply that the amounts, or higher or lower amounts, the items so included or other items, are or are not required to be disclosed (including whether such amounts or items are required to be disclosed as material or threatened) or are within or outside of the Ordinary Course of Business, and no Party shall use the fact of the setting of the amounts or the fact of the inclusion of any item in the Agreement, these Disclosure Schedules or exhibits in any dispute or controversy between the Parties as to whether any obligation, item or matter not set forth or included in the Agreement, these Disclosure Schedules or exhibits is or is not required to be disclosed (including whether the amount or items are required to be disclosed as material or threatened) or are within or outside of the Ordinary Course of Business.

In addition, matters reflected in these Disclosure Schedules are not necessarily limited to matters required by the Agreement to be reflected in these Disclosure Schedules. Such additional matters are set forth for informational purposes only and do not necessarily include other matters of a similar nature. No information set forth in these Disclosure Schedules shall be deemed to broaden in any way the scope of the Parties' representations and warranties. Any description of any agreement, document, instrument, plan, arrangement or other item set forth on any Disclosure Schedule herein is a summary only and is qualified in its entirety by the terms of such agreement, document, instrument, plan, arrangement or item, which terms shall be deemed disclosed for all purposes of the Agreement. The information contained in the Agreement, in these Disclosure Schedules and exhibits hereto is disclosed solely for purposes of the Agreement, and no

information contained herein or therein shall be deemed to be an admission by any Party to any third party of any matter whatsoever, including any violation of Law or breach of contract.

Schedule 2.2
Subsidiaries

(a)

Entity	Jurisdiction	FE Parent Entity	FE Ownership
American Transmission Systems, Incorporated	Ohio	Company	100%
Mid-Atlantic Interstate Transmission, LLC	Delaware	Company (Class A)[1]	100%
Trans-Allegheny Interstate Line Company	Maryland Virginia	Company	100%
AET PATH Company, LLC	Delaware	Company	100%
Grid Assurance, LLC	Delaware	Company	9.9%
Potomac-Appalachian Transmission Highline, LLC	Delaware	AET PATH Company, LLC	50%
AYE Series, Potomac-Appalachian Transmission Highline, LLC	Delaware	AET PATH Company, LLC	100%
West Virginia Series, Potomac-Appalachian Transmission Highline, LLC	Delaware	AET PATH Company, LLC	50%
PATH Allegheny Transmission Company, LLC	Delaware	AYE Series, Potomac-Appalachian Transmission Highline, LLC	100%
PATH-Allegheny Land Acquisition Company	West Virginia	PATH Allegheny Transmission Company, LLC	100%
PATH Allegheny Maryland Transmission Company, LLC	Delaware	PATH Allegheny Transmission Company, LLC	97%
PATH West Virginia Transmission Company, LLC	West Virginia	West Virginia Series, Potomac-Appalachian Transmission Highline, LLC	100%
PATH Allegheny Virginia Transmission Corporation	Virginia	PATH Allegheny Transmission Company, LLC	100%

With respect to the last sentence of Section 2.2(a), the following disclosures are made:

[1] **Note:** Prior to the Effective Date, Class B Member Interests are held by Pennsylvania Electric Company (59.9%) and Metropolitan Edison Company (40.1%). After the Effective Date, such interests will be wholly owned by the Company.

1. The Company owns 9.9% of the outstanding equity interest of Grid Assurance, LLC.

2. AET PATH Company, LLC, the Company's wholly owned subsidiary, owns 50% of the outstanding equity interest of Potomac Appalachian Transmission Highline, LLC.

Schedule 2.3
No Violation

1. Credit Agreement, dated October 18, 2021, by and among Parent and the Company, as borrowers, the banks named therein, JPMorgan Chase Bank, N.A, and the fronting banks party thereto from time to time, for the amount of $1,000,000,000.

2. Credit Agreement, dated October 18, 2021, by and among American Transmission Systems, Incorporated, Mid-Atlantic Interstate Transmission, LLC, Trans-Allegheny Interstate Line Company, as borrowers, the banks named therein, PNC Bank, National Association, as administrative agent, and the fronting banks party thereto from time to time, for the amount of $850,000,000.

Schedule 2.5(a)
Equity Interests

1. Ownership of the Company as of the date hereof and as of immediately prior to the Closing is as follows:

Parent Entity	Percentage Interest
FirstEnergy Corp.	80.1%
North American Transmission Company II L.P.	19.9%

2. Schedule 2.2(a) is hereby incorporated by reference.

Schedule 2.6
Financial Statements; No Undisclosed Liabilities

(a)

1. Attachment 2.6 is hereby incorporated by reference.

FIRSTENERGY TRANSMISSION, LLC AND SUBSIDIARIES

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATED STATEMENTS OF INCOME

(In millions)	For the Years Ended December 31, 2020	2019
REVENUES	$ 1,316	$ 1,234
OPERATING EXPENSES:		
Other operating expenses	188	195
Provision for depreciation	241	216
Amortization/deferral of regulatory assets/liabilities, net	14	13
General taxes	223	199
Total operating expenses	666	623
OPERATING INCOME	650	611
OTHER INCOME (EXPENSE):		
Miscellaneous income, net	10	13
Pension and OPEB mark-to-market adjustment	(32)	(48)
Interest expense	(195)	(177)
Capitalized financing costs	34	28
Total other expense	(183)	(184)
INCOME BEFORE INCOME TAXES	467	427
INCOME TAXES	97	79
NET INCOME	370	348
Income attributable to noncontrolling interest	61	59
NET INCOME AVAILABLE TO PARENT	$ 309	$ 289

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATED BALANCE SHEETS

(In millions)	December 31, 2020	December 31, 2019
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 221	$ 71
Receivables-		
Affiliated companies	37	63
Other, net of allowance for uncollectible accounts of $3 in 2020 and $4 in 2019	65	53
Notes receivable from affiliated companies	1,034	516
Prepaid taxes and other	17	20
	1,374	723
PROPERTY, PLANT AND EQUIPMENT:		
In service	9,756	9,114
Less — Accumulated provision for depreciation	1,899	1,722
	7,857	7,392
Construction work in progress	521	404
	8,378	7,796
OTHER PROPERTY AND INVESTMENTS:		
Investment in non-affiliated companies	19	18
Other	6	6
	25	24
DEFERRED CHARGES AND OTHER ASSETS:		
Goodwill	224	224
Regulatory assets	3	2
Property taxes	230	227
Operating lease right-of-use asset	413	414
Other	12	8
	882	875
	$ 10,659	$ 9,418
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Short-term borrowings-		
Affiliated companies	$ 409	$ 325
Other	1,000	—
Accounts payable - affiliated companies	9	61
Accrued taxes	226	204
Accrued interest	60	54
Other	6	7
	1,710	651
CAPITALIZATION:		
Member's equity	1,057	1,055
Retained earnings	991	1,057
Total member's equity	2,048	2,112
Noncontrolling interest	753	751
Total equity	2,801	2,863
Long-term debt and other long-term obligations	4,096	3,846
	6,897	6,709
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	1,037	983
Property taxes	230	227
Regulatory liabilities	334	400
Noncurrent operating lease obligation	407	408
Other	44	40
	2,052	2,058
COMMITMENTS AND CONTINGENCIES (NOTE 9)		
	$ 10,659	$ 9,418

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)	For the Years Ended December 31, 2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 370	$ 348
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	259	247
Pension and OPEB mark-to-market adjustment	32	48
Deferred income taxes and investment tax credits, net	43	108
Allowance for equity funds used during construction	(26)	(22)
Transmission revenue collections, net	(31)	(59)
Changes in current assets and liabilities-		
Receivables	17	(37)
Prepaid taxes and other current assets	3	—
Accounts payable	(96)	(38)
Accrued taxes	22	14
Accrued interest	6	6
Other current liabilities	1	—
Other	(13)	(14)
Net cash provided from operating activities	587	601
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Long-term debt	250	600
Short-term borrowings-		
Affiliated companies, net	308	313
Other, net	1,000	—
Redemptions and Repayments-		
Short-term borrowings - affiliated companies, net	(224)	(12)
Cash dividends paid to noncontrolling shareholder	(59)	(62)
Common stock dividend payments	(375)	(150)
Other	(5)	(6)
Net cash provided from financing activities	895	683
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(764)	(830)
Loans to affiliated companies, net	(518)	(396)
Asset removal costs	(50)	(65)
Other	—	(7)
Net cash used for investing activities	(1,332)	(1,298)
Net change in cash, cash equivalents, and restricted cash	150	(14)
Cash, cash equivalents, and restricted cash at beginning of period	71	85
Cash, cash equivalents, and restricted cash at end of period	$ 221	$ 71
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during the year-		
Interest (net of amounts capitalized)	$ 179	$ 160
Income taxes, net of refunds	$ 2	$ 30

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

FIRSTENERGY TRANSMISSION, LLC AND SUBSIDIARIES

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATED STATEMENTS OF INCOME

(In millions)	For the Years Ended December 31, 2021	2020
REVENUES	$ 1,347	$ 1,316
OPERATING EXPENSES:		
Other operating expenses	249	188
Provision for depreciation	256	241
Amortization of regulatory assets, net	15	14
General taxes	238	223
Total operating expenses	758	666
OPERATING INCOME	589	650
OTHER INCOME (EXPENSE):		
Miscellaneous income, net	8	10
Pension and OPEB mark-to-market adjustment	19	(32)
Interest expense	(223)	(195)
Capitalized financing costs	26	34
Total other expense	(170)	(183)
INCOME BEFORE INCOME TAXES	419	467
INCOME TAXES	103	111
NET INCOME	316	356
Income attributable to noncontrolling interest	61	61
NET INCOME AVAILABLE TO PARENT	$ 255	$ 295

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATED BALANCE SHEETS

(In millions)	December 31, 2021	December 31, 2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 275	$ 221
Receivables-		
Affiliated companies	17	36
Other, net of allowance for uncollectible accounts of $3 in 2020	75	65
Notes receivable from affiliated companies	428	1,000
Prepaid taxes and other	17	17
	812	1,339
PROPERTY, PLANT AND EQUIPMENT:		
In service	10,469	9,756
Less — Accumulated provision for depreciation	2,069	1,899
	8,400	7,857
Construction work in progress	409	521
	8,809	8,378
INVESTMENTS AND OTHER NONCURRENT ASSETS:		
Goodwill	224	224
Investment in non-affiliated companies	20	19
Regulatory assets	3	3
Property taxes	242	230
Operating lease right-of-use asset	413	413
Other	19	18
	921	907
	$ 10,542	$ 10,624
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Short-term borrowings-		
Affiliated companies	$ 99	$ 409
Other	—	1,000
Accounts payable - affiliated companies	29	9
Accrued taxes	248	226
Accrued interest	52	60
Other	8	6
	436	1,710
CAPITALIZATION:		
Member's equity	1,063	1,057
Retained earnings	1,070	945
Total member's equity	2,133	2,002
Noncontrolling interest	759	753
Total equity	2,892	2,755
Long-term debt and other long-term obligations	4,949	4,096
	7,841	6,851
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	1,143	1,048
Property taxes	242	230
Regulatory liabilities	464	334
Noncurrent operating lease obligation	407	407
Other	9	44
	2,265	2,063
COMMITMENTS AND CONTINGENCIES (NOTE 9)		
	$ 10,542	$ 10,624

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

(In millions)	Member's Equity	Retained Earnings	Noncontrolling Interest	Total Equity
Balance, January 1, 2020	$ 1,055	$ 1,025	$ 751	$ 2,831
Net income		295	61	356
Consolidated tax benefit allocation	2			2
Dividend payments		(375)		(375)
Cash dividends paid to noncontrolling interest			(59)	(59)
Balance, December 31, 2020	$ 1,057	$ 945	$ 753	$ 2,755
Net income		255	61	316
Consolidated tax benefit allocation	6			6
Dividend payments		(130)		(130)
Cash dividends paid to noncontrolling interest			(55)	(55)
Balance, December 31, 2021	$ 1,063	$ 1,070	$ 759	$ 2,892

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)	For the Years Ended December 31, 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 316	$ 356
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	248	259
Regulatory charges	48	—
Pension and OPEB mark-to-market adjustment	(19)	32
Deferred income taxes and investment tax credits, net	98	54
Allowance for equity funds used during construction	(15)	(26)
Transmission revenue collections, net	137	(31)
Changes in current assets and liabilities-		
Receivables	15	7
Prepaid taxes and other current assets	—	3
Accounts payable	(8)	(96)
Accrued taxes	22	22
Accrued interest	(8)	6
Other current liabilities	1	1
Other	6	(13)
Net cash provided from operating activities	841	574
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Long-term debt	1,250	250
Short-term borrowings-		
Affiliated companies, net	1	308
Other, net	—	1,000
Redemptions and Repayments-		
Long-term debt	(400)	—
Short-term borrowings-		
Affiliated companies, net	(311)	(224)
Other, net	(1,000)	—
Cash dividends paid to noncontrolling shareholder	(55)	(59)
Dividend payments	(130)	(375)
Other	(9)	(5)
Net cash provided from (used for) financing activities	(654)	895
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(643)	(764)
Loans to affiliated companies, net	572	(505)
Asset removal costs	(65)	(50)
Other	3	—
Net cash used for investing activities	(133)	(1,319)
Net change in cash and cash equivalents	54	150
Cash and cash equivalents at beginning of period	221	71
Cash and cash equivalents at end of period	$ 275	$ 221
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid (received) during the year-		
Interest (net of amounts capitalized)	$ 217	$ 179
Income taxes, net of refunds	$ (20)	$ 2

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

FIRSTENERGY TRANSMISSION, LLC AND SUBSIDIARIES

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

(In millions)	For the Three Months Ended September 30, 2022	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
REVENUES	$ 430	$ 340	$ 1,150	$ 1,016
OPERATING EXPENSES:				
Other operating expenses	187	106	311	196
Provision for depreciation	59	65	194	191
Amortization of regulatory assets, net	2	2	4	14
General taxes	62	59	184	178
Total operating expenses	310	232	693	579
OPERATING INCOME	120	108	457	437
OTHER INCOME (EXPENSE):				
Miscellaneous income, net	27	2	25	10
Interest expense	(72)	(55)	(187)	(169)
Capitalized financing costs	10	8	25	18
Total other expense	(35)	(45)	(137)	(141)
INCOME BEFORE INCOME TAXES	85	63	320	296
INCOME TAXES	25	15	80	72
NET INCOME	60	48	240	224
Income attributable to noncontrolling interest	11	14	41	46
EARNINGS ATTRIBUTABLE TO FIRSTENERGY TRANSMISSION, LLC	$ 49	$ 34	$ 199	$ 178

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(In millions)	September 30, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 76	$ 275
Receivables-		
Affiliated companies	16	17
Other	75	75
Notes receivable from affiliated companies	2,834	428
Prepaid taxes and other	17	17
	3,018	812
PROPERTY, PLANT AND EQUIPMENT:		
In service	10,611	10,469
Less — Accumulated provision for depreciation	2,195	2,069
	8,416	8,400
Construction work in progress	617	409
	9,033	8,809
INVESTMENTS AND OTHER NONCURRENT ASSETS:		
Goodwill	224	224
Investment in non-affiliated companies	20	20
Regulatory assets	2	3
Property taxes	59	242
Operating lease right-of-use asset	412	413
Other	18	19
	735	921
	$ 12,786	$ 10,542
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Short-term borrowings - Affiliated companies	$ 2,337	$ 99
Accounts payable - affiliated companies	26	29
Accrued taxes	251	248
Accrued interest	57	52
Other	5	8
	2,676	436
CAPITALIZATION:		
Member's equity	2,309	1,063
Retained earnings	24	1,070
Total member's equity	2,333	2,133
Noncontrolling interest	802	759
Total equity	3,135	2,892
Long-term debt and other long-term obligations	4,950	4,949
	8,085	7,841
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	1,139	1,143
Property taxes	—	242
Regulatory liabilities	472	464
Noncurrent operating lease obligation	407	407
Other	7	9
	2,025	2,265
	$ 12,786	$ 10,542

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Nine Months Ended September 30,	
(In millions)	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 240	$ 224
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation, amortization and impairments	206	239
Deferred income taxes and investment tax credits, net	59	77
Allowance for equity funds used during construction	(18)	(10)
Transmission revenue collections, net	43	97
Changes in current assets and liabilities-		
Receivables	27	28
Prepaid taxes and other current assets	—	5
Accounts payable	(9)	(41)
Accrued taxes	(55)	(30)
Accrued interest	5	(3)
Other	2	(3)
Net cash provided from operating activities	500	583
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Long-term debt	—	650
Short-term borrowings - Affiliated companies, net	1	14
Redemptions and Repayments-		
Short-term borrowings, net	(98)	(1,122)
Equity contribution from parent	61	—
Capital contributions from minority interest	9	—
Proceeds from FET minority interest sale, net of transaction costs	2,348	—
Cash dividends paid to noncontrolling shareholder	—	(36)
Dividend payments	(107)	(130)
Other	—	2
Net cash provided from (used for) financing activities	2,214	(622)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(477)	(496)
Loans to affiliated companies, net	(2,406)	440
Asset removal costs	(30)	(55)
Other	—	3
Net cash used for investing activities	(2,913)	(108)
Net change in cash and cash equivalents	(199)	(147)
Cash and cash equivalents at beginning of period	275	221
Cash and cash equivalents at end of period	$ 76	$ 74

SCHEDULE A (Unaudited)

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATING STATEMENTS OF INCOME
(UNAUDITED)

For the Three Months Ended September 30, 2022	FET	ATSI	TrAIL	MAIT	PATH	Eliminations	Consolidated
				(In millions)			
REVENUES	$ —	$ 254	$ 78	$ 99	$ 1	$ (2)	$ 430
OPERATING EXPENSES:							
Other operating expenses	—	105	31	53	—	(2)	187
Provision for depreciation	—	34	12	13	—	—	59
Amortization of regulatory assets, net	—	2	—	—	—	—	2
General taxes	—	59	3	—	—	—	62
Total operating expenses	—	200	46	66	—	(2)	310
OPERATING INCOME	—	54	32	33	1	—	120
OTHER INCOME (EXPENSE):							
Miscellaneous income (expense), including net income from equity investees	87	6	2	2	—	(70)	27
Interest expense	(43)	(15)	(6)	(8)	—	—	(72)
Capitalized financing costs	—	4	1	5	—	—	10
Total other income (expense)	44	(5)	(3)	(1)	—	(70)	(35)
INCOME BEFORE INCOME TAXES (BENEFITS)	44	49	29	32	1	(70)	85
INCOME TAXES (BENEFITS)	(5)	10	9	11	—	—	25
NET INCOME	49	39	20	21	1	(70)	60
Income attributable to noncontrolling interest	—	—	—	—	—	11	11
EARNINGS ATTRIBUTABLE TO FIRSTENERGY TRANSMISSION, LLC	$ 49	$ 39	$ 20	$ 21	$ 1	$ (81)	$ 49

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATING STATEMENTS OF INCOME
(UNAUDITED)

For the Three Months Ended September 30, 2021	FET	ATSI	TrAIL	MAIT	PATH	Eliminations	Consolidated
				(In millions)			
REVENUES	$ —	$ 206	$ 61	$ 76	$ 1	$ (4)	$ 340
OPERATING EXPENSES:							
Other operating expenses	—	83	4	23	—	(4)	106
Provision for depreciation	—	38	13	14	—	—	65
Amortization of regulatory assets, net	—	1	—	1	—	—	2
General taxes	—	56	3	—	—	—	59
Total operating expenses	—	178	20	38	—	(4)	232
OPERATING INCOME	—	28	41	38	1	—	108
OTHER INCOME (EXPENSE):							
Miscellaneous income (expense), including net income from equity investees	51	—	—	1	—	(50)	2
Interest expense	(22)	(17)	(7)	(9)	—	—	(55)
Capitalized financing costs	—	1	3	4	—	—	8
Total other income (expense)	29	(16)	(4)	(4)	—	(50)	(45)
INCOME BEFORE INCOME TAXES (BENEFITS)	29	12	37	34	1	(50)	63
INCOME TAXES (BENEFITS)	(5)	3	9	8	—	—	15
NET INCOME	34	9	28	26	1	(50)	48
Income attributable to noncontrolling interest	—	—	—	—	—	14	14
EARNINGS ATTRIBUTABLE TO FIRSTENERGY TRANSMISSION, LLC	$ 34	$ 9	$ 28	$ 26	$ 1	$ (64)	$ 34

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATING STATEMENTS OF INCOME
(UNAUDITED)

For the Nine Months Ended September 30, 2022	FET	ATSI	TrAIL	MAIT	PATH	Eliminations	Consolidated
				(In millions)			
REVENUES	$ —	$ 691	$ 209	$ 256	$ 1	$ (7)	$ 1,150
OPERATING EXPENSES:							
Other operating expenses	—	182	43	93	—	(7)	311
Provision for depreciation	—	112	39	43	—	—	194
Amortization of regulatory assets, net	—	4	—	—	—	—	4
General taxes	—	174	10	—	—	—	184
Total operating expenses	—	472	92	136	—	(7)	693
OPERATING INCOME	—	219	117	120	1	—	457
OTHER INCOME (EXPENSE):							
Miscellaneous income (expense), including net income from equity investees	281	4	2	2	(4)	(260)	25
Interest expense	(98)	(45)	(19)	(25)	—	—	(187)
Capitalized financing costs	—	11	1	13	—	—	25
Total other income (expense)	183	(30)	(16)	(10)	(4)	(260)	(137)
INCOME (LOSS) BEFORE INCOME TAXES (BENEFITS)	183	189	101	110	(3)	(260)	320
INCOME TAXES (BENEFITS)	(16)	36	29	32	(1)	—	80
NET INCOME (LOSS)	199	153	72	78	(2)	(260)	240
Income attributable to noncontrolling interest	—	—	—	—	—	41	41
EARNINGS ATTRIBUTABLE TO FIRSTENERGY TRANSMISSION, LLC	$ 199	$ 153	$ 72	$ 78	$ (2)	$ (301)	$ 199

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATING STATEMENTS OF INCOME
(UNAUDITED)

For the Nine Months Ended September 30, 2021	FET	ATSI	TrAIL	MAIT	PATH	Eliminations	Consolidated
				(In millions)			
REVENUES	$ —	$ 615	$ 182	$ 225	$ 3	$ (9)	$ 1,016
OPERATING EXPENSES:							
Other operating expenses	—	138	10	57	—	(9)	196
Provision for depreciation	—	112	39	40	—	—	191
Amortization of regulatory assets, net	—	10	—	4	—	—	14
General taxes	—	167	11	—	—	—	178
Total operating expenses	—	427	60	101	—	(9)	579
OPERATING INCOME	—	188	122	124	3	—	437
OTHER INCOME (EXPENSE):							
Miscellaneous income (expense), net, including net income from equity investees	234	3	(1)	2	—	(228)	10
Interest expense	(71)	(53)	(20)	(25)	—	—	(169)
Capitalized financing costs	—	5	7	6	—	—	18
Total other income (expense)	163	(45)	(14)	(17)	—	(228)	(141)
INCOME BEFORE INCOME TAXES (BENEFITS)	163	143	108	107	3	(228)	296
INCOME TAXES (BENEFITS)	(15)	30	28	28	1	—	72
NET INCOME	178	113	80	79	2	(228)	224
Income attributable to noncontrolling interest	—	—	—	—	—	46	46
EARNINGS ATTRIBUTABLE TO FIRSTENERGY TRANSMISSION, LLC	$ 178	$ 113	$ 80	$ 79	$ 2	$ (274)	$ 178

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATING BALANCE SHEETS
(UNAUDITED)

As of September 30, 2022	FET	ATSI	TrAIL	MAIT	PATH	Eliminations	Consolidated
				(In millions)			
ASSETS							
CURRENT ASSETS:							
Cash and cash equivalents	$ —	$ —	$ —	$ —	$ 76	$ —	$ 76
Receivables-							
Affiliated companies	7	7	1	1	1	(1)	16
Other	—	41	19	15	—	—	75
Notes receivable from affiliated companies	2,557	136	44	97	—	—	2,834
Prepaid taxes and other	—	5	10	2	—	—	17
	2,564	189	74	115	77	(1)	3,018
PROPERTY, PLANT AND EQUIPMENT:							
In service	—	5,732	2,336	2,543	—	—	10,611
Less — Accumulated provision for depreciation	—	1,389	360	446	—	—	2,195
	—	4,343	1,976	2,097	—	—	8,416
Construction work in progress	—	292	19	306	—	—	617
	—	4,635	1,995	2,403	—	—	9,033
INVESTMENTS AND OTHER NONCURRENT ASSETS:							
Goodwill	—	—	—	224	—	—	224
Accumulated deferred income tax benefits	17	—	—	—	2	(19)	—
Investment in affiliated companies	4,100	—	—	—	—	(4,100)	—
Investment in non-affiliated companies	2	—	—	—	18	—	20
Regulatory assets	—	—	—	—	2	—	2
Property taxes	—	59	—	—	—	—	59
Operating lease right-of-use asset	—	412	—	—	—	—	412
Other	3	6	7	2	—	—	18
	4,122	477	7	226	22	(4,119)	735
	$ 6,686	$ 5,301	$ 2,076	$ 2,744	$ 99	$ (4,120)	$ 12,786
LIABILITIES AND CAPITALIZATION							
CURRENT LIABILITIES:							
Short-term borrowings - affiliated companies	$ 2,335	$ —	$ —	$ —	$ 2	$ —	$ 2,337
Accounts payable - affiliated companies	11	12	1	2	1	(1)	26
Accrued taxes	1	233	17	—	—	—	251
Accrued interest	22	13	8	14	—	—	57
Other	—	4	—	1	—	—	5
	2,369	262	26	17	3	(1)	2,676
CAPITALIZATION:							
Member's equity	2,309	1,555	941	1,463	90	(4,049)	2,309
Retained earnings	24	755	7	88	3	(853)	24
Total member's equity	2,333	2,310	948	1,551	93	(4,902)	2,333
Noncontrolling interest	—	—	—	—	—	802	802
Total equity	2,333	2,310	948	1,551	93	(4,100)	3,135
Long-term debt and other long-term obligations	1,984	1,486	623	857	—	—	4,950
	4,317	3,796	1,571	2,408	93	(4,100)	8,085
NONCURRENT LIABILITIES:							
Accumulated deferred income taxes	—	565	327	266	—	(19)	1,139
Regulatory liabilities	—	267	151	51	3	—	472
Noncurrent operating lease obligation	—	407	—	—	—	—	407
Other	—	4	1	2	—	—	7
	—	1,243	479	319	3	(19)	2,025
	$ 6,686	$ 5,301	$ 2,076	$ 2,744	$ 99	$ (4,120)	$ 12,786

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATING BALANCE SHEETS
(UNAUDITED)

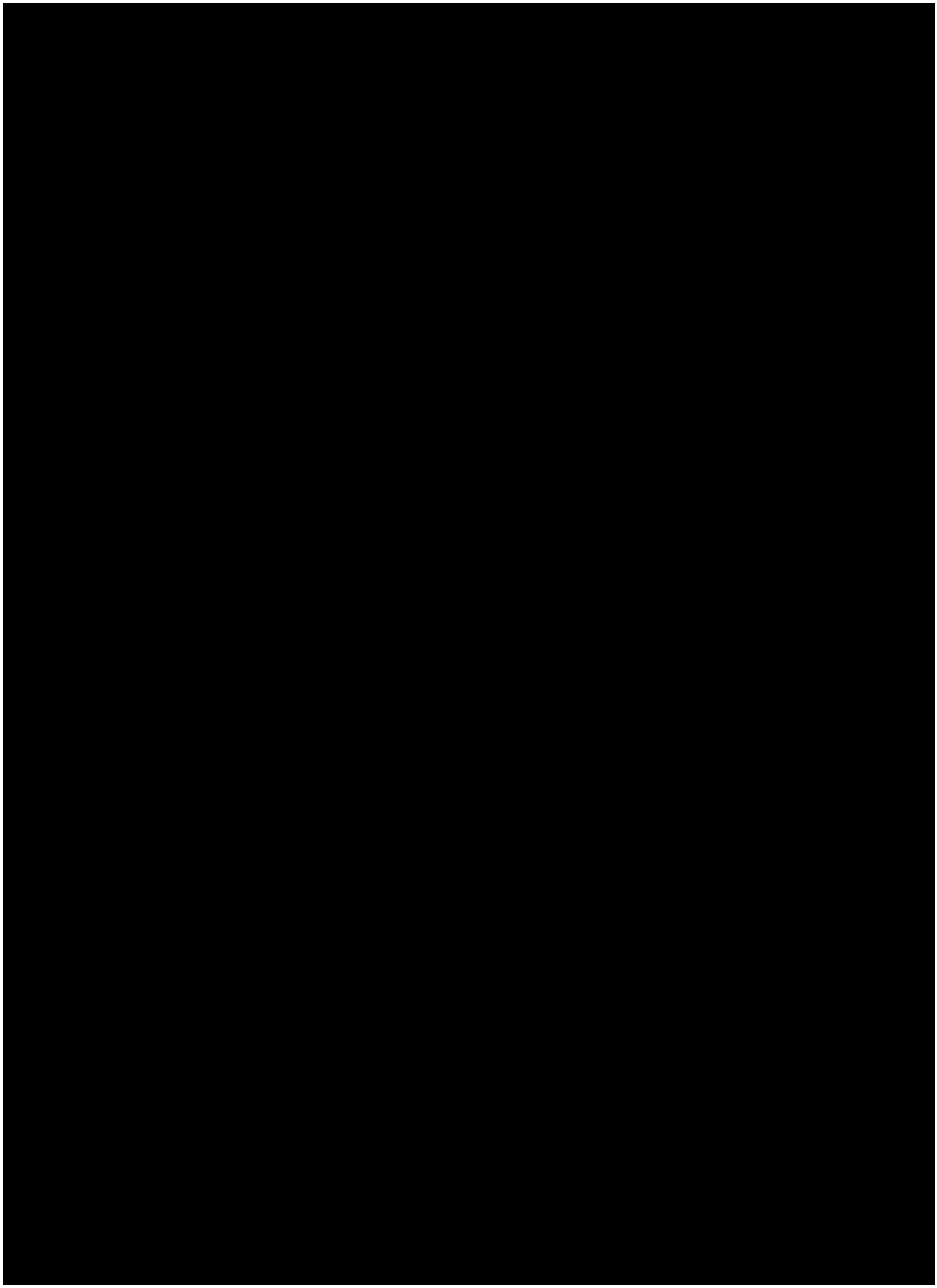
As of December 31, 2021	FET	ATSI	TrAIL	MAIT	PATH	Eliminations	Consolidated
				(In millions)			
ASSETS							
CURRENT ASSETS:							
Cash and cash equivalents	$ —	$ —	$ —	$ 200	$ 75	$ —	$ 275
Receivables-							
Affiliated companies	6	8	25	3	1	(26)	17
Other	—	40	20	15	—	—	75
Notes receivable from affiliated companies	428	—	—	—	—	—	428
Prepaid taxes and other	—	3	13	1	—	—	17
	434	51	58	219	76	(26)	812
PROPERTY, PLANT AND EQUIPMENT:							
In service	—	5,659	2,353	2,457	—	—	10,469
Less — Accumulated provision for depreciation	—	1,308	334	427	—	—	2,069
	—	4,351	2,019	2,030	—	—	8,400
Construction work in progress	—	213	8	188	—	—	409
	—	4,564	2,027	2,218	—	—	8,809
INVESTMENTS AND OTHER NONCURRENT ASSETS:							
Goodwill	—	—	—	224	—	—	224
Accumulated deferred income tax benefits	20	—	—	—	1	(21)	—
Investment in affiliated companies	3,691	—	—	—	—	(3,691)	—
Investment in non-affiliated companies	2	—	—	—	18	—	20
Regulatory assets	—	—	—	—	3	—	3
Property taxes	—	236	6	—	—	—	242
Operating lease right-of-use asset	—	413	—	—	—	—	413
Other	3	6	7	3	—	—	19
	3,716	655	13	227	22	(3,712)	921
	$ 4,150	$ 5,270	$ 2,098	$ 2,664	$ 98	$ (3,738)	$ 10,542
LIABILITIES AND CAPITALIZATION							
CURRENT LIABILITIES:							
Short-term borrowings-							
Affiliated companies	$ —	$ 81	$ 8	$ 9	$ 1	$ —	$ 99
Accounts payable - affiliated companies	—	2	21	6	1	(1)	29
Accrued taxes	1	244	17	11	—	(25)	248
Accrued interest	32	13	2	5	—	—	52
Other	1	6	—	1	—	—	8
	34	346	48	32	2	(26)	436
CAPITALIZATION:							
Member's equity	1,063	1,343	932	1,458	90	(3,823)	1,063
Retained earnings	1,070	602	10	10	5	(627)	1,070
Total member's equity	2,133	1,945	942	1,468	95	(4,450)	2,133
Noncontrolling interest	—	—	—	—	—	759	759
Total equity	2,133	1,945	942	1,468	95	(3,691)	2,892
Long-term debt and other long-term obligations	1,983	1,485	623	858	—	—	4,949
	4,116	3,430	1,565	2,326	95	(3,691)	7,841
NONCURRENT LIABILITIES:							
Accumulated deferred income taxes	—	556	322	286	—	(21)	1,143
Property taxes	—	236	6	—	—	—	242
Regulatory liabilities	—	289	156	18	1	—	464
Noncurrent operating lease obligation	—	407	—	—	—	—	407
Other	—	6	1	2	—	—	9
	—	1,494	485	306	1	(21)	2,265
	$ 4,150	$ 5,270	$ 2,098	$ 2,664	$ 98	$ (3,738)	$ 10,542

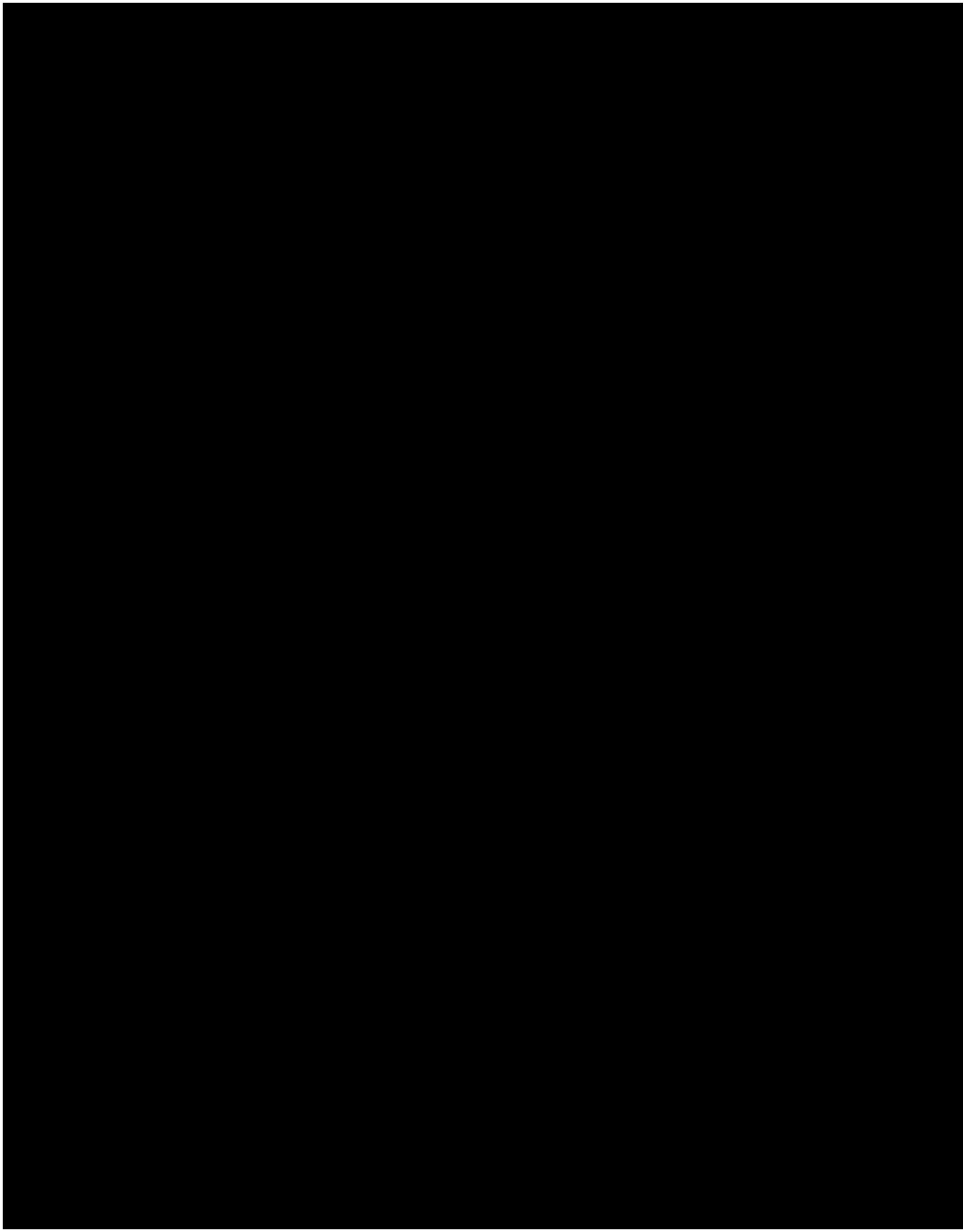
FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATING STATEMENTS OF CASH FLOWS
(UNAUDITED)

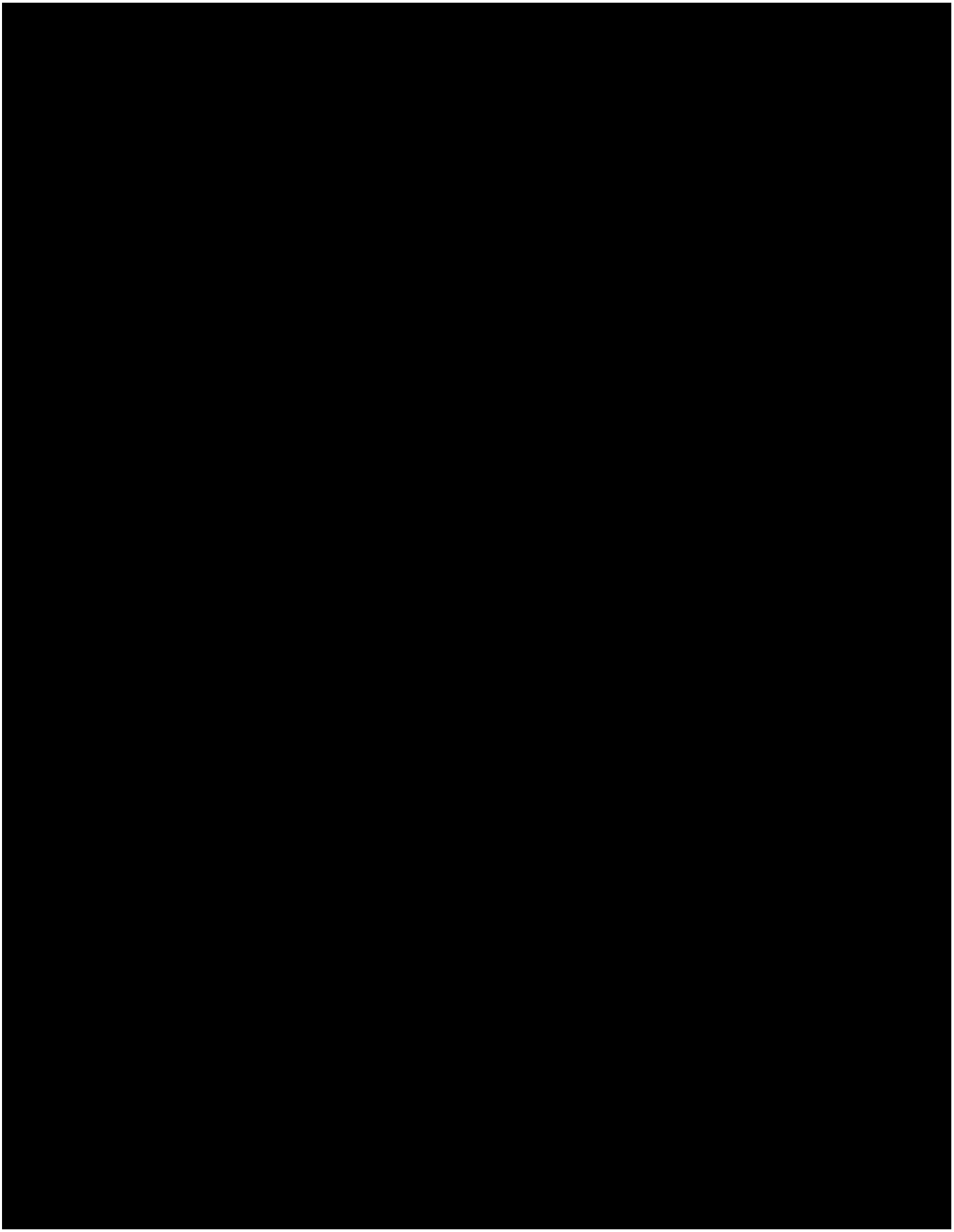
For the Nine Months Ended September 30, 2022	FET	ATSI	TrAIL	MAIT	PATH	Eliminations	Consolidated
				(In millions)			
CASH FLOWS FROM OPERATING ACTIVITIES:							
Net income (loss)	$ 199	$ 153	$ 72	$ 78	$ (2)	$ (260)	$ 240
Adjustments to reconcile net income to net cash from operating activities-							
Depreciation, amortization and impairments	—	117	39	50	—	—	206
Deferred income taxes and investment tax credits, net	3	7	23	27	(1)	—	59
Allowance for funds used during construction	—	(8)	—	(10)	—	—	(18)
Transmission revenue collections, net	—	41	(5)	3	4	—	43
Equity earnings of subsidiaries	(260)	—	—	—	—	260	—
Dividends received from equity investees	75	—	—	—	—	(75)	—
Changes in current assets and liabilities-							
Receivables	(1)	12	34	7	—	(25)	27
Prepaid taxes and other current assets	—	(2)	3	(1)	—	—	—
Accounts payable	11	6	(20)	(6)	—	—	(9)
Accrued taxes	—	(69)	—	(11)	—	25	(55)
Accrued interest	(10)	—	6	9	—	—	5
Other	1	2	2	(2)	(1)	—	2
Net cash provided from (used for) operating activities	18	259	154	144	—	(75)	500
CASH FLOWS FROM FINANCING ACTIVITIES:							
New financing-							
Short-term borrowings - Affiliated companies, net	—	—	—	—	1	—	1
Redemptions and repayments							
Short-term borrowings - Affiliated companies, net	—	(81)	(8)	(9)	—	—	(98)
Equity contribution from parent	61	200	—	—	—	(200)	61
Capital contributions from minority interest	9	—	—	—	—	—	9
Proceeds from FET minority interest sale, net of transaction costs	2,348	—	—	—	—	—	2,348
Dividend payments	(107)	—	(75)	—	—	75	(107)
Net cash provided from (used for) financing activities	2,311	119	(83)	(9)	1	(125)	2,214
CASH FLOWS FROM INVESTING ACTIVITIES:							
Property additions	—	(228)	(27)	(222)	—	—	(477)
Loans to affiliated companies, net	(2,129)	(136)	(44)	(97)	—	—	(2,406)
Investment in subsidiary	(200)	—	—	—	—	200	—
Asset removal costs	—	(14)	—	(16)	—	—	(30)
Net cash provided from (used for) investing activities	(2,329)	(378)	(71)	(335)	—	200	(2,913)
Net change in cash and cash equivalents	—	—	—	(200)	1	—	(199)
Cash and cash equivalents at beginning of period	—	—	—	200	75	—	275
Cash and cash equivalents at end of period	$ —	$ —	$ —	$ —	$ 76	$ —	$ 76

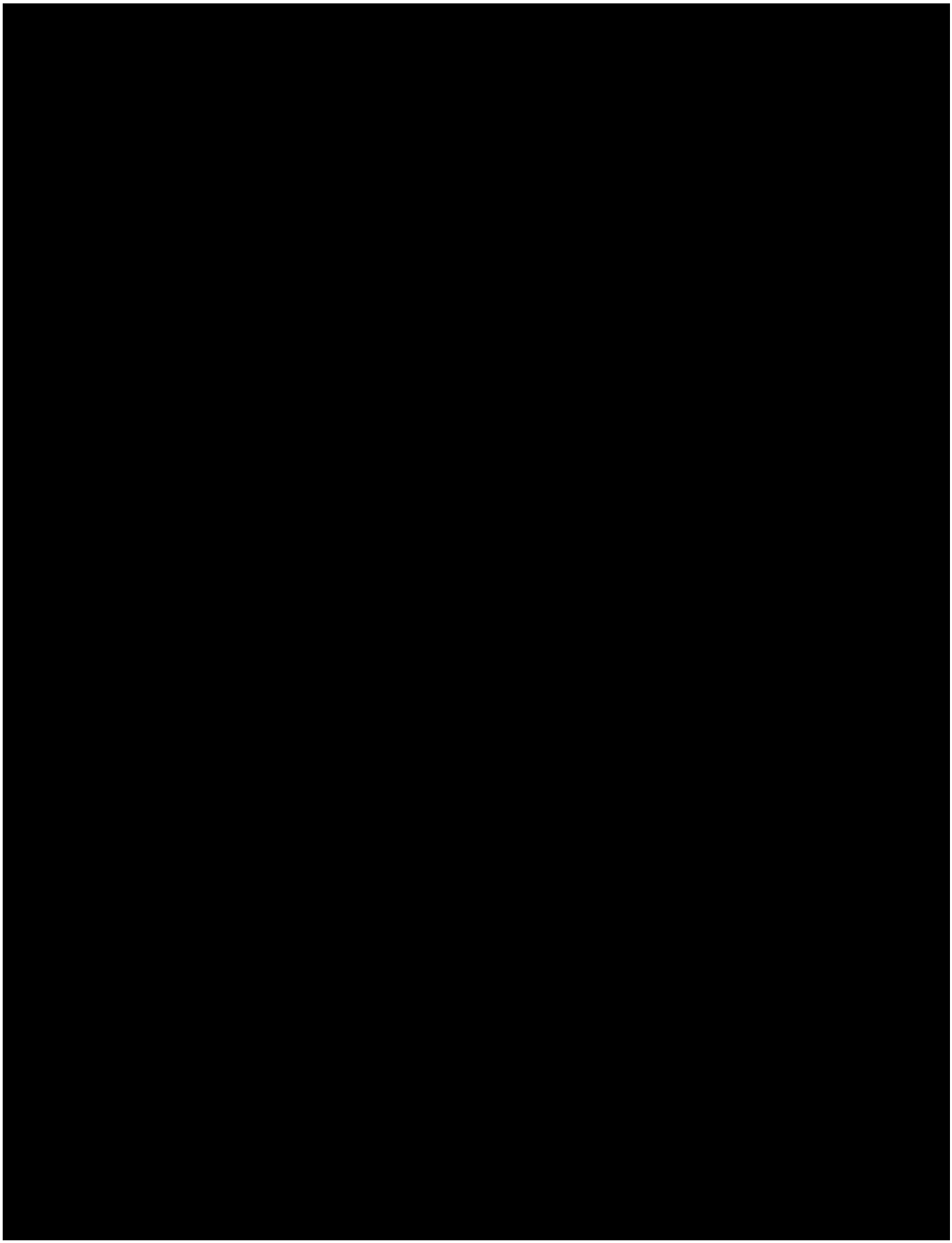
FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATING STATEMENTS OF CASH FLOWS
(UNAUDITED)

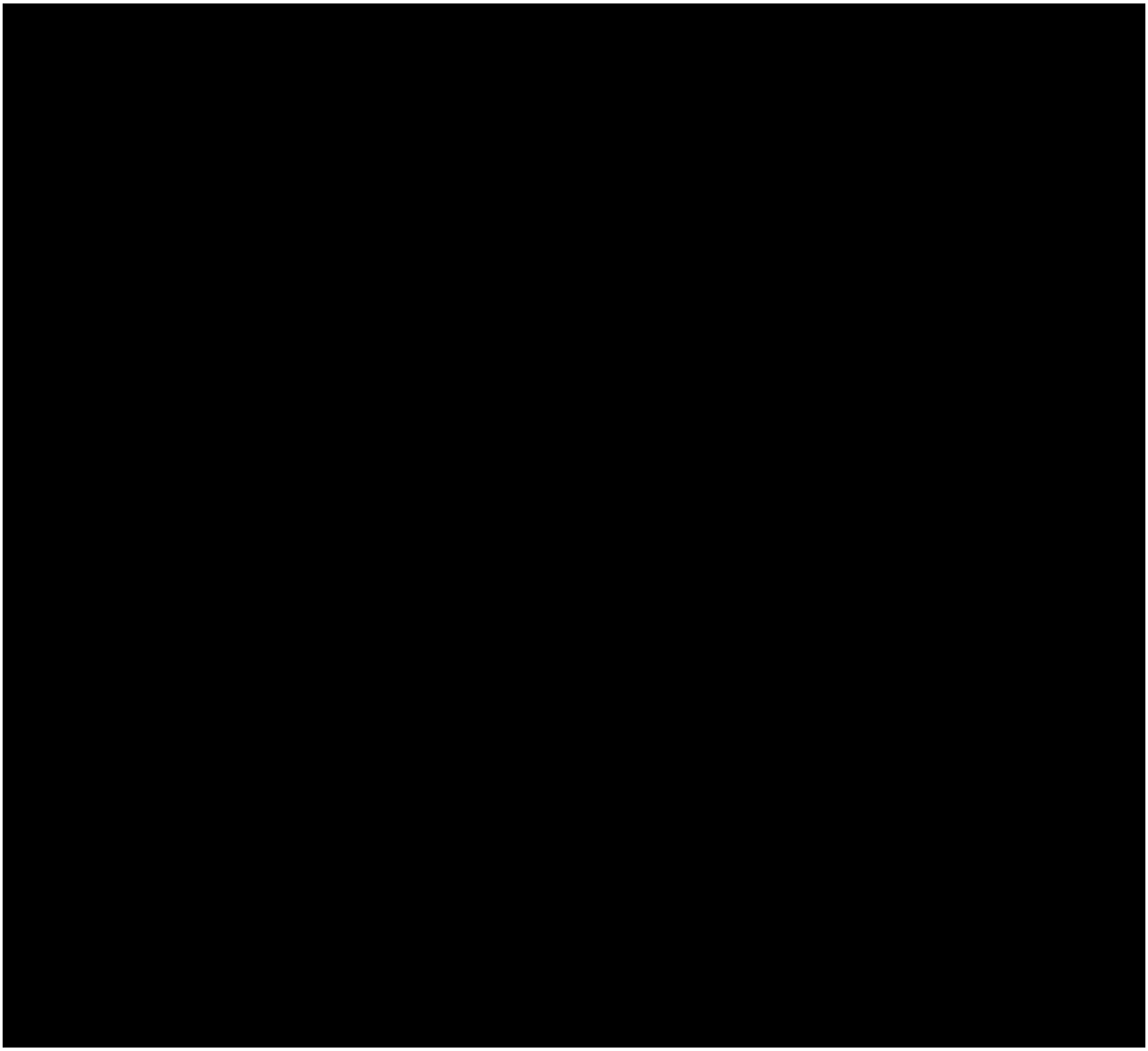
For the Nine Months Ended September 30, 2021	FET	ATSI	TrAIL	MAIT	PATH	Eliminations	Consolidated
				(In millions)			
CASH FLOWS FROM OPERATING ACTIVITIES:							
Net income	$ 178	$ 113	$ 80	$ 79	$ 2	$ (228)	$ 224
Adjustments to reconcile net income to net cash from operating activities-							
Depreciation, amortization and impairments	—	154	38	47	—	—	239
Deferred income taxes and investment tax credits, net	(1)	25	27	25	1	—	77
Allowance for funds used during construction - equity	—	(2)	(5)	(3)	—	—	(10)
Transmission revenue collections, net	—	70	12	15	—	—	97
Equity earnings of subsidiaries	(228)	—	—	—	—	228	—
Dividends received from equity investees	204	—	—	—	—	(204)	—
Changes in current assets and liabilities-							
Receivables	1	4	7	5	—	11	28
Prepaid taxes and other current assets	—	1	4	—	—	—	5
Accounts payable	—	(33)	(6)	(1)	—	(1)	(41)
Accrued taxes	1	(41)	18	2	—	(10)	(30)
Accrued interest	(10)	(8)	6	9	—	—	(3)
Other	2	(5)	1	(1)	—	—	(3)
Net cash provided from (used for) operating activities	147	278	182	177	3	(204)	583
CASH FLOWS FROM FINANCING ACTIVITIES:							
New financing-							
Long-term debt	500	—	—	150	—	—	650
Short-term borrowings - Affiliated companies, net	—	13	—	—	1	—	14
Redemptions and repayments-							
Short-term borrowings, net	(850)	(150)	(60)	(62)	—	—	(1,122)
Equity contribution from parent	—	75	—	275	—	(350)	—
Cash dividends paid to noncontrolling shareholder	—	—	—	(36)	—	—	(36)
Dividend payments	(130)	(100)	(70)	(34)	—	204	(130)
Other	(7)	—	(1)	11	(1)	—	2
Net cash provided from (used for) financing activities	(487)	(162)	(131)	304	—	(146)	(622)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Property additions	—	(241)	(44)	(211)	—	—	(496)
Investment in subsidiary	(350)	—	—	—	—	350	—
Loans to affiliated companies, net	690	—	(7)	(243)	—	—	440
Asset removal costs	—	(28)	—	(27)	—	—	(55)
Other	—	3	—	—	—	—	3
Net cash provided from (used for) investing activities	340	(266)	(51)	(481)	—	350	(108)
Net change in cash, cash equivalents and restricted cash	—	(150)	—	—	3	—	(147)
Cash, cash equivalents, and restricted cash at beginning of period	—	150	—	—	71	—	221
Cash, cash equivalents, and restricted cash at end of period	$ —	$ —	$ —	$ —	$ 74	$ —	$ 74











Schedule 2.18(a)
Affiliated Transactions

(a)

1. Company Cost Allocation Manual.

Schedule 2.19
Regulatory Matters

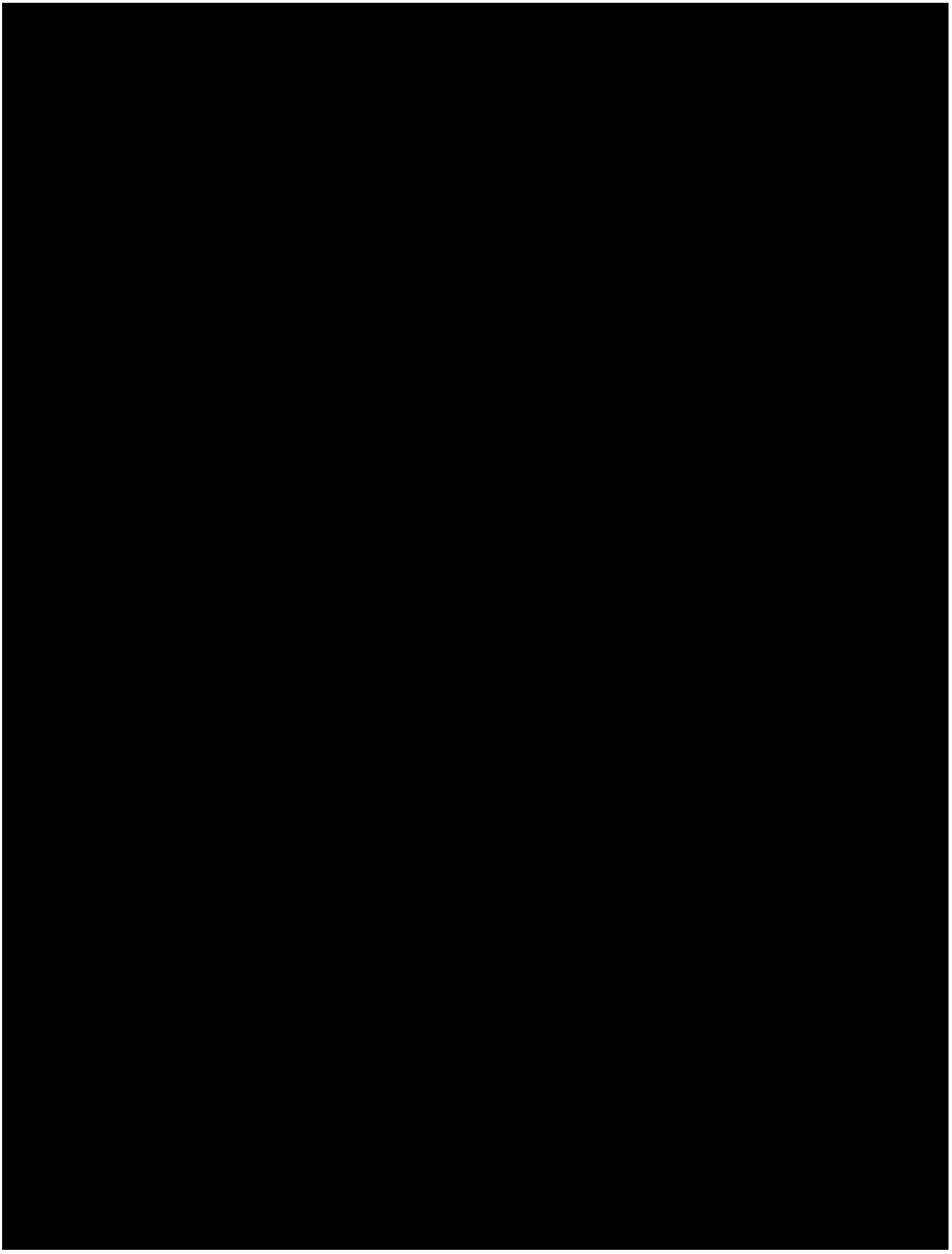
(b)

1. In letters dated January 26, and February 22, 2021, staff of FERC's Division of Investigations (the "Division") notified Parent that the Division is conducting an investigation (the "FERC Investigation") of Parent's lobbying and governmental affairs activities concerning House Bill 6. On December 30, 2022, FERC approved a Stipulation and Consent Agreement that resolves the investigation. The Stipulation and Consent Agreement obligates Parent to pay a civil penalty of $3.86 million, and to submit two annual compliance monitoring reports to FERC's Office of Enforcement regarding improvements to Parent's compliance programs.

(c)

The following Subsidiaries are regulated as public utilities:

1. American Transmission Systems, Incorporated
2. Mid-Atlantic Interstate Transmission, LLC
3. Potomac-Appalachian Transmission Highline, LLC
4. Trans-Allegheny Interstate Line Company



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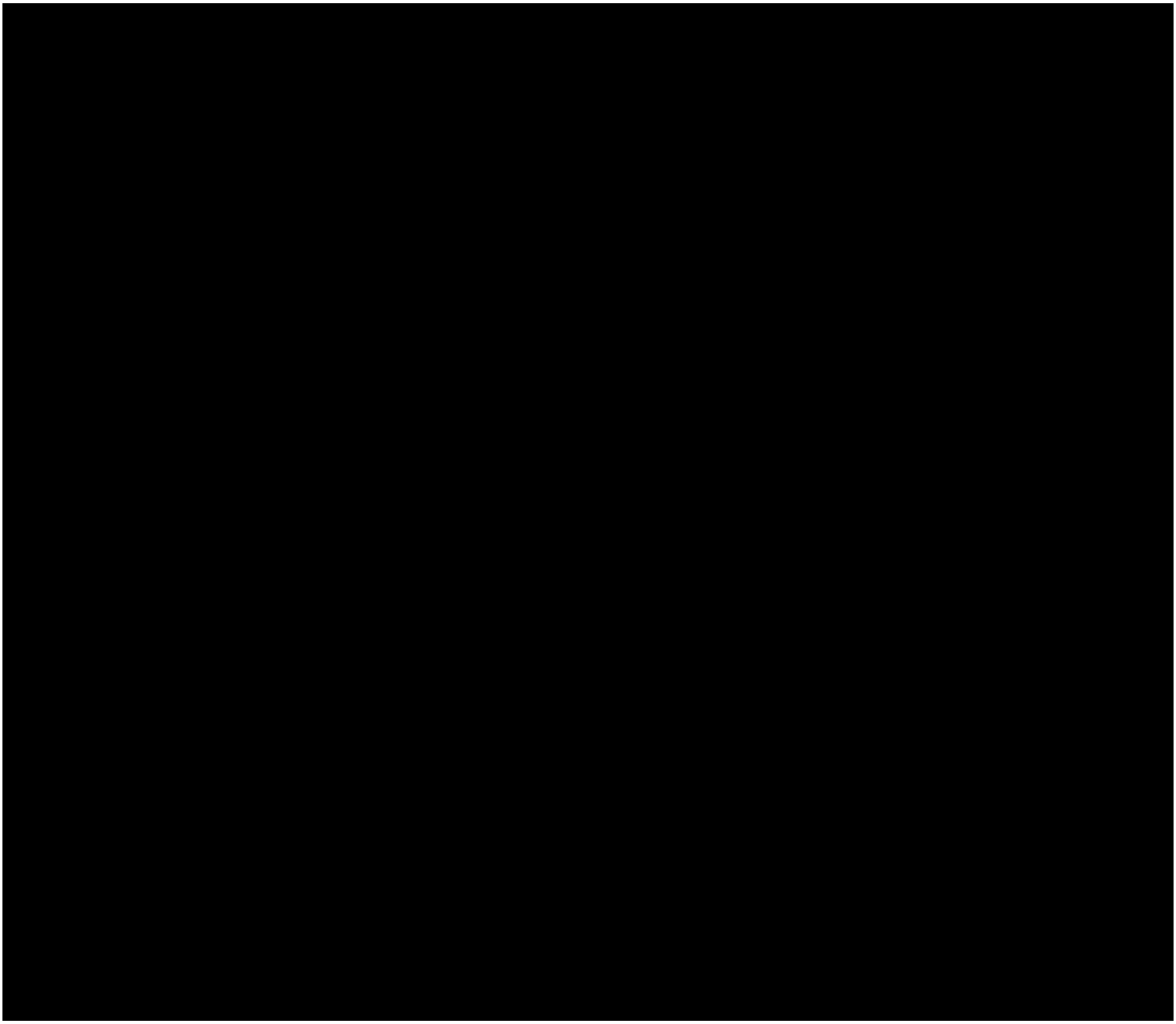

Schedule 5.10
Consolidation Filings

1. A final order of the Pennsylvania Public Utility Commission ("PA PUC") in which the PA PUC grants all necessary authorizations and approvals required under the Pennsylvania Public Utility Code, including but not limited to Chapters 11, 21 and 28, for the consummation of the transactions contemplated by the Pennsylvania Consolidation, including: (1) merging Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company with and into one legal entity; (2) completing the MAIT Class B Contribution; and (3) transferring West Penn Power Company transmission assets to Keystone Appalachian Transmission Company.

2. A final order of the Federal Energy Regulatory Commission ("FERC") in which the FERC grants all authorizations and approvals required under section 203 of the Federal Power Act for the consummation of the transactions contemplated by the Pennsylvania Consolidation.

3. Any state regulatory authority that, being of competent jurisdiction, asserts an approval right with respect to the transactions contemplated by this Agreement, including the Public Utilities Commission of Ohio, shall be deemed, from and after the time of such assertion, to be set forth on this Schedule 5.10.

Schedule 10.17(a)
Pennsylvania Consolidation

1. Attachment 10.17(a) is hereby incorporated by reference.

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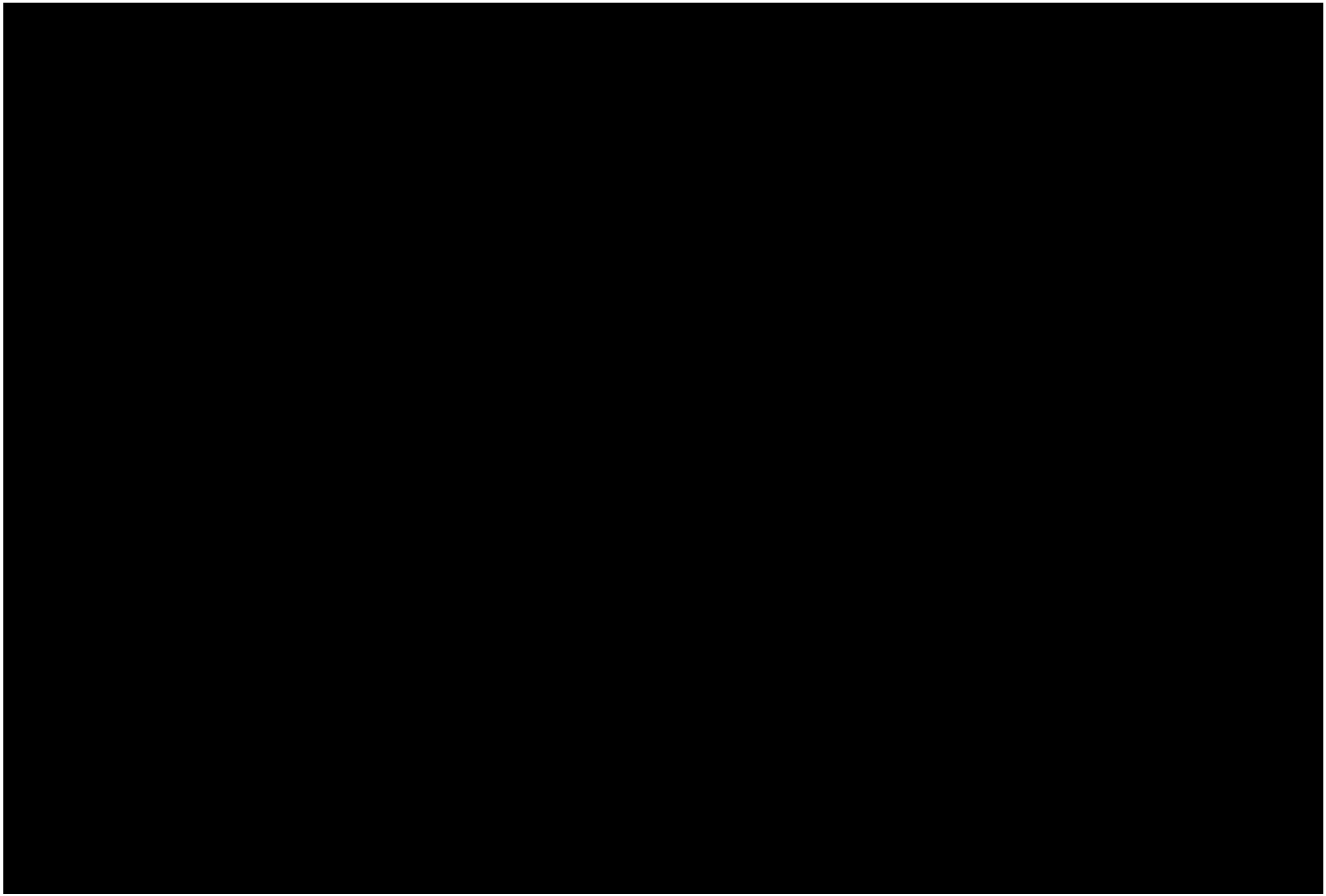

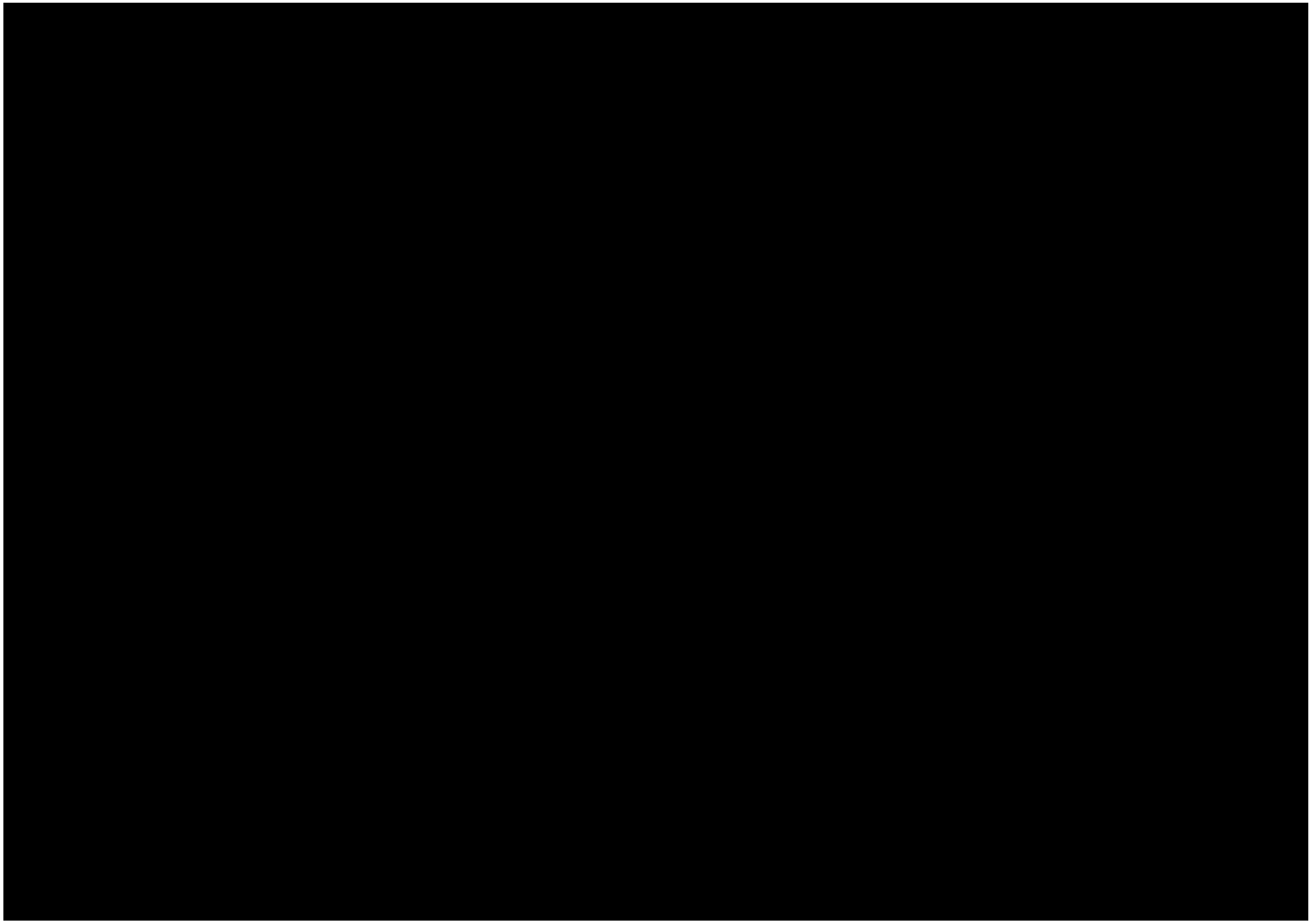

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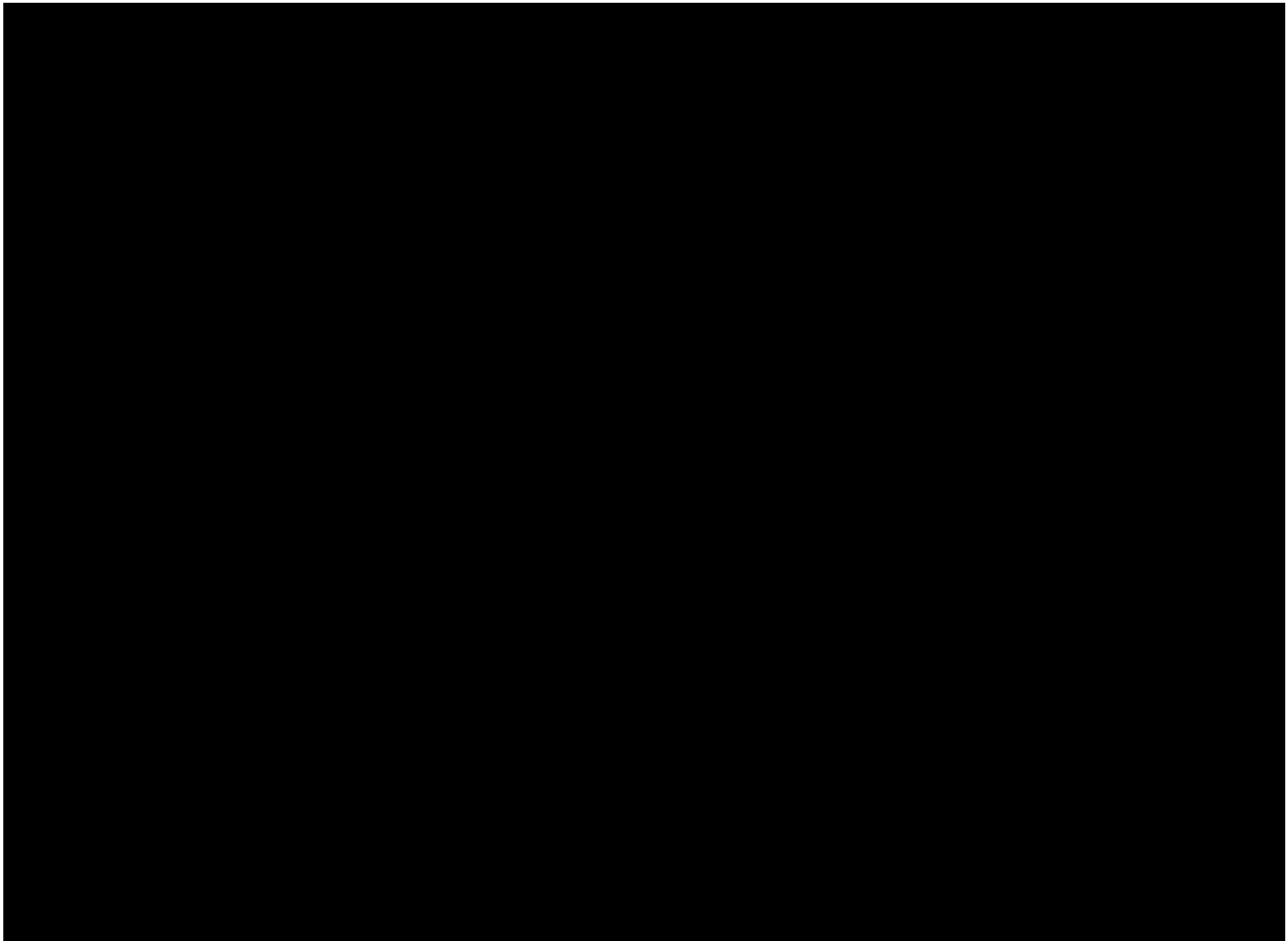

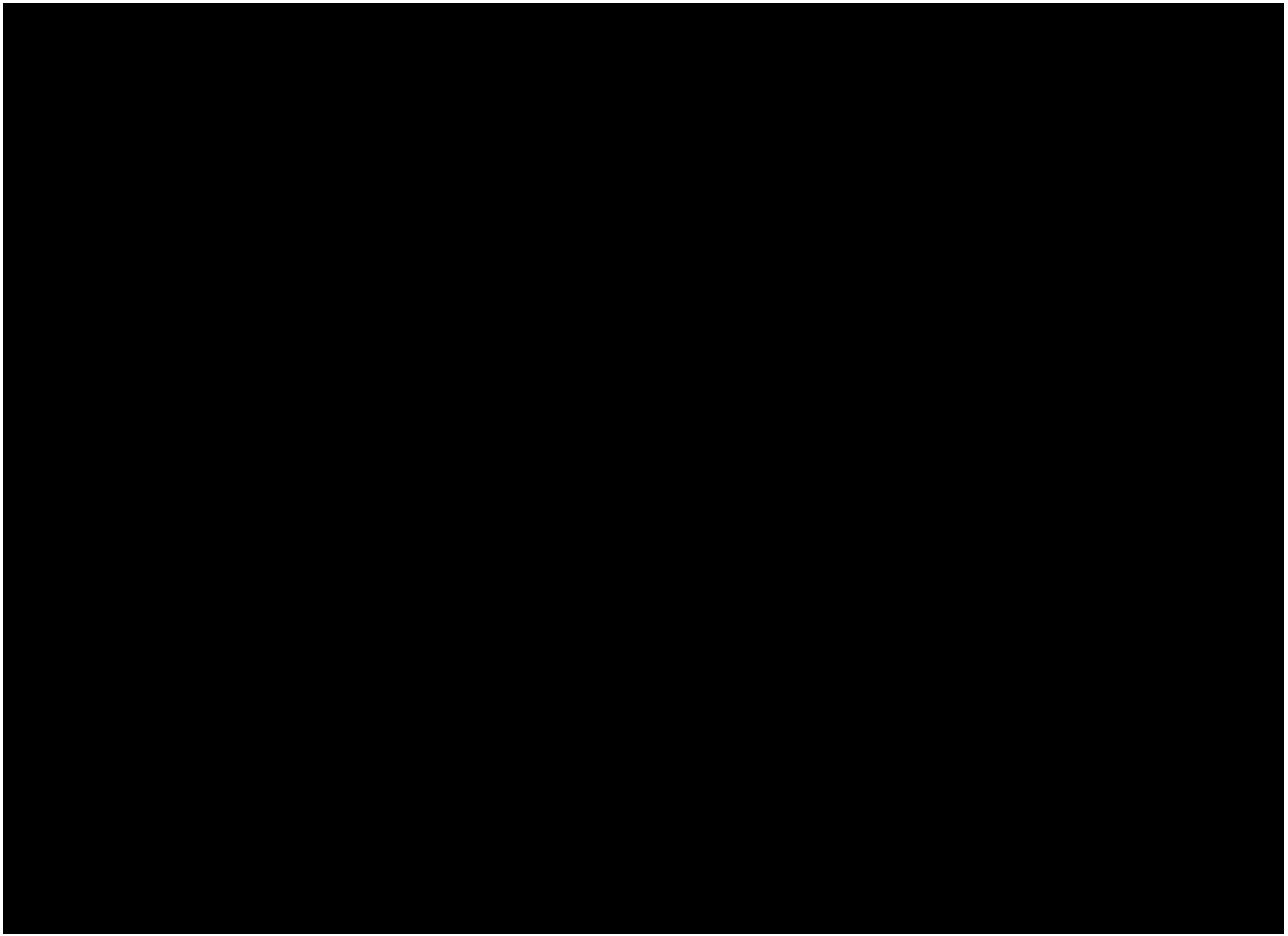

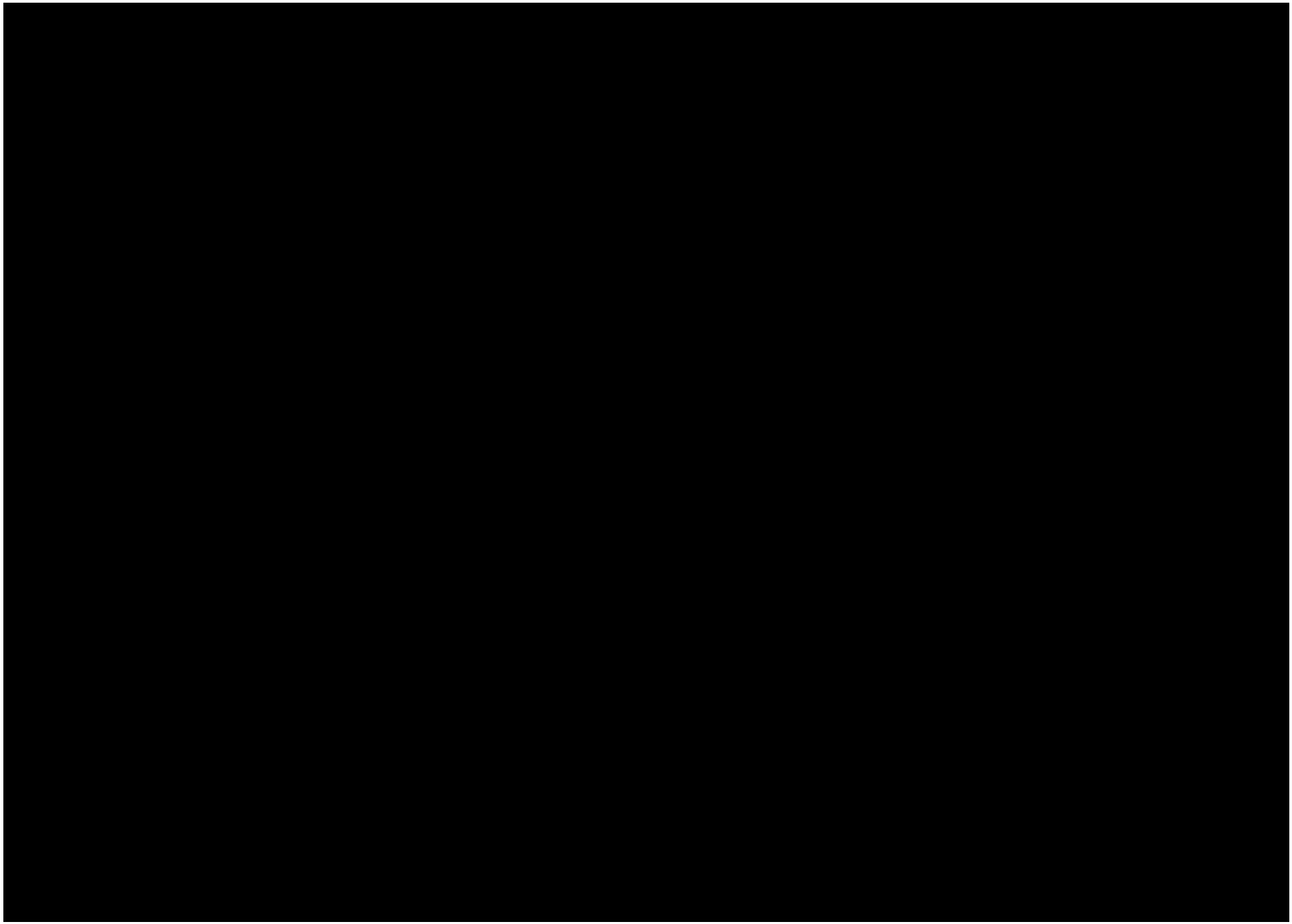

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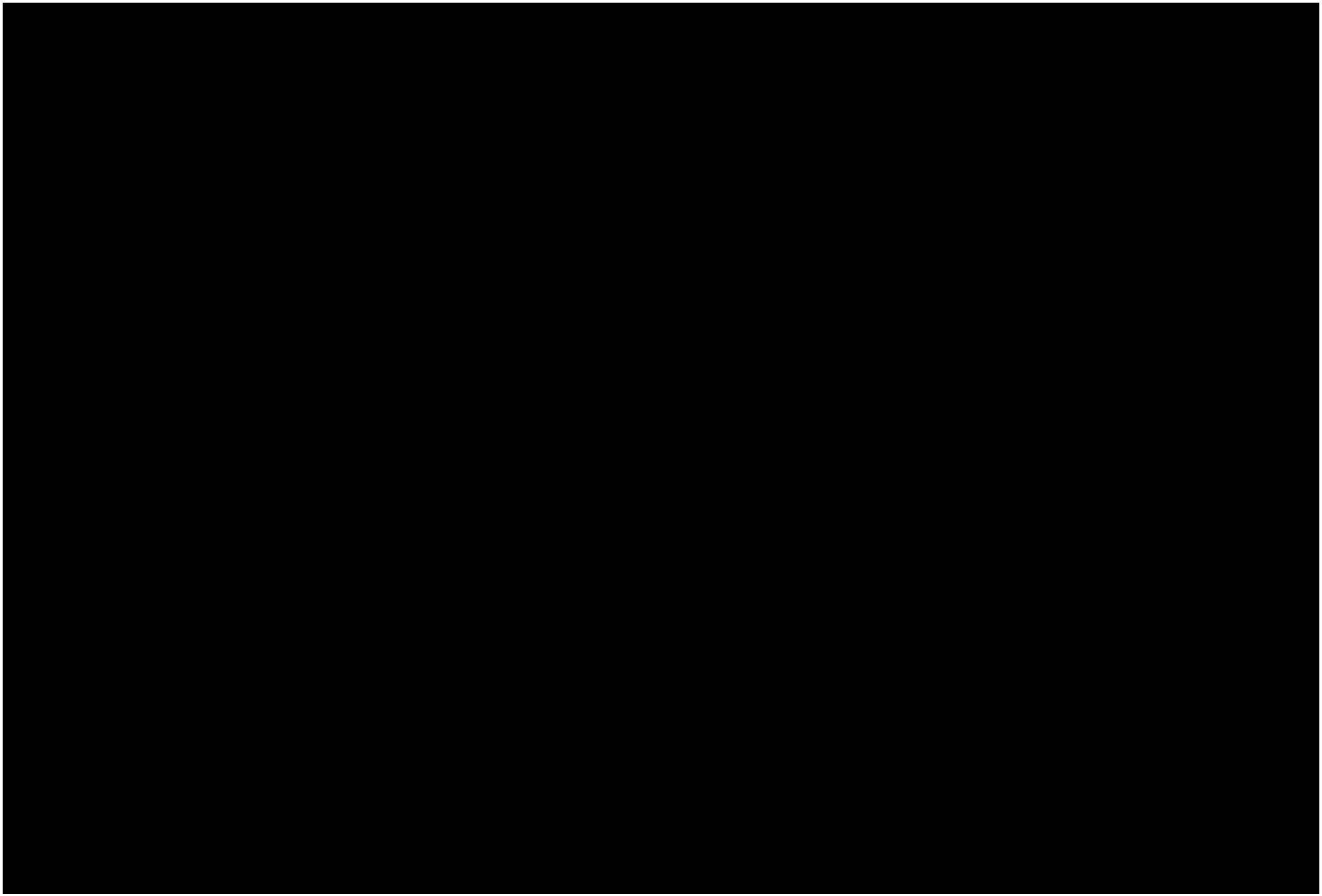

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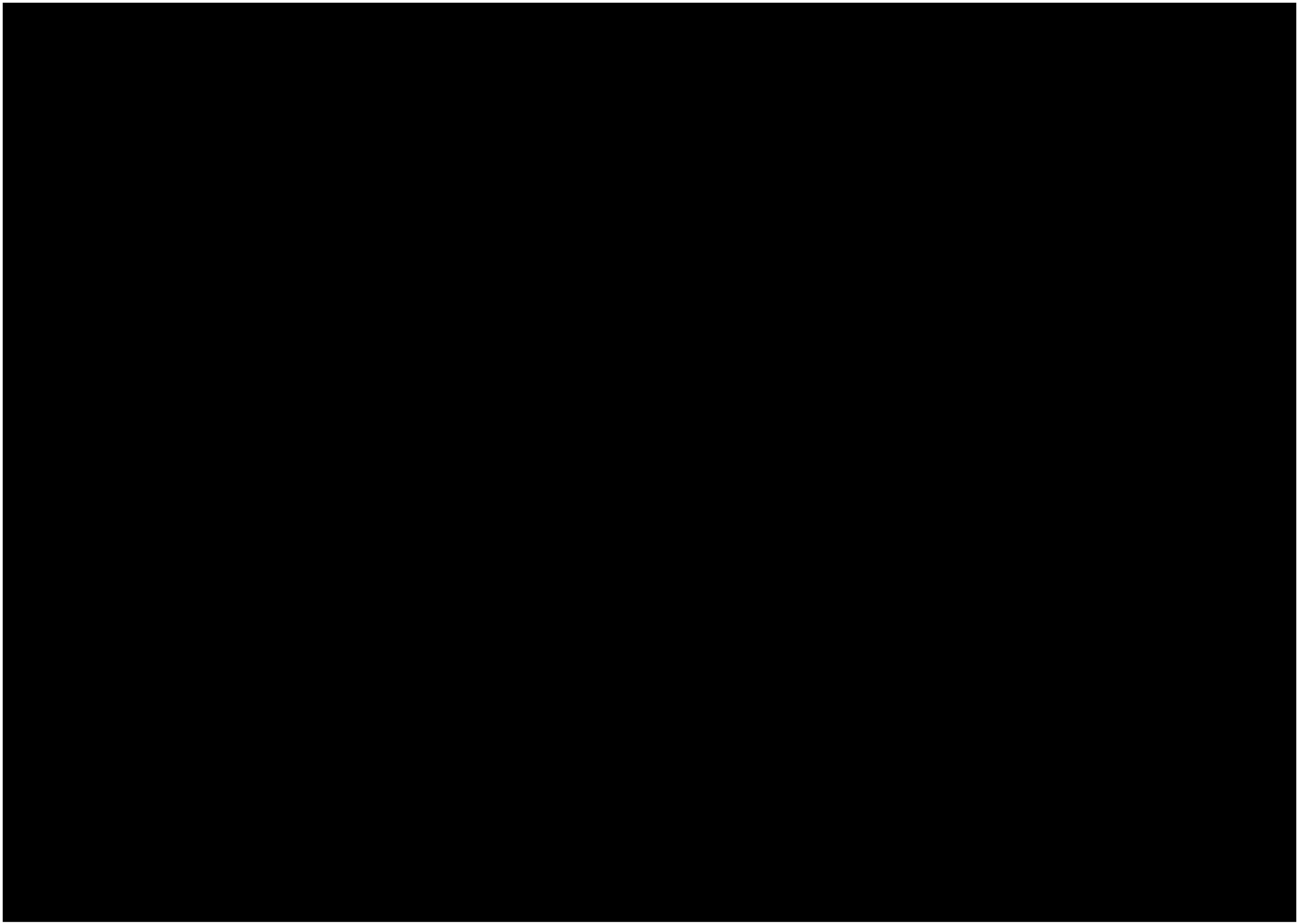
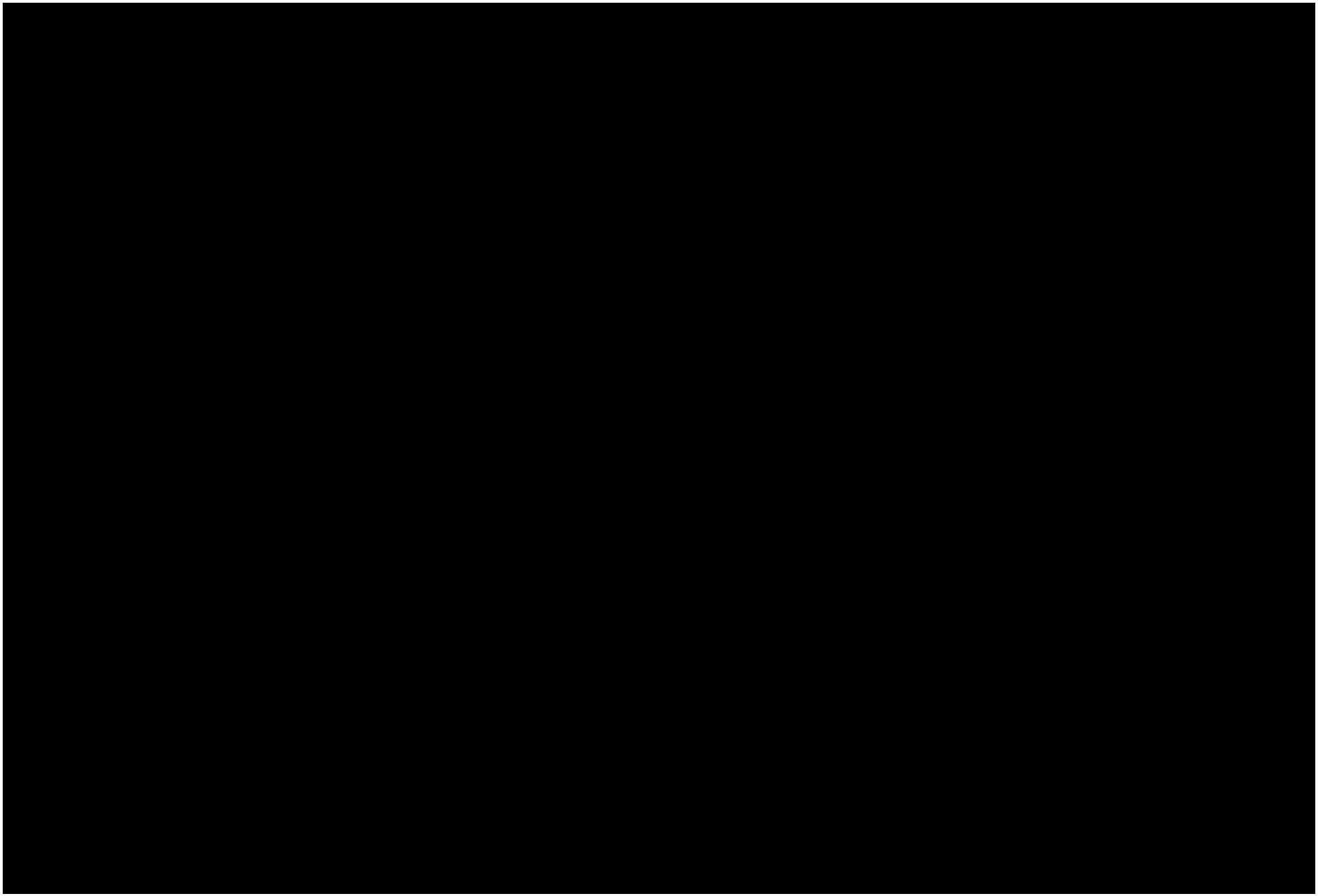
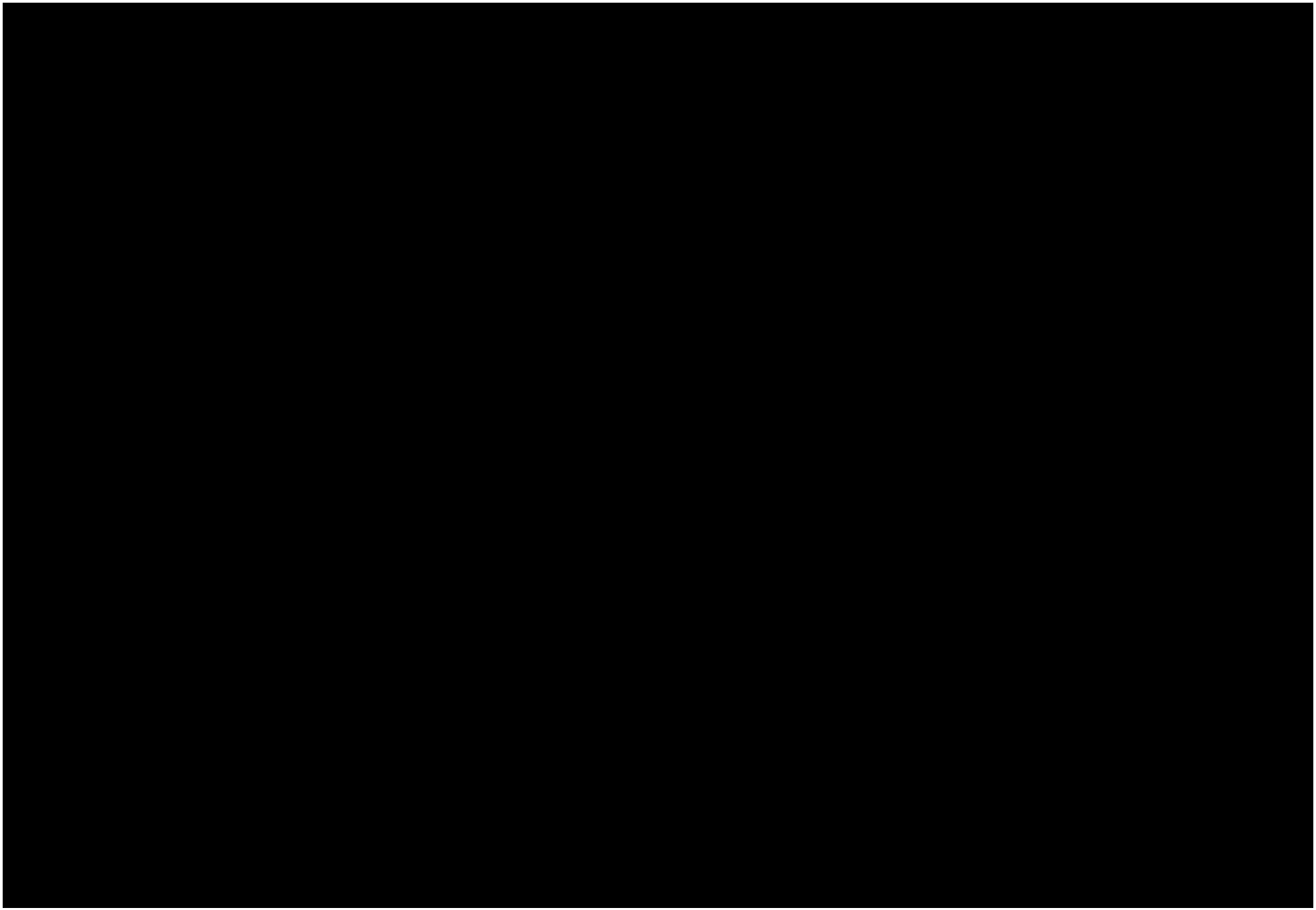
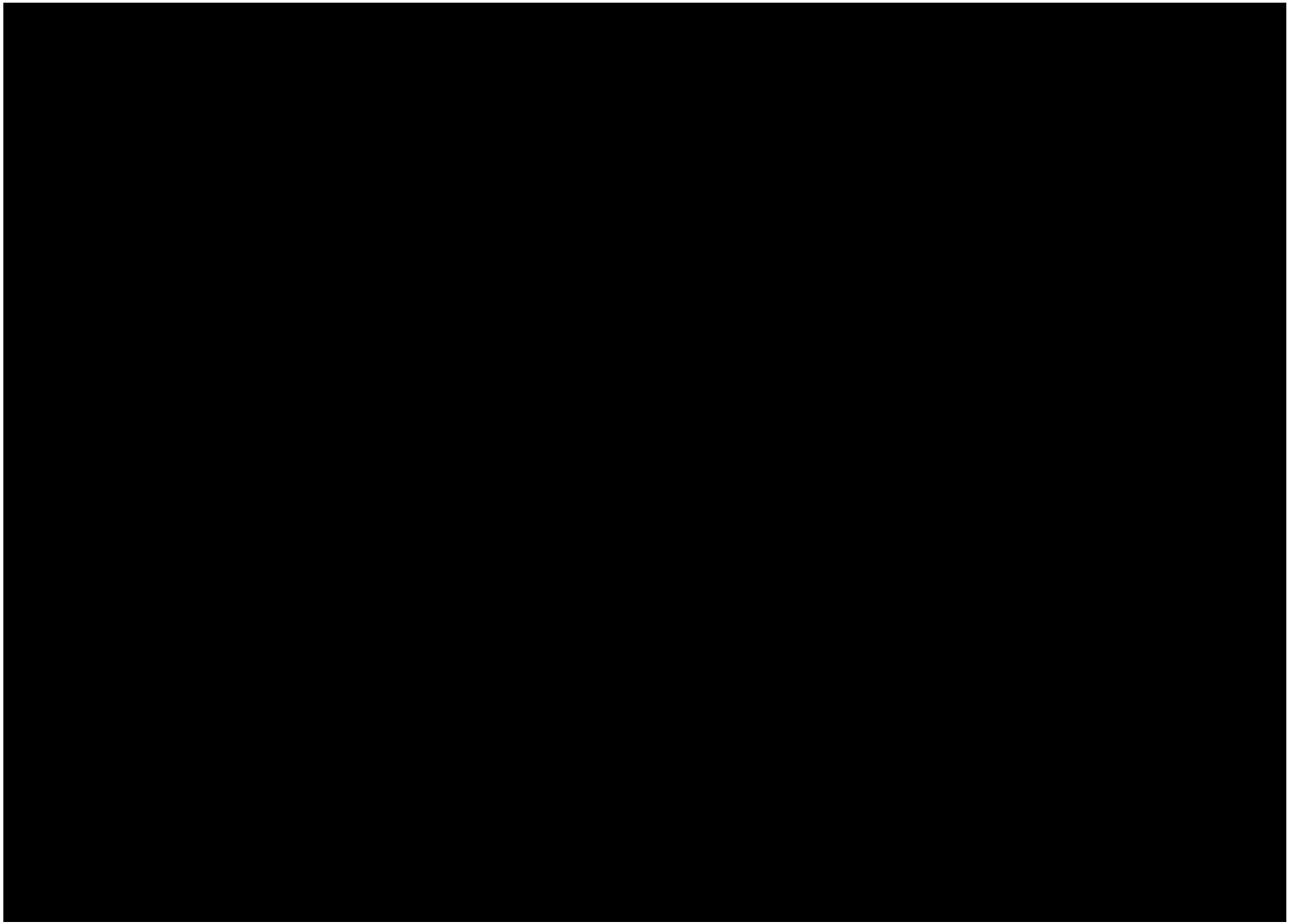
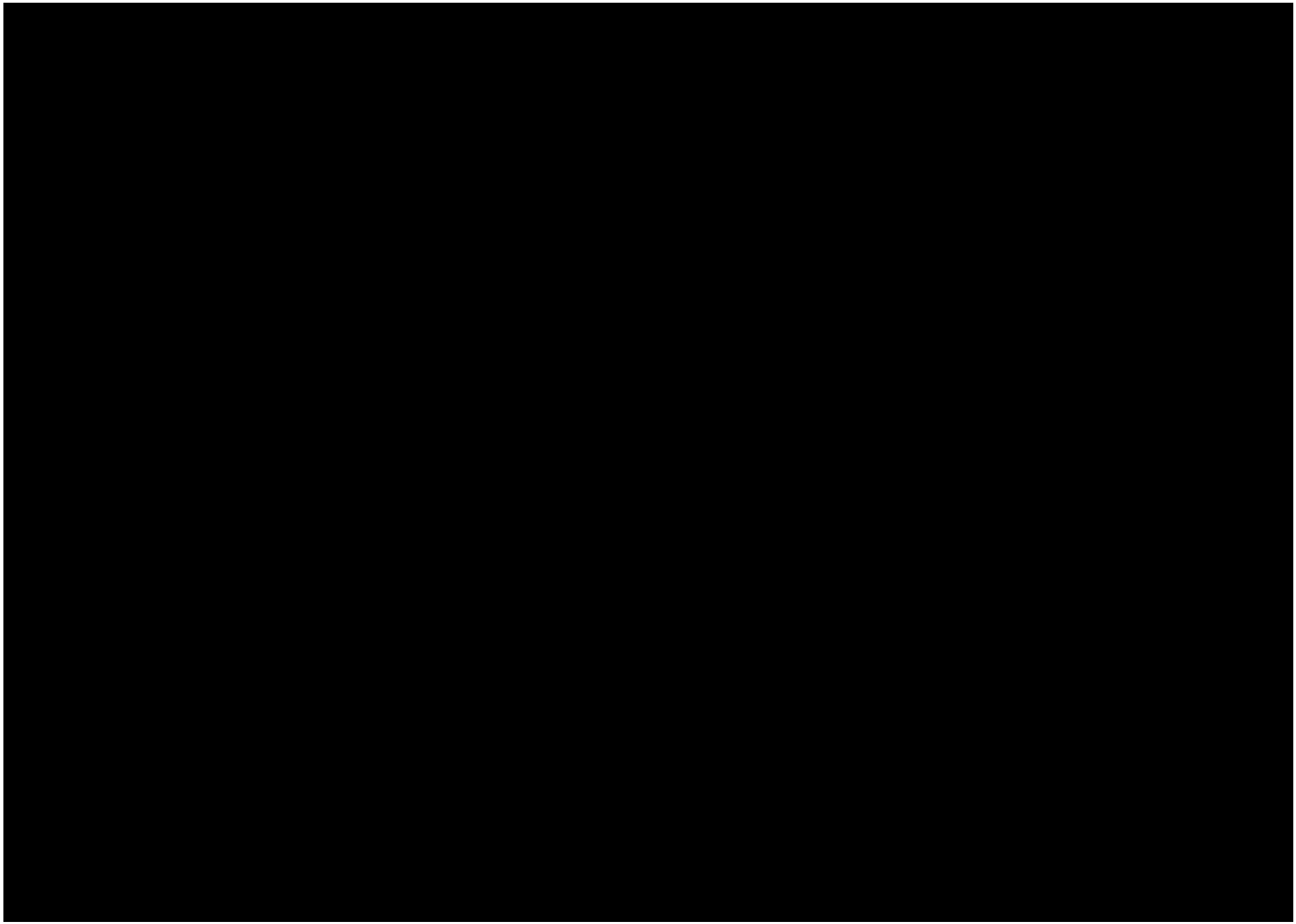










Schedule 10.17(e)
Regulatory Approvals

1. A final order of the FERC in which the FERC grants all authorizations and approvals required under section 203 of the Federal Power Act for the consummation of the transactions contemplated by the Agreement.

2. A final order of the PA PUC in which the PA PUC grants all necessary authorizations and approvals required under the Pennsylvania Public Utility Code, including but not limited to Chapters 11, 21 and 28, for the consummation of the transactions contemplated by the Agreement.

3. Application for approval by the Virginia State Corporation Commission under the Utility Transfers Act, Va Code Sections 56-88 et seq.

4. Any state regulatory authority that, being of competent jurisdiction, asserts an approval right with respect to the transactions contemplated by this Agreement, including the Public Utilities Commission of Ohio, shall be deemed, from and after the time of such assertion, to be set forth on this Schedule 10.17(e).

5. The Consolidation Filings.

INVESTOR DISCLOSURE SCHEDULE

February 2, 2023

This Disclosure Schedule is made and given pursuant to the Purchase and Sale Agreement, dated as of the date hereof (the "Agreement"), by and among FirstEnergy Corp., an Ohio corporation ("Parent"), FirstEnergy Transmission, LLC, a Delaware limited liability company (the "Company"), and North American Transmission Company II L.P., a Delaware limited partnership ("Investor"), Brookfield Super-Core Infrastructure Partners L.P., a limited partnership organized under the laws of Ontario, Brookfield Super-Core Infrastructure Partners (NUS) L.P., a limited partnership organized under the laws of Ontario and Brookfield Super-Core Infrastructure Partners (ER) SCSp, a special limited partnership organized under the laws of Luxemburg (each a "Guarantor" and, collectively, the "Guarantors"), solely for purposes of Sections 5.5, 5.6 and Article X thereof, and North American Transmission FinCo L.P., a Delaware limited partnership, solely for purposes of Section 1.4 thereof. The Company, Parent, Investor and the Guarantors are each sometimes referred to herein as a "Party" and, collectively, as the "Parties".

No information set forth in this Disclosure Schedule shall be deemed to broaden in any way the scope of the Parties' representations and warranties. Any description of any agreement, document, instrument, plan, arrangement or other item set forth on any Disclosure Schedule herein is a summary only and is qualified in its entirety by the terms of such agreement, document, instrument, plan, arrangement or item, which terms shall be deemed disclosed for all purposes of the Agreement. The information contained in the Agreement, in this Disclosure Schedule is disclosed solely for purposes of the Agreement, and no information contained herein or therein shall be deemed to be an admission by any Party to any third party of any matter whatsoever, including any violation of Law or breach of contract.

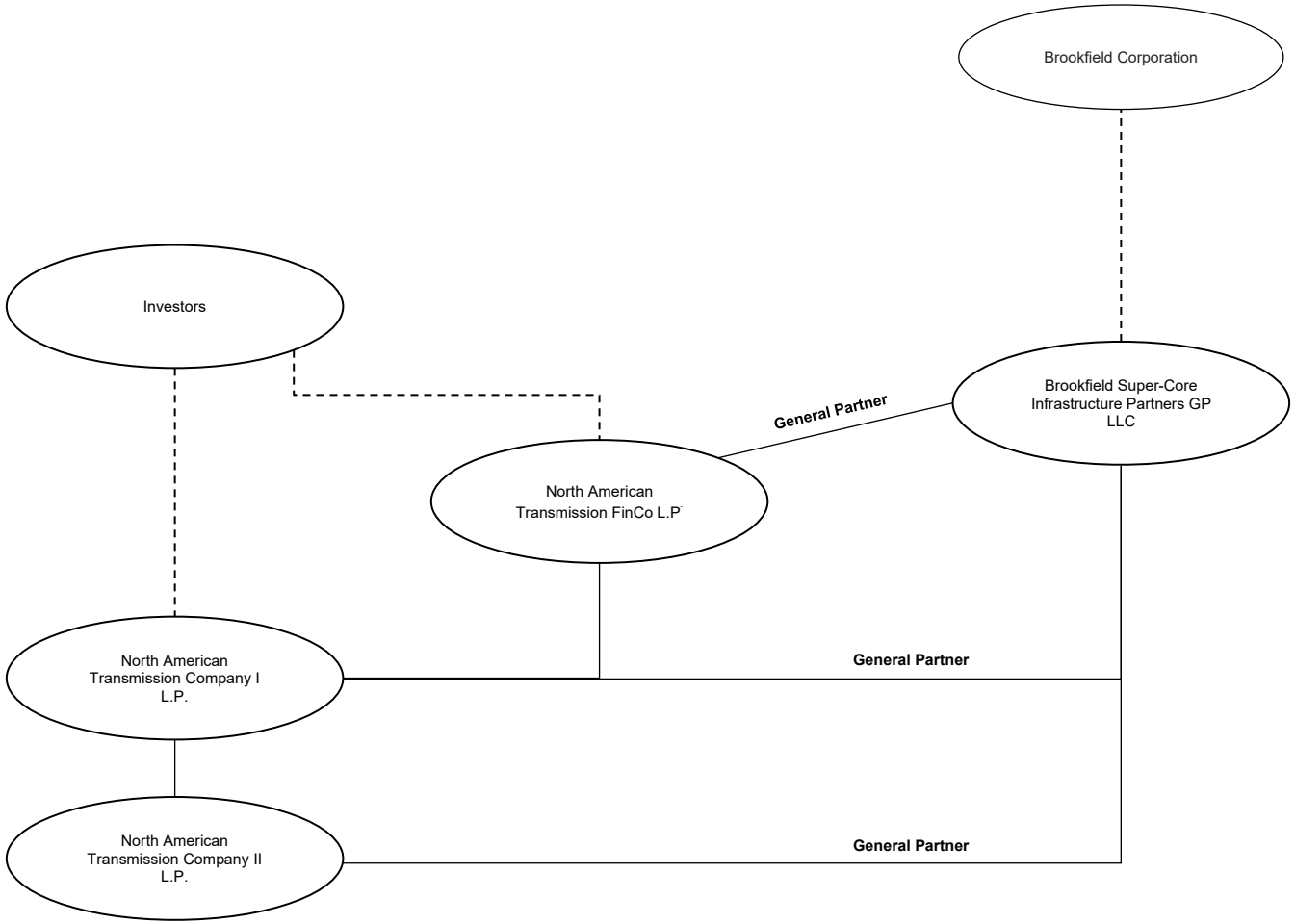
Schedule 4.11

(a)

1. the Company and its Subsidiaries
2. Smoky Mountain Transmission LLC
3. Evergreen Gen Lead, LLC

Schedule 10.17(b)
Brookfield Structure Chart

Attached.



- - - - Denotes indirect ownership

Schedule 10.17(c)
Co-Investors

1. From the date hereof until the Closing Date, "Co-Investors" shall mean any Persons that have been offered Co-Investor Rights by Investor and that have committed to provide Equity Financing, which may include Persons domiciled or whose principal place of business is in any of the following countries: the United States, Canada, Australia, Japan, South Korea, all of Europe, United Arab Emirates, Qatar, and Kuwait.

Joint Applicants Exhibit
SRS-2

FORM

OF

FOURTH AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

OF

FIRSTENERGY TRANSMISSION, LLC

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Schedules

FOURTH AMENDED & RESTATED LIMITED LIABILITY COMPANY AGREEMENT

This FOURTH AMENDED & RESTATED LIMITED LIABILITY COMPANY AGREEMENT (this "Agreement") of FirstEnergy Transmission, LLC (the "Company") is made and entered into as of [●] (the "Effective Date"), by and among the Company, FirstEnergy Corp., an Ohio corporation (the "FE Member") and North American Transmission Company II L.P. (formerly known as North American Transmission Company II LLC), a Delaware limited partnership (the "Investor Member"). The Company, the FE Member and the Investor Member are each sometimes referred to herein as a "Party" and, together, as the "Parties".

RECITALS

1. Immediately prior to the execution and delivery of the Third Amended and Restated Limited Liability Company Agreement of the Company, dated as of May 31, 2022 (the "Third A&R LLC Agreement"), the FE Member was the owner of 100% of the Membership Interests.

2. On November 6, 2021, the Company, the FE Member, the Investor Member and, solely for the purposes of Sections 5.5, 5.6(c) and 8.1(a) and Article X thereof, the Guarantors (as defined therein) entered into the Initial PSA.

3. On May 31, 2022, the Company, the FE Member, the Investor Member and the Guarantors closed the transactions contemplated under the Initial PSA, including the issuance to the Investor Member of Membership Interests constituting, at the time of such issuance, a 19.9% Percentage Interest.

4. On February 2, 2023, the Company, the FE Member, the Investor Member, solely for the purposes of Sections 5.5, 5.6(c) and 8.1(a) and Article X thereof, the Guarantors (as defined therein) and, solely for the limited purposes described therein, North American Transmission FinCo L.P., entered into a Purchase and Sale Agreement, pursuant to which the FE Member, concurrently with the execution and delivery of this Fourth A&R LLC Agreement, sold to the Investor Member Membership Interests constituting, at the time of such sale, a 30.0% Percentage Interest (the "Second PSA").

5. On the date hereof, substantially concurrently with but immediately following the consummation of the sale of the 30% Percentage Interest by the FE Member to the Investor Member described in the immediately preceding recital, the FE Member has contributed all of the MAIT Class B Interests held by the FE Member to the Company (the "MAIT Class B Contribution") and, in respect of the MAIT Class B Contribution, the Company has, concurrently with the execution and delivery of this Agreement, issued to the FE Member certain additional Membership Interests that, in accordance with the terms of this Agreement, shall be classified as Special Purpose Membership Interests.

6. The Parties desire to, and by the execution and delivery of this Agreement hereby do, amend and restate in its entirety the Third A&R LLC Agreement, in order to provide for, among other things, the rights and responsibilities of the Parties with respect to the governance,

financing and operation of the Company, and certain other matters relating to the business arrangements between the Parties with respect to the Company.

Therefore, in consideration of the mutual covenants and agreements contained in this Agreement and other good and valid consideration the receipt of which is hereby acknowledged by each Party, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I
GENERAL MATTERS

Section 1.1 Formation. The FE Member formed the Company as a limited liability company pursuant to the Act.

Section 1.2 Name. The name of the Company is "FirstEnergy Transmission, LLC".

Section 1.3 Purpose.

(a) The purpose of the Company is to engage in all lawful business for which limited liability companies may be formed under the Act and the Laws of the State of Delaware in furtherance of the following activities (the "Company Business"):

(i) making direct or indirect investments in, or directly or indirectly developing, constructing, commercializing, operating, maintaining or owning, electric transmission assets and facilities (including ownership of the Company's Subsidiaries);

(ii) undertaking any business activities presently conducted by the Company;

(iii) undertaking other activities that are eligible to earn recovery through cost-based transmission rates approved by FERC; and

(iv) engaging in such other activities as the Board deems necessary, convenient or incidental to the conduct, promotion or attainment of the activities described in the foregoing sub-clauses (i), (ii) and (iii).

(b) The Company shall not engage in any activity or conduct inconsistent with the Company Business or any reasonable extensions thereof.

Section 1.4 Registered Office. The address of the registered office of the Company in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 1.5 Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 1.6 Classes of Membership Interests. Upon the effectiveness of this Agreement:

(a) The authorized Membership Interests shall consist of Membership Interests classified as Common Membership Interests (the "Common Membership Interests") and Membership Interests classified as Special Purpose Membership Interests (the "Special Purpose Membership Interests"). The Common Membership Interests and Special Purpose Membership Interests shall have the terms set forth in this Agreement. All Membership Interests outstanding hereunder shall be validly issued, fully paid and non-assessable, to the fullest extent permitted by Law.

(b) (i) Each outstanding Membership Interest (other than those issued to the FE Member concurrently with the execution and delivery of this Agreement on account of the MAIT Class B Contribution) shall be automatically (without further action by the Members or the Company) classified as a Common Membership Interest and (ii) each outstanding Membership Interest issued to the FE Member concurrently with the execution and delivery of this Agreement on account of the MAIT Class B Contribution shall be automatically (without further action by any Member or the Company) classified as a Special Purpose Membership Interest.

(c) By executing and delivering this Agreement, the Company, the FE Member and the Investor Member hereby acknowledge and agree that any and all restrictions and other requirements set forth in the Third A&R LLC Agreement against, that would prohibit or would otherwise be applicable to the MAIT Class B Contribution and the issuance of Membership Interests to the FE Member in respect thereto are hereby waived to the extent necessary to make such contribution and issuance effective as of the effectiveness of this Agreement.

Section 1.7 Members.

(a) Each of the FE Member and the Investor Member is hereby or was heretofore admitted to the Company as a Member, and hereby continues as such. Unless admitted to the Company as a Member as provided in this Agreement, no Person shall be, in fact or for any other purpose, a Member.

(b) No Member shall have any right to withdraw from the Company except as expressly set forth herein. No Membership Interest is redeemable or repurchasable by the Company at the option of a Member. Except as expressly set forth in this Agreement, no event affecting a Member (including dissolution, bankruptcy or insolvency) shall affect its obligations under this Agreement or affect the Company.

(c) The Members' names, addresses and Common Percentage Interests (if any) and Special Percentage Interests (if any) are set forth on the Schedule of Members attached to this Agreement as Schedule 1.

(d) No Member, acting in its capacity as a Member, shall be entitled to vote on any matter relating to the Company other than as specifically required by the Act or as expressly set forth in this Agreement.

(e) Except as otherwise expressly set forth in this Agreement, any matter requiring the action, consent, vote or other approval of the Members hereunder shall require action, consent, vote or approval of the Members owning at least a majority of the Common Membership Interests unless such matter expressly requires a vote of the Members owning the Special Purpose Membership Interests, in which event, such action, consent, vote or approval shall require the requisite vote of the Members owning the Special Purpose Membership Interests as expressly set forth herein with respect to such action, consent or other approval.

(f) A Member shall automatically cease to be a Member upon Transfer of all of such Member's Membership Interests made pursuant to and in accordance with the terms of this Agreement. Immediately upon any such permissible Transfer, the Company shall cause such Member to be removed from Schedule 1 to this Agreement and to be substituted by the transferee or transferees in such Transfer, and, except as otherwise expressly provided for herein, such transferee or transferees shall be deemed to be a "Party" for all purposes hereunder and all references to the FE Member or the Investor Member, as the case may be, shall be deemed to be references to such transferee or transferees (notwithstanding, in the case that more than one Person is a transferee of such Membership Interests, that such defined terms as used herein are singular in number).

Section 1.8 Powers. The Company shall have the power and authority to do any and all acts necessary or convenient to or in furtherance of the purposes described in Section 1.3, including all power and authority, statutory or otherwise, possessed by, or which may be conferred upon, limited liability companies under the Laws of the State of Delaware.

Section 1.9 Limited Liability Company Agreement. This Agreement shall constitute the "limited liability company agreement" of the Company for the purposes of the Act. The rights, powers, duties, obligations and liabilities of the Members shall be determined pursuant to the Act and this Agreement. To the extent that the rights, powers, duties, obligations and liabilities of any Member are different by reason of any provision of this Agreement than they would be under the Act in the absence of such provision, this Agreement shall control to the fullest extent permitted by the Act and other applicable Law.

Section 1.10 Issuance of Additional Membership Interests. Except for (a) the issuance of any Excluded Membership Interests or (b) the issuance of Membership Interests made pursuant to and in accordance with Section 5.1(c), Section 5.1(d) or Article VII, the Company shall not issue any new Membership Interests, or any securities convertible into Membership Interests or other equity interests of the Company, to any Third Party or to the Members other than in accordance with their respective Percentage Interests.

Section 1.11 Deadlocks. In the event of a Deadlock, the provisions of this Section 1.10 shall apply.

(a) For purposes of this Agreement, a "Deadlock" means a situation in which consent has been requested with respect to any matter requiring the action, consent, vote or other approval of the Investor Member or Investor Directors but such consent, vote or other approval has been withheld by the Investor Member or one or both of the Investor Directors .

(b) In any case of Deadlock, the Deadlock shall be initially referred to a working group comprised of managerial-level representatives of the Investor Member, on the one hand, and the FE Member, on the other hand (the "Member Managers"), who shall discuss the Deadlock in good faith to reach resolution. Except as otherwise provided on Schedule 4, if the Member Managers cannot reach resolution within fifteen (15) Business Days, then the Members shall form a senior executive group comprised of senior executive members of the Investor Member, on the one hand, and the FE Member, on the other hand (the "Member Executives") to engage in additional good faith discussions for an additional twenty (20) Business Days. If the Member Executives cannot reach resolution, then Deadlocks of a type identified on Schedule 4 shall be resolved in accordance with the procedures set forth thereon and with respect to any other Deadlocks, the action sought to be taken will not be taken.

(c) The arbitration provisions in Section 13.13 do not apply to any Deadlock except to the extent that it (i) relates to the interpretation of this Agreement or the respective rights and obligations of the Parties pursuant to this Agreement or (ii) is made applicable pursuant to Schedule 4.

ARTICLE II
MANAGEMENT

Section 2.1 Directors. Subject to the provisions of the Act and any limitations in this Agreement as to action required to be authorized or approved by the Members, the business and affairs of the Company shall be managed and all its powers shall be exercised by or under the direction of a board of directors (the "Board" and each duly appointed and continuing member thereof from time to time, a "Director"), and no Member, by virtue of having the status of a Member, shall have any management power over the business and affairs of the Company or any actual or apparent authority to enter into Contracts on behalf of, or to otherwise bind, the Company. Without prejudice to such general powers, but subject to the same limitations, the Board shall be empowered to conduct, manage and control the business and affairs of the Company and to make such rules and regulations therefor not inconsistent with applicable Law or this Agreement, as the Board shall deem to be in the best interest of the Company. Each Director is hereby designated as a "manager" of the Company within the meaning of Section 18-101 of the Act.

Section 2.2 Number of Directors; Director Appointment Rights.

(a) The authorized number of Directors constituting the Board shall be five (5) Directors, subject to any decrease effected pursuant to Section 2.2(c) or Section 2.2(e).

(b) The Investor Member shall, as of the Effective Date, be entitled to appoint or reappoint annually two (2) Directors. Directors appointed by the Investor Member are referred to herein as "Investor Directors." The appointment of any Investor Director shall be subject to the FE Member's prior written consent of the identity of such individual prior to his or her appointment (such consent not to be unreasonably withheld, delayed or conditioned); provided that the FE Member shall not have any such consent right over the appointment of any proposed Investor Director that is a Qualified Designee.

(c) Notwithstanding anything to the contrary in this Agreement, in the event that (i) the Investor Member's Common Percentage Interest decreases below 19.8% but is at least 9.9%, the Investor Member shall, concurrently with such decrease, designate one Investor Director for removal from the Board such that there is one (1) remaining Investor Director, and (ii) the Investor Member's Common Percentage Interest decreases below 9.9%, the remaining Investor Director shall be automatically removed from the Board concurrently with such decrease. If the Investor Member fails to so act concurrently with such decrease as set forth in clause (i), then the FE Member may designate (in the FE Member's sole discretion) for removal from the Board one Investor Director, such removal being effective immediately upon such designation.

(d) Subject to Section 2.2(e), the FE Member shall be entitled to appoint or reappoint annually three (3) Directors. Directors appointed by the FE Member are referred to herein as "FE Directors". The FE Member shall further be entitled to designate an FE Director to serve as the chairperson of the Board for so long as the FE Member is directly or indirectly the beneficial owner of at least a majority of the Common Membership Interests. Notwithstanding anything herein to the contrary, until the fifth (5th) anniversary of the Effective Date for so long as during such time period any Special Purpose Membership Interests remain outstanding and the FE Member remains entitled to appoint at least one (1) Director, at least one (1) of the FE Directors shall be annually designated for appointment to the Board collectively by the holders of the FE Member's Common Membership Interests and the holders of the Special Purpose Membership Interests based on the results of a vote of the FE Member's Common Membership Interests and the Members that are holders of the Special Purpose Membership Interests then outstanding (acting in their capacity as such), voting together as a single class, which vote shall be calculated in the manner set forth on Schedule 6.

(e) Notwithstanding anything to the contrary in this Agreement, in the event that (i) the FE Member is no longer directly or indirectly the beneficial owner of at least a majority of the Common Membership Interests but is the beneficial owner of at least 19.8% of the Common Membership Interests, the FE Member shall, concurrently with such decrease, designate one FE Directors for removal from the Board such that there are two (2) remaining FE Directors, (ii) the FE Member is no longer directly or indirectly the beneficial owner of at least 19.8% of the Common Membership Interests but is the beneficial owner of at least 9.9% of the Common Membership Interests, the FE Member shall, concurrently with such decrease, designate one or more FE Directors for removal from the Board such that there is one (1) remaining FE Director, and (iii) the FE Member is no longer directly or indirectly the beneficial owner of at least 9.9% of the Common Membership Interests, the remaining FE Director shall be automatically removed from the Board concurrently with such decrease. If the FE Member fails to so act concurrently with such decrease as set forth in clauses (i) and (ii), then the Investor Member may designate (in the Investor Member's sole discretion) for removal the number of FE Directors required to be removed from the Board had the FE Member elected the actions set forth in the immediately foregoing sentence, such removal or removals being effective immediately upon such designation.

(f) For so long the Investor Member is entitled to appoint an Investor Director, the Investor Member shall be further entitled to identify an individual (a "Designated Alternate") who is authorized to attend meetings of the Board (or meetings of Board committees)

in lieu of each Investor Director in the event that an Investor Director is unable to attend such meeting. A Designated Alternate will be entitled to exercise the powers of such Investor Director at such meetings, and will be subject to all of the responsibilities and obligations of an Investor Director hereunder at such meeting as if they were an Investor Director. The appointment of such Designated Alternate shall be subject to the FE Member's prior written consent of the identity of such individual prior to his or her appointment (such consent not to be unreasonably withheld, delayed or conditioned); provided that the FE Member shall not have any such consent right over the appointment of any proposed Designated Alternate that is a Qualified Designee. If a Designated Alternate is serving in lieu of an Investor Director at any Board or committee meeting, the Investor Member shall provide notice to the FE Member of this fact prior to the commencement of such meeting (which notice may be in the form of written notice, including by way of an email to the FE Directors, or an oral announcement by such Designated Alternate of such fact at the commencement of such meeting), and such notice shall be recorded in the minutes of such meeting. For the avoidance of doubt, (i) an Investor Director and its Designated Alternate may not both function as a Director at any meeting of the Board (or committee thereof), and (ii) any references to approval or notice by an Investor Director in this Agreement will be deemed to refer to an Investor Director, and not its Designated Alternate, except in respect of the voting on matters presented at the meeting at which such Designated Alternate is attending. In the event that a Designated Alternate is also a Board Observer, at any Board or committee meeting in which he or she is serving as an Investor Director pursuant to this Section 2.2(f), he or she shall be deemed to be serving only as an Investor Director and not as a Board Observer at such meeting.

Section 2.3 Removal of Directors. Any one or more Directors may be removed at any time, with or without cause, by the Member that appointed such Director, and except as provided in Section 2.2(c) and Section 2.2(e) may not be removed by any other means. If a Director is convicted by a court or equivalent tribunal of any felony (or equivalent crime in the applicable jurisdiction), or of any misdemeanor (or equivalent crime in the applicable jurisdiction) that involves financial dishonesty or moral turpitude, then the Member that appointed such Director shall, unless consented to by the other Member, promptly remove such Director. Delivery of a written notice to the Company by a Member designating for removal a Director appointed by such Member shall conclusively and with immediate effect constitute the removal of such Director, without the necessity of further action by the Company, the Board, or by the applicable removed Director. Each Director duly appointed by a Member pursuant to and in accordance with the provisions of Section 2.2 shall hold office until his or her resignation, death, permanent disability, removal pursuant to and in accordance with Section 2.2 or with this Section 2.3, or until a successor Director is duly appointed by the Member that appointed (and continues to be entitled to appoint) such Director.

Section 2.4 Vacancies. A vacancy shall be deemed to exist in case of the resignation, death, permanent disability or removal (other than due to any reduction in the size of the board pursuant to Section 2.2) of any Director. The Member entitled to appoint a Director to the vacant directorship may appoint or elect a Director thereto to take office (a) immediately, (b) effective upon the departure of the vacating Director, in the case of a resignation, or (c) at such other later time as may be determined by such Member.

Section 2.5 Acts of the Board. Except as otherwise expressly set forth in this Agreement (including Sections 8.1, 8.2 and 8.4), a vote of a majority of the Directors present at a duly called and noticed meeting of the Board at which a quorum is present shall be required to authorize or approve any action of the Board. Every act of or decision taken or made by the Directors pursuant to the vote required by this Section 2.5 shall be conclusively regarded as an act of the Board.

Section 2.6 Compensation of Directors. The Board shall have the authority to fix the compensation of Directors for their service to the Company, if any. For so long as the Investor Member's Common Percentage Interest is at least 30.0%, any such compensation decision made by the Board shall require the approval of each Investor Director. The Board shall also have the authority (but not the obligation) to reimburse Directors for expenses incurred for attendance at meetings of the Board or otherwise in connection with their respective service on the Board. Nothing herein shall be construed to preclude any Director from serving the Company in any other capacity and receiving compensation therefor. If approved by the Board, each Board Observer may be entitled to reimbursement for expenses incurred for attendance at meetings of the Board to the same extent as if he or she were a Director.

Section 2.7 Meetings of Directors; Notice. Except as provided pursuant to Section 2.10, meetings of the Board, both regular and special, for any purpose or purposes may be called at any time by the Board or by any Director, by providing at least seven (7) calendar days' written notice to each Director unless the chairperson of the Board determines, acting reasonably, that there is a significant and time sensitive matter that requires shorter notice to be given, in which case a meeting of the Board may be called by giving at least 48 hours' written notice to each Director. Each notice shall state the purpose(s) of and agenda for the meeting and include all required information, including dial-in numbers or other applicable access information, in order to participate in the meeting by telephonic means, over the internet or by means of any other customary electronic communications equipment. Unless otherwise agreed by unanimous consent of the Board, no proposal shall be put to a vote of the Board unless it has been listed on the agenda for such meeting. Notice of the time and place of meetings shall be delivered personally or by telephone to each Director, or sent by e-mail to any e-mail address of the Director in the records of the Company. Any notice given personally or by telephone shall be communicated to the applicable Director. A Director may waive the notice requirement set forth in this Section 2.7 by any means reasonable in the circumstances, including by communication to one or more other Directors, and the presence of a Director at a meeting or the approval by a Director of the minutes thereof shall conclusively constitute a waiver by such Director of such notice requirement.

Section 2.8 Quorum.

(a) Except as otherwise expressly set forth herein, the presence (whether physical, telephonic, over the internet or by means of other customary electronic communications equipment) of a majority of the number of Directors then serving on the Board, including each Investor Director, at a meeting of the Board shall constitute a quorum of the Board for the transaction of all business thereat; provided, that if quorum fails at an attempted meeting that is called with proper notice due to the failure of the Investor Director(s) to attend, then at the next attempted meeting only a majority of the number of Directors then serving on the

Board (without regard to the attendance of the Investor Director(s)) must be present in person, by telephone or other electronic means or by proxy in order to constitute a quorum for the transaction of business for purposes of considering only those matters that were included on the agenda for the attempted meeting immediately preceding such meeting.

(b) If a quorum is not present at any meeting of the Board, the Directors present at such meeting may adjourn the meeting, without notice other than announcement at the meeting, and the Board or Director that called for the meeting shall attempt to reschedule such meeting until a quorum is present.

Section 2.9 Place and Method of Meetings.

(a) Meetings of the Board may be held at any place, whether within or outside the State of Delaware or the State of Ohio, and meetings may be held, in whole or in part, by telephonic means, over the internet or by means of any other customary electronic communications equipment. The place at which (or, if applicable, the electronic communication methods by which) a meeting will be held may be specified in the applicable notice of the meeting; provided, that in the absence of such specification, or in the event that any Director objects to the place or electronic communication methods (if any) specified in the applicable notice, then the applicable meeting shall be held solely in physical presence at the principal executive office of the Company, it being understood that a Director may participate in the applicable meeting in accordance with Section 2.9(b).

(b) The Directors may participate in meetings of the Board by telephonic means, over the internet or by means of any other customary electronic communications equipment, and, to the fullest extent permitted by applicable Law, shall be deemed to be present at such meeting for all purposes, including for purposes of determining quorum and of voting.

Section 2.10 Action by the Board Without a Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if a number of Directors the vote of whom would be minimally necessary to approve such action at a meeting of the Board shall individually or collectively consent in writing to such action; provided, however, that, if (a) one or more Investor Directors are serving on the Board at the time of such written action, (b) the subject matter of such written action had not previously been addressed during a duly called and noticed meeting of the Board at which quorum was present, and (c) no Investor Director joins such written action, then, in such case, the written action shall not be effective until 48 hours after the Secretary of the Company has notified all then-serving Investor Directors of such action, it being understood that, during such 48-hour period, any Investor Director shall be entitled to call a special meeting of the Board (to be held within such period and solely telephonically, over the internet or by means of other customary electronic communications equipment) for purposes of discussing with the Board the subject matter of such written action (without regard, for purpose of such discussion, to whether a quorum is present to constitute a duly convened meeting of the Board). Notwithstanding the foregoing, (x) no action set forth in this Agreement (including Section 8.1, Section 8.2 or Section 8.4) that requires the consent of the Investor Member shall be effected by written action entered into pursuant to this Section 2.10 without the Investor Member's consent and (y) no action set forth in this Agreement that requires that consent of any Investor Director shall be effected by written action entered into pursuant to

this Section 2.10 without the consent of such Investor Director(s). Any written actions of the Board may be in counterparts and transmitted by e-mail and shall be filed with the minutes of the proceedings of the Board. Such written actions shall have the same force and effect as a vote of the Board.

Section 2.11 Duties of Directors. Each member of the Board shall have fiduciary duties identical to those of directors of a business corporation organized under the General Corporation Law of the State of Delaware; provided, however, that the Members acknowledge and agree that the enforcement or exercise by the Investor Member of any of its rights under Section 8.1, Section 8.2 or Section 8.4 shall in no event constitute a violation of the fiduciary duties of the Investor Director(s) or the Investor Member, which are hereby disclaimed in all respects with respect thereto. The provisions of this Agreement, to the extent that they expand or restrict the duties and liabilities of the Board, otherwise existing at law or in equity, are agreed by the Members to replace such other duties and liabilities of the Board.

Section 2.12 Committees.

(a) The Board may create one or more committees of the Board, delegate responsibilities, duties and powers to such one or more committees, and appoint Directors to serve thereon; provided, that, for so long as the Investor Member is entitled to appoint an Investor Director, such Investor Director(s) shall be entitled to be a member of any such committee(s). Each Director appointed to serve on any such committee shall serve at the pleasure of the Board, or otherwise in accordance with the terms of the resolution designating the applicable committee. Section 2.4, Section 2.7, Section 2.8, Section 2.9 and Section 2.10 shall each apply to any committee of the Board with the same terms applicable to the Board, *mutatis mutandis*.

(b) For so long as the Investor Member's Common Percentage Interest is at least 30.0%, the Board shall cause the Company to establish and maintain an advisory committee to the Board (the "Advisory Committee") consisting of (i) the appropriate members of Company management primarily responsible for the applicable subject areas of the Advisory Committee and (ii) one or more individuals appointed by each Member. The Advisory Committee shall meet monthly but only in months in which a meeting of the Board is not scheduled to occur, and the FE Directors, Investor Directors, and Board Observers shall be entitled to attend such meetings; provided that attendance at such meetings by all or a requisite number of Directors constituting a quorum thereof shall not, in and of itself, constitute a waiver of the notice and agenda requirements for Board meetings set forth in Section 2.9(a) or otherwise cause such Advisory Committee meetings to be deemed meetings or actions of the Board. The Advisory Committee shall initially discuss, among other things, the capital expenditures, financing, budget, and treasury matters, and rate base and regulatory matters. For the avoidance of doubt, the Advisory Committee shall have only an advisory role to the Board, and shall not be delegated any authority of the Board or otherwise be empowered to take binding action.

Section 2.13 Investor Member Board Observers.

(a) For so long as the Investor Member's Common Percentage Interest is at least 30.0%, the Investor Member shall be entitled to appoint up to a total of four (4) individuals

to serve as an observer of the Board (any such individual, a "Board Observer"), which individuals shall be Representatives of the Investor Member and the identity of whom shall be subject to the prior written consent of the FE Member (such consent not to be unreasonably withheld, delayed or conditioned); provided, that the FE Member shall not have any such consent right over the appointment of any proposed Board Observer that is a Qualified Designee.

(b) In the event that, and for so long as, the Investor Member's Percentage Interest decreases such that the Investor Member's Common Percentage Interest is:

(i) at least 15.0% but less than 30.0%, then the Investor Member shall be entitled to appoint up to three (3) Board Observers.

(ii) at least 9.9% but less than 15.0%, then the Investor Member shall be entitled to appoint up to two (2) Board Observers.

(iii) at least 5.0% but less than 9.9%, then the Investor Member shall be entitled to appoint one (1) Board Observer.

(iv) less than 5.0%, then the Investor Member shall not be entitled to appoint any Board Observers.

Concurrently with any such decrease in the Investor Member's Percentage Interest, the Investor Member shall remove the numbers of Board Observer(s) such that the total number of Board Observers complies with this Section 2.13(b). If the Investor Member fails to so act concurrently with such decrease, then the FE Member may designate (in the FE Member's sole discretion) for removal the number of Board Observers required to be removed as Board Observers had the Investor Member elected the actions set forth in the immediately foregoing sentence, such removal or removals being effective immediately upon such designation.

(c) The Board Observer(s) shall have the right to receive notice of, attend and participate in all meetings of the Board (and any committee thereof) and to receive all information provided to Directors at the same time and in the same manner as provided to such Directors; provided, however, that the Company and the Board will be entitled to withhold access to any portion of the information and to exclude the Board Observer(s) from any portion of any meeting of the Board (or any committee thereof) if the Company or the Board determines in good faith in reliance upon the advice of counsel that access to such information or attendance at such meeting (i) is reasonably necessary to preserve an attorney-client privilege of the Company or the Board or (ii) otherwise implicates any conflict of interest between the Investor Member and a particular matter or transaction under consideration by the Board; provided, further, that the Investor Member shall be notified of any intent to exclude the Board Observer(s) in reliance on clause (ii) above in advance of any meeting from which any Board Observer is to be excluded; provided, further, that, any Board Observer(s) that is excluded shall only be excluded for such portion of the meeting during which such matter or transaction is being discussed. For the avoidance of doubt, the Board Observer(s) shall not have any voting rights with respect to any matter brought before the Board and shall not be counted in any manner with respect to whether a quorum is present at a meeting of the Board, and (without limiting the Company's obligations to provide the Board Observer(s) with notice of meetings of the Board

and any committee thereof as set forth in this Section 2.13) no defect in the provision of notice to the Board Observer(s) of any meeting of the Board shall be construed to constitute a defect in the provision of notice to Directors. In the event that any Board Observer is also the Designated Alternate and, in such capacity, he or she is serving at a Board or committee meeting as an Investor Director pursuant to Section 2.2(e), the Investor Member shall not be entitled to appoint an additional individual to serve as a replacement Board Observer to exercise the rights and duties of such Board Observer for that meeting. The Board Observer(s) shall be bound by the same confidentiality obligations as the Directors as set forth in Section 9.4. The Investor Member may cause the Board Observer(s) to resign or appoint a replacement Board Observer(s) from time to time by giving written notice to the Company. In the event that the Investor Member's Common Percentage Interest becomes less than 5.0%, the Investor Member's rights under this Section 2.13 shall immediately cease. For the avoidance of doubt, the sole purpose of this Section 2.13 is to provide observation rights (subject to the limitations and conditions set forth in this Section 2.13) to individual Representatives of the Investor Member, and in no event will any Board Observer be construed to be a third-party beneficiary of this Agreement, an agent of the Company of any kind or for any purpose, or have any other claim against the Company or the Members in relation to any matter whatsoever.

Section 2.14 Related Party Matters.

(a) Subject to the penultimate sentence of this Section 2.14(a), all transactions (including corporate allocations) between any member of the FE Outside Group, on the one hand, and the Company Group, on the other hand (such transactions, "Affiliate Transactions"), shall be (i) entered into and carried out in a manner that, except as may be required by any applicable Law, is (A) consistent with past practices and the corporate allocation and affiliate transaction policies of the FE Outside Group and the Company Group in effect at such time and (B) on terms and conditions that are commercially reasonable with respect to the subject matter thereof, and (ii) entered into and carried out in accordance with the requirements of any applicable Law (including, for the avoidance of doubt, on such terms and conditions as may be required to obtain the approval of the applicable Governmental Body in respect of such transaction). Notwithstanding anything to the contrary in this Agreement, except as required by applicable Law, the FE Member shall ensure during the term of this Agreement that any methodologies used to allocate costs to the Company Group (A) are and will be consistently applied to other members of the FE Outside Group in a manner that does not have a disproportionate adverse impact on the Company or any of its Subsidiaries as compared to any member of the FE Outside Group and (B) would not result in any fines or penalties that are imposed on any member of the FE Outside Group being allocated to the Company or any of its Subsidiaries. For so long as the Investor Member's Common Percentage Interest is at least 30.0%, to the extent any (x) cost incurred outside of the ordinary course of business or inconsistent with past practices under any cost allocation methodology or (y) change to any cost allocation methodology results in any material costs being disallowed under any applicable regulatory revenue requirement of the Subsidiaries of the Company and the incurrence of such cost or such cost allocation methodology change is not otherwise required under applicable Law or necessary to avoid an Affiliate Transaction Default, the prior written consent of the Investor Member shall be required for such cost incurrence or change.

(b) Subject to the Investor Member's approval rights under Sections 2.14(a), 8.1, 8.2 and 8.4, the Members acknowledge and agree that (i) the Company Group and the FE Outside Group have, prior to the Effective Date, engaged in Affiliate Transactions, and will, pursuant to and in accordance with the provisions of Section 2.14(a), from and after the Effective Date, engage in Affiliate Transactions, and (ii) services provided by any member of the FE Outside Group to any member of the Company Group as of the Effective Date pursuant to (A) that certain Service Agreement among FirstEnergy Service Company, certain other members of the FE Outside Group and the Company, dated February 25, 2011, (B) that certain Service Agreement among certain members of the FE Outside Group and certain Subsidiaries of the Company, dated January 31, 2017, and (C) that certain Revised Amended and Restated Mutual Assistance Agreement among certain members of the FE Outside Group and certain Subsidiaries of the Company, dated January 31, 2017, in each case, will continue in the ordinary course of business consistent with past practice (provided that the agreements described in clauses (B) or (C) may be amended, supplemented or replaced from time to time, provided, further, that, in any such case, any required consent, vote or other approval of the Investor Member or Investor Directors (as applicable hereunder) has been obtained in respect thereof).

(c) To ensure corporate separateness from the FE Member and other members of the FE Outside Group, the Company, together with its Directors and officers, shall take or refrain from taking, as the case may be, and cause the Company's Subsidiaries to take or refrain from taking, as the case may be, the following actions (in each case, in a manner and to the extent consistent with the Company Group's and the FE Outside Group's respective past practices and to the extent consistent with applicable Law):

(i) at all times hold itself out to the public and other Persons as a legal entity separate from the FE Member and the other members of the FE Outside Group;

(ii) correct any known material misunderstanding regarding its identity as an entity separate from any FE Outside Group member;

(iii) observe appropriate organizational procedures and formalities;

(iv) maintain accurate books, financial records and accounts, including checking and other bank accounts and custodian and other securities safekeeping accounts, that are separate and distinct from those of the FE Member and the other members of the FE Outside Group;

(v) maintain its books, financial records and accounts in a manner such that it would not be difficult or costly to segregate, ascertain or otherwise identify the Company Group's assets and liabilities from those of the FE Outside Group;

(vi) not enter into any pledge, encumbrance or guaranty, or otherwise become intentionally liable for, or pledge or encumber its assets to secure the liability, debts or obligations of the FE Member or any other member of the FE Outside Group;

(vii) not hold out its credit as being available to satisfy the debts or obligations of the FE Member or any other member of the FE Outside Group;

(viii) (A) pay its own liabilities, expenses and losses only from its own assets, and (B) compensate all Advisors and other agents from its own funds for services provided to it by such Advisors and other agents;

(ix) cause its Representatives to (A) hold themselves out to Third Parties as being the Representatives, as the case may be, of the Company or the applicable member of the Company Group (it being understood that the Company Group need not have its own dedicated employees), and (B) refrain from holding themselves out as Representatives of any member of the FE Outside Group (in connection with any duties performed for, or otherwise in relation to, any member of the Company Group);

(x) maintain separate annual financial statements for the Company Group, showing the Company Group's (or its respective members') assets and liabilities separate and distinct from those of any member of the FE Outside Group (it being understood that nothing herein shall prohibit the consolidation of such financial statements with the "affiliated group" (as defined in Section 1504(a) of the Code) of which the FE Member is the common parent); and

(xi) pay or bear the cost of the preparation of its financial statements, and have such financial statements audited by an independent certified public accounting firm.

(d) In the event the Company and/or the FE Member becomes aware of any material breach or material default (it being understood that, for purposes of this clause (d), a breach or default will be deemed to be "material" if (x) the reasonably expected amount of damages that would be sustained by the Company and its Affiliates as a result of such breach or default, or series of related breaches or defaults, would exceed $20,000,000 in the aggregate or (y) the breach or default would otherwise be material to the Company or any of its Subsidiaries, by any member of the Company Group or FE Outside Group under any Affiliate Transaction (an "Affiliate Transaction Default"), the Company and/or the FE Member, as applicable, shall promptly, but in any event within five (5) Business Days after becoming aware of such Affiliate Transaction Default, send a written notice (a "Default Notice") to the Company and the Investor Member setting forth in reasonable detail the nature of such Affiliate Transaction Default and the reasonable estimate of the current and future anticipated losses associated with such Affiliate Transaction Default with supporting calculations (to the extent feasible to make a reasonable estimate at such time). After delivery of such Default Notice to the Investor Member, the Company (and, if the Company did not provide the Default Notice, the FE Member) shall promptly provide the Investor Member with any additional information reasonably requested by the Investor Member relating to such Affiliate Transaction Default. The defaulting party under such Affiliate Transaction shall have until the expiration of the applicable cure period in respect of such Affiliate Transaction to fully cure any monetary or non-monetary Affiliate Transaction Default, subject to and consistent with applicable Law. In the event that any material alleged Affiliate Transaction Default is not timely cured in accordance with the preceding sentence, the Investor Member shall have the sole right to cause the Company and its Subsidiaries to take, or refrain from taking, any actions in connection with the enforcement of or compliance with the rights or obligations of the Company or any of its Subsidiaries under the terms of the applicable Affiliate Transaction, including the commencement of any litigation, proceeding or other action

on behalf of the Company or any of its Subsidiaries against the applicable member(s) of the FE Outside Group.

ARTICLE III
OFFICERS

Section 3.1 Appointment and Tenure.

(a) The Board may, from time to time, designate officers of the Company to carry out the day-to-day business of the Company; provided, that, for so long as the Investor Member holds at least a 30.0% Common Percentage Interest, any Board determination of any officer designation or removal pursuant to this Section 3.1 shall require the approval of each Investor Director.

(b) The officers of the Company shall be comprised of one or more individuals designated from time to time by the Board. Each officer shall hold his or her office for such term and shall have such authority and exercise such powers and perform such duties as shall be determined from time to time by the Board. Any number of offices may be held by the same individual. The salaries or other compensation, if any, of the officers shall be fixed from time to time by the Directors.

(c) The officers of the Company may consist of a president, a secretary and a treasurer. The Board may also designate one or more vice presidents, assistant secretaries and assistant treasurers. The Board may designate such other officers and assistant officers and agents as the Board may deem necessary or appropriate.

Section 3.2 Removal. Any officer may be removed as such at any time by the Board, either with or without cause, in its discretion.

Section 3.3 President. The president, if one is designated, shall be the chief executive officer of the Company, shall have general and active management of the day-to-day business and affairs of the Company as authorized from time to time by the Board, and shall be authorized and directed to implement all actions, resolutions, initiatives and business plans adopted by the Board.

Section 3.4 Vice Presidents. The vice presidents, if any are designated, in the order of their election, unless otherwise determined by the Board, shall, in the absence or disability of the president, perform the duties and have the authority and exercise the powers of the president. They shall perform such other duties and have such other authority and powers as the Board may from time to time prescribe.

Section 3.5 Secretary; Assistant Secretaries. The secretary, if one is designated, shall perform such duties and have such powers as the Board may from time to time prescribe. The assistant secretaries, if any are designated, and unless otherwise determined by the Board, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the Secretary. They shall perform such other duties and have such other powers as the Board may from time to time prescribe.

Section 3.6 Treasurer; Assistant Treasurers. The treasurer, if one is designated, shall have custody of the Company's funds and securities and shall keep full and accurate accounts and records of receipts, disbursements and other transactions in books belonging to the Company, and shall deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated from time to time by the Board. The treasurer shall disburse the funds of the Company as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render the president and the Board, when so directed, an account of all of his or her transactions as treasurer and of the financial condition of the Company. The treasurer shall perform such other duties and have such other powers as the Board may from time to time prescribe. If required by the Board, the treasurer shall give the Company a bond of such type, character and amount as the Board may require. The assistant treasurers, if any are designated, unless otherwise determined by the Board, shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. They shall perform such other duties and have such other powers as the Board may from time to time prescribe.

ARTICLE IV
DEFAULT; DISSOLUTION

Section 4.1 Events of Default. The following shall constitute events of default (each, an "Event of Default") by the applicable Member under this Agreement:

(a) any material breach of this Agreement by such Member;

(b) any failure by any Member that is a holder of Common Membership Interests (acting in its capacity as such) to make any Additional Funding Requirement pursuant to and in accordance with a Capital Request Notice issued pursuant to Section 5.1 if such Member indicated it would do so in its Response To Capital Call but then failed to do so within the time period specified in Section 5.1;

(c) any purported Transfer by such Member made other than pursuant to and in accordance with the terms and conditions of this Agreement; and

(d) the filing of a petition seeking relief, or the consent to the entry of a decree or Order for relief in an involuntary case, under the bankruptcy, rearrangement, reorganization or other debtor relief Laws of the United States or any state or any other competent jurisdiction or a general assignment for the benefit of its creditors by such Member or by any of its controlling Affiliates.

Section 4.2 Default Notice. If an Event of Default occurs, then any Member (other than the Member subject to the Event of Default (the "Defaulting Member")) may deliver to the Company and to the Defaulting Member a notice of the occurrence of such Event of Default, setting forth the circumstances of such Event of Default. The provisions of this Agreement applicable to a "Defaulting Member" shall apply to such Defaulting Member from and after the delivery of such notice until the Event of Default and the material effects thereof have been cured (if capable of being so cured).

Section 4.3 Dissolution.

(a) Subject to obtaining the requisite authorization, approval or consent of any Governmental Body, the Company shall dissolve, and its affairs shall be wound up, upon either (i) the approval by the Board and the written consent of all of the Members or (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act (each, an "Event of Dissolution").

(b) Upon the occurrence of an Event of Dissolution, the Company will continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets and satisfying the claims of its creditors and the Members. No Member, acting in its capacity as such, will take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Company's business and affairs. All covenants contained and obligations provided for in this Agreement will continue to be fully binding upon the Members until such time as the property of the Company has been distributed pursuant to Section 5.3 and the certificate of formation of the Company has been canceled pursuant to the Act.

(c) After the occurrence of an Event of Dissolution, and after all of the Company's debts, liabilities and obligations have been paid and discharged or adequate reserves have been made therefor and all of the remaining assets of the Company have been distributed to the Members, the Company shall make necessary resolutions and filings to dissolve the Company under the Act.

ARTICLE V
CAPITAL CONTRIBUTIONS; DISTRIBUTIONS

Section 5.1 Capital Contributions.

(a)

(i) For as long as the Investor Member's Common Percentage Interest is 30.0% or greater, if the Board determines that it is in the best interests of the Company to obtain additional equity capital for purposes of (x) funding payments required to be made within the succeeding ninety (90) day period for expenditures as contemplated in the Annual Approved Budget and to the extent making such payments is not otherwise covered on commercially reasonable terms by the Company's available liquidity, (y) complying with applicable Law, or (z) funding any Emergency Expenditures, then the Board may direct the Company to submit to the Members that are holders of Common Membership Interests (in their capacity as such) a written capital funding request notice (a "Capital Request Notice").

(ii) In the event that the Investor Member's Common Percentage Interest falls below 30.0%, if the Board determines that it is in the best interests of the Company to obtain additional equity capital for purposes of (w) developing, acquiring or maintaining Qualifying Core Assets or funding ordinary course operations of the Company Business, (x) satisfying the Company's obligations to Third Parties (including in respect of the Indebtedness of the Company Group), (y) complying with applicable Law or (z) funding any Emergency Expenditures, then the Board may direct the Company to submit to the Members that are holders of Common Membership Interests (in their capacity as such) a Capital Request Notice.

(iii) Notwithstanding the foregoing, if the Board determines that it is in the best interests of the Company to obtain additional equity capital for any other purpose, the Board may direct the Company to submit to the Members that are holders of the Common Membership Interests (in their capacity as such) a Capital Request Notice; provided that, for so long as the Investor Member is entitled to designate a Director for appointment to the Board pursuant to Section 2.2(b), any such determination of the Board shall require the approval of each Investor Director(s).

(iv) Any such determination by the Board to submit a Capital Request Notice pursuant to this Section 5.1(a)(i) shall be referred to herein as an "Additional Funding Requirement."

(b) Any Capital Request Notice shall set forth (A) the anticipated amount of, and the reason for, such Additional Funding Requirement, (B) each Member's requested share of such Additional Funding Requirement, which with respect to each Member shall equal such Member's Common Percentage Interest multiplied by the aggregate amount of the Additional Funding Requirement (such share, the "Pro Rata Request Amount") and (C) the funding date for such Additional Funding Requirement (the "Capital Request Funding Date"), which Capital Request Funding Date shall not be earlier than thirty (30) days following the date on which such Capital Request Notice is delivered to the Members that are holders of Common Membership Interests (in their capacity as such). Subject to the express provisions of this Article V, each Member may, but shall not be obligated to, contribute its Pro Rata Request Amount as called for in the applicable Capital Request Notice (which contribution will be on account of, and credited in the books and records of the Company as a capital contribution made by, such Member as the holder of its Common Membership Interests). Upon the receipt of a Capital Request Notice, each Member shall, within fifteen (15) days of such receipt, provide written notice to the Company and the other Members as to the extent to which such Member intends to fund its Pro Rata Request Amount, whether in whole, in part or not at all (a "Response To Capital Call"). If one Member indicates in its Response To Capital Call that it does not intend to fund its Pro Rata Request Amount in full, and any other Member had, prior thereto, submitted a Response To Capital Call indicating that it intends to fund a greater percentage of its Pro Rata Request Amount, then such other Member will be entitled to amend its Response To Capital Call to reduce its percentage funding to an amount representing a percentage of its Pro Rata Request Amount not less than the lower percentage indicated in the other Member's Response To Capital Call. For the avoidance of doubt, (X) no Member shall have any obligation to fund any Additional Funding Requirement pursuant to this Section 5.1 unless such Member indicates that it will do so in its Response To Capital Call and (Y) a Member shall only have an obligation to, and may only, fund any Additional Funding Requirement pursuant to this Section 5.1 in such Member's capacity as a holder of Common Membership Interests.

(c) If any Member refuses or fails to make all or any portion of its Pro Rata Request Amount pursuant to this Section 5.1 on or prior to the applicable Capital Request Funding Date (such Member, the "Non-Contributing Member", and the unfunded amount, the "Unfunded Amount"), then the Company shall provide written notice thereof to the Members that are holders of the Common Membership Interests (in their capacity as such) (the "Contribution Unfunded Amount Notice"), and:

(i) Excess Contribution. To the extent that the Non-Contributing Member contributes a portion (but less than all) of its Pro Rata Request Amount, and another Member (the "Over-Contributing Member") has contributed a greater percentage of its Pro Rata Request Amount than the Non-Contributing Member, the Over-Contributing Member shall have the right to elect (which election shall be made by written notice to the Company and the other Members no later than ten (10) Business Days following the date of the Contribution Unfunded Amount Notice) to (A) receive a special distribution of the amount of such excess (the "Excess Contribution"), such that the Excess Contribution is returned to the Over-Contributing Member (and the Company shall cause such special distribution to be made as promptly as practicable), (B) have the portion of such Excess Contribution that would have been the Non-Contributing Member's share thereof treated as a loan to the Company (consistent with the methodology in clause (ii)(A), below), or (C) have the portion of such Excess Contribution that would have been the Non-Contributing Member's share thereof treated as a contribution to capital (consistent with the methodology in clause (ii)(B) below).

(ii) Top-Up Right. A Member that has paid its full Pro Rata Request Amount (the "Contributing Member") shall have the right (but not the obligation) to elect (which election shall be made by written notice to the Company and the other Members no later than ten (10) Business Days following the receipt of the Contribution Unfunded Amount Notice) to contribute any portion of the Unfunded Amount in accordance with this Section 5.1(c) either (A) as a loan to the Company, or (B) as a capital contribution to the Company (or as any combination thereof as the Contributing Member elects) in accordance with the following procedures:

(A) Loan. The Contributing Member may elect to advance all or a portion of the Unfunded Amount to the Company on behalf of the Non-Contributing Member, which advance shall be treated as a loan by the Contributing Member to the Company (an "Unfunded Amount Loan") at an interest rate equal to the highest interest rate payable on any subordinated third-party debt of any member of the Company Group then outstanding. Subject to the terms of this Agreement, each Unfunded Amount Loan shall be repaid out of any subsequent distributions made pursuant to Section 5.2 to which the Non-Contributing Member would otherwise be entitled under this Agreement, and such payments shall be applied first to the payment of accrued but unpaid interest on each such Unfunded Amount Loan and then to the payment of the outstanding principal, until such Unfunded Amount Loan is paid in full.

(B) Capital Contribution. The Contributing Member may elect to contribute an amount equal to all or a portion of the Unfunded Amount to the Company. If the Contributing Member elects to contribute to the Company all or a portion of the Unfunded Amount, then, on or after the earlier of the date that the Non-Contributing Member indicates it will not cure the failure to fund its full Pro Rata Request Amount and the thirtieth (30^{th}) day following the date of the Contribution Unfunded Amount Notice, the Company shall issue to the Contributing Member the amount of additional Common Membership Interests that can be purchased for such funded amount at a price per Common

Membership Interest equal to 90.0% of the Fair Market Value of the Company (measured as of the date that such contribution is to be made) per Common Membership Interest, and the Contributing Member's and the Non-Contributing Member's respective Common Percentage Interests will be adjusted accordingly.

(C) Cure Right. Notwithstanding anything to the contrary in this Section 5.1, on or before the thirtieth (30th) day following the date of the Contribution Unfunded Amount Notice, a Non-Contributing Member may make a contribution to the Company equal to the sum of the Unfunded Amount plus, if the Contributing Member already made an Unfunded Amount Loan in respect of such Unfunded Amount, any interest accrued on the Unfunded Amount Loan, following which (1) the Unfunded Amount advanced by the Contributing Member to the Company together with any such interest shall be paid to the Contributing Member, and (2) the former Non-Contributing Member shall be deemed to have cured its failure to pay the Pro Rata Request Amount prior to the Capital Request Funding Date with respect to the applicable Capital Request Notice.

(d) If the Non-Contributing Member refuses or fails to make its full Pro Rata Request Amount pursuant to this Section 5.1 on or prior to the applicable Capital Request Funding Date and the Contributing Member has not fully funded the Unfunded Amount in accordance with Section 5.1(c) then on or after the thirtieth (30th) day following the date of the applicable Contribution Unfunded Amount Notice, the Board may authorize (which, for so long as the Investor Member's Common Percentage Interest is at least 30.0%, such authorization by the Board shall require the approval of each Investor Director if the Non-Contributing Member is the FE Member) the Company to seek additional equity funds on commercially reasonable terms from a Third Party in an amount up to the difference between the total Additional Funding Requirement requested and the total funds received by the Company from the Non-Contributing Member and the Contributing Member (including any additional funds that the Contributing Member may have contributed pursuant to Section 5.1(c)), and to issue Membership Interests to Third Parties in connection therewith pursuant to this Section 5.1(d). If the Board determines to seek additional equity funds from and issue Common Membership Interests to a Third Party pursuant to this Section 5.1(d), then the Company must consummate such issuance within 180 days following the Capital Request Funding Date. If such issuance is not consummated within such 180-day period, then the Company's right to so issue Common Membership Interests to a Third Party in connection with the applicable Additional Funding Requirement shall be lapsed, and the Company shall not thereafter issue any Common Membership Interests to a Third Party in connection with such Additional Funding Requirement; provided that, if a definitive agreement providing for such issuance is executed prior to the expiration of such 180-day period but the issuance has not been consummated at the expiration of such period solely as a result of a failure to receive the requisite authorization, approval or consent of any Governmental Body in respect of such issuance, then such period shall be extended solely to the extent necessary to permit the receipt of all such authorizations, approvals or consents which are in process but have not been received from the relevant Governmental Body as of such original expiration date and the consummation of the issuance provided for in such definitive agreement; provided, further, that the Company shall have used its reasonable best efforts in seeking such authorizations, approvals and consents. Upon the completion of such issuance of Common Membership

Interests pursuant to this Section 5.1(d), the Company shall give written notice to the Members of such issuance, which notice shall specify (i) the total number of new Common Membership Interests issued, (ii) the price per Common Membership Interest at which the Company issued the Membership Interests, and (iii) any other material terms of the issuance. Upon the issuance of new Common Membership Interests pursuant to this Section 5.1(d), the Contributing Member's and Non-Contributing Member's respective Common Percentage Interests will be adjusted accordingly. For the avoidance of doubt, any issuance of Membership Interests to Third Parties pursuant to this Section 5.1(d) shall only be of Common Membership Interests, and no such issuance of Membership Interests to Third Parties in connection therewith may be made of Special Purpose Membership Interests.

(e) In the event that the Investor Member refuses or fails to fund all or any portion of its share of an Additional Funding Requirement pursuant to this Section 5.1 on or prior to the applicable Capital Request Funding Date in respect of two Additional Funding Requirements, subject to Section 5.1(c)(ii)(C), from and after the occurrence of the second such failure or refusal by the Investor Member, the FE Member may (but is not required to), at its option at any time, acquire all (but not less than all) of the Membership Interests held by the Investor Member (the "Call Right") by giving written notice (the "Call Notice") to the Investor Member of its election to exercise the Call Right; provided, that, the Investor Member shall have 60 days following the Call Notice to cure the most recent such failure to fund. The purchase price payable by the FE Member in connection with the exercise of the Call Right shall be equal to the product of (i) 90.0% of the Fair Market Value of the Company (measured as of the date of the delivery of the Call Notice to the Investor Member) multiplied (ii) by a fraction, (A) the numerator of which is the number of Membership Interests that the Investor Member owns at such time and (B) the denominator of which is the total number of Membership Interests then outstanding (the amount equal to such product, the "Call Exercise Price"). If the Call Right is exercised by the FE Member, each of the Parties shall take all actions as may be reasonably necessary to consummate the transactions contemplated by this Section 5.1(c) as promptly as practicable, but in any event not later than 30 days after, or, if the Investor Member indicates its intent to cure its funding failure prior to such 30th day, 60 days after, the delivery of the Call Notice (such period, the "Call Consummation Period"), including entering into agreements and delivering certificates and instruments and consents as may be deemed necessary. If the Investor Member fails to take all actions necessary to consummate the Transfer of the Membership Interests held by it in accordance with this Section 5.1(c) prior to the expiration of the Call Consummation Period, then the Investor Member shall be deemed to be in material breach of this Agreement for purposes of Article IV and for all other purposes hereunder, and shall be deemed to have granted (and hereby grants, contingent only on the occurrence of such failure) an irrevocable appointment of any Person nominated for the purpose by the FE Member to be the Investor Member's agent and attorney to execute all necessary documentation and instruments on its behalf to Transfer the Investor Member's Membership Interest to the Company as the holder thereof, in each case consistent with the provisions of this Section 5.1(e). At the consummation of any purchase and sale pursuant to this Section 5.1(e), the Investor Member shall sell to the FE Member all of the Membership Interests owned by the Investor Member in exchange for the Call Exercise Price. Contemporaneously with its receipt from the FE Member of the Call Exercise Price, the Investor Member shall Transfer to the FE Member all of the Membership Interests owned by the Investor Member, free and clear of all Liens. The Members and the Company acknowledge and agree that they shall cooperate reasonably to obtain any

necessary authorization, approval or consent of any Governmental Body to consummate the transactions contemplated by this Section 5.1(e).

(f) It is hereby acknowledged by the Parties that the FE Member has made the MAIT Class B Contribution effective as of the date hereof for the issuance from the Company of Special Purpose Membership Interests constituting a 100% Special Percentage Interest. Except for the MAIT Class B Contribution, no Member that is a holder of Special Purpose Membership Interests (acting in such capacity) has made or shall make, or shall be required or permitted to make, whether pursuant to a written capital funding request notice from the Company or otherwise, any additional capital contributions to the Company on account of its ownership of Special Purpose Membership Interests.

Section 5.2 Distributions Generally; Support Payments.

(a) Except as otherwise provided herein and subject to Section 5.2(c), Section 5.2(d) and the Act, no later than sixty (60) days after the end of each fiscal quarter, (i) for as long as the Investor Member's Common Percentage Interest is 30.0% or greater, the Company shall make distributions in cash to the Members that are holders of the Common Membership Interests (in their capacity as such) of all of the Company's Available Limited Discretion Cash in respect of such fiscal quarter, and (ii) in the event that the Investor Member's Common Percentage Interest falls below 30.0%, the Company shall make distributions in cash to the Members that are holders of the Common Membership Interests (in their capacity as such) of all the Company's Available Cash in respect of such fiscal quarter. The Company may make such other more frequent distributions (including interim distributions) to the Members that are holders of the Common Membership Interests (in their capacity as such) at such times and in such amounts as the Board may determine; provided, that, for so long as the Investor Member holds at least a 30.0% Common Percentage Interest, any such determination of the Board shall require the approval of each Investor Director; provided, further, that the Company shall only make distributions of any MAIT Class B Distributable Amounts (or any amounts that should be properly classified as MAIT Class B Distributable Amounts) in accordance with Section 5.2(b); provided, further, that except as set forth in Section 5.2(b) or in accordance with Section 5.3, no Member in its capacity as a holder of Special Purpose Membership Interests shall be entitled to, and no Member in its capacity as a holder of Special Purpose Membership Interests shall receive, any distributions from the Company on account of such holder's Special Purpose Membership Interests.

(b) Except as otherwise provided herein and subject to Section 5.2(c), Section 5.2(d) and the Act, for so long as any Special Purpose Membership Interests remain outstanding, as promptly as practicable (and in any event no later than two (2) Business Days) after each time that MAIT has made a validly authorized distribution to its equity holders in accordance with MAIT's Organizational Documents and applicable Law, the Company shall make distributions in cash to the Members that are holders of the Special Purpose Membership Interests (in their capacity as such) of all of the Company's MAIT Class B Distributable Amounts.

(c) Except as otherwise provided herein, all distributions shall be paid to the Members only in cash and in the same proportion as their respective Common Percentage

Interest or Special Percentage Interest, as applicable; provided that, in the case of distributions to be paid in respect of any period during which the applicable Common Percentage Interest or Special Percentage Interest, as applicable, of the Members changed, such distributions shall be prorated to reflect the Percentage Interest of the Members on each day of such measurement period, and the Company and the Members shall take such action as necessary to effectuate such proration.

(d) Notwithstanding the terms of this Section 5.2 and any other provision of this Agreement, (i) the Company shall not make any distribution to any Member on account of its Membership Interests to the extent such distribution would violate the Act, other applicable Law, and (ii) a Member may direct the payment of part or all of any distribution to another Person by providing written notice of such direction to the Company.

Section 5.3 Distributions upon the Occurrence of an Event of Dissolution. Upon the occurrence of an Event of Dissolution, the Board will proceed, subject to the provisions herein, to wind up the affairs of the Company, liquidate and distribute the remaining assets of the Company (provided, however, that all distributions shall be paid to the Members only in cash) and apply the proceeds of such liquidation in the order of priority in accordance with Section 18-804 of the Act or as may otherwise be agreed to by the Members, including, for the avoidance of doubt, the Investor Member; provided that, notwithstanding the foregoing (including the order of priority set forth in Section 18-804 of the Act to the extent it is contrary to the terms set forth in this proviso), to the extent permitted by applicable Law, the Members and the Company shall take all actions necessary to cause the Company to, before making any liquidating distributions to the Members as holders of the Common Membership Interests on account thereof, first make a liquidating distribution equal to the Fair Market Value of the MAIT Class B Interests then-owned by or for the benefit of the Company as of the date of the occurrence of an Event of Dissolution to the Members who are holders of the Special Purpose Membership Interest (on account thereof) in the same proportion as their respective Special Percentage Interests.

Section 5.4 Withdrawal of Capital; Interest. Except as expressly provided in this Agreement, (a) no Member may withdraw capital or receive any distributions from the Company and (b) no interest shall be paid by the Company on any capital contribution or distribution.

ARTICLE VI
TRANSFERS OF MEMBERSHIP INTERESTS

Section 6.1 General Restrictions.

(a) No Member shall Transfer any of its Membership Interests except pursuant to and in accordance with this Article VI. Any purported Transfer by any Member of its Membership Interests in violation of this Section 6.1(a), or without compliance in all respects with the provisions of this Article VI pertaining to such purported Transfer, shall be invalid and void *ab initio*, and such purported Transfer by such Member shall constitute a material breach of this Agreement for purposes of Article IV.

(b) Subject to Section 6.2, neither the Investor Member nor the FE Member may Transfer any of its Membership Interests to any Person prior to the expiration of the Lock-

Up Period, other than with the prior written consent of the FE Member or the Investor Member, as applicable. After the expiration of the Lock-up Period, each of the Investor Member and the FE Member, as applicable, may Transfer its Membership Interests in accordance with this Article VI. Notwithstanding the foregoing, each of the Members may at any time Transfer Membership Interests in compliance with Section 6.5.

Section 6.2 Transfers to Permitted Transferees; Liens by Members.

(a) Notwithstanding Section 6.1(a) and Section 6.1(b), each of the Members may Transfer at any time all or any portion of the Membership Interests held by it to any one of its Permitted Transferees; provided that, in connection with any such Transfer, (a) such Permitted Transferee shall, (i) in writing, assume all of the rights and obligations of the transferring Member as a Member under this Agreement and as a Party hereto with respect to the Transferred Membership Interests and (ii) obtain all requisite authorizations, approvals and consents of any Governmental Body in respect of such Transfer (and no such requisite authorization, approval or consent shall have been rescinded), and (b) effective provision shall be made whereby such Permitted Transferee shall be required, prior to the time when it shall cease to be a Permitted Transferee of the transferring Member, to Transfer such Membership Interests to the transferring Member or to another Person that would be a Permitted Transferee of the transferring Member as of such applicable time. In the event that a Member (including, as the case may be, a Permitted Transferee) intends to Transfer its Membership Interests to a Permitted Transferee, such transferring Member or the Permitted Transferee, as applicable, shall notify the other Member and the Company of the intended Transfer at least 20 Business Days prior to the intended Transfer.

(b) Each Member shall be permitted to directly or indirectly Encumber its Membership Interests or any equity interests in such Member in connection with any debt financing, the proceeds of which have been or will be used by such Member to finance its purchase of such Membership Interests (whether in respect of an issuance of new Membership Interests by the Company or the purchase of existing Membership Interests from a Member or the refinancing of any such debt financing in the future), and neither such Lien nor any commencement or consummation of foreclosure proceedings or exercise of foreclosure remedies by a secured party on, or the subsequent direct or indirect sale of, a Member's Membership Interests Encumbered in connection with any such debt financing shall, in either case, be considered a "Transfer" for any purpose under this Agreement; provided, that (i) such Member shall be obligated to promptly notify the other Member and the Company in writing following the commencement of any such foreclosure remedies or proceedings, (ii) in the event of the consummation of such a foreclosure, such Member will automatically cease to be deemed the owner of the Membership Interests so foreclosed and will cease to have any rights in respect thereof (with the financing source foreclosing on such Membership Interests succeeding to the rights and responsibilities of the Member hereunder), and (iii) the consummation of any such foreclosure will be subject to the receipt of any required authorization, approval or consent of all applicable Governmental Bodies.

Section 6.3 Right of First Offer.

(a) Prior to any Transfer by a Member (each, a "Transferring Member") of any Membership Interests, other than to a Permitted Transferee of such Transferring Member, the Transferring Member must first offer to sell to the other Member (such other Member, the "Non-Transferring Member") all of its Membership Interests that it desires to sell (such Membership Interests to be offered for sale to the Non-Transferring Member pursuant to this Section 6.3, the "Subject Membership Interests"), in each case, in accordance with the procedures set forth in the provisions of this Section 6.3.

(i) The Transferring Member shall first deliver to the Non-Transferring Member a written notice (a "Sale Notice") setting forth the cash price and all of the other material terms and conditions at which the Transferring Member is willing to sell the Subject Membership Interests to the Non-Transferring Member, which notice shall constitute an offer to the Non-Transferring Member to effect such purchase and sale on the terms set forth therein. Any such Sale Notice shall be firm, not subject to withdrawal and prepared and delivered in good faith. Within thirty (30) days following its receipt of a Sale Notice, the Non-Transferring Member may accept the Transferring Member's offer and purchase the Subject Membership Interests at the cash price and upon the other material terms and conditions set forth in the Sale Notice, in which event the closing of the purchase and sale of the Subject Membership Interests will take place as promptly as practicable. The Sale Notice shall contain representations and warranties by the Transferring Member to the Non-Transferring Member that (A) the Transferring Member has full right, title and interest in and to the Subject Membership Interests, (B) the Transferring Member has all the necessary power and authority and has taken all necessary action to Transfer the Subject Membership Interests to the Non-Transferring Member as contemplated by this Section 6.3, and (C) the Subject Membership Interests are free and clear of any and all Liens other than those arising as a result of or under the terms of this Agreement and those arising under securities Laws of general applicability pertaining to limitations on the transfer of unregistered securities.

(ii) If the Non-Transferring Member does not accept the Transferring Member's offer within such 30-day period, then the Transferring Member will, for a period of 120 days commencing on the earlier of (A) the expiration of such 30-day period and (B) the delivery of a written notice by the Non-Transferring Member to the Transferring Member rejecting the offer set forth in the Sale Notice (if any) (such 120-day period, the "Sale Period"), be entitled to sell the Subject Membership Interests to any one Third Party at the same or higher price and upon other terms and conditions (excluding price) that are not more favorable to the acquiror than those specified in the Sale Notice, subject to the other terms of this Section 6.3. If such sale to any Third Party is not completed prior to the expiration of the Sale Period, then the process initiated by the delivery of the Sale Notice shall be lapsed, and the Transferring Member will be required to repeat the process set forth in this Section 6.3 before entering into any agreement with respect to, or consummating, any sale of Membership Interests to any Third Party; provided that if a definitive agreement providing for the consummation of such sale is executed within the Sale Period but such sale has not been consummated at the expiration of the Sale Period solely as a result of a failure to receive the requisite

authorization, approval or consent of any Governmental Body in respect of such sale, then the Sale Period shall be extended solely to the extent necessary to permit the receipt of all such authorizations, approvals or consents which are in process but have not been received from the relevant Governmental Body as of the original expiration date of the Sale Period and the consummation of the sale provided for in such definitive agreement; provided, further, that the Transferring Member shall have used its reasonable best efforts in seeking such authorizations, approvals and consents.

(b) The Investor Member and its Permitted Transferees (if any) shall not be permitted to Transfer any of their Membership Interests to a Prohibited Competitor without the prior written consent of the FE Member. Within 10 Business Days after January 1, 2023 (and each year thereafter during the 10-Business Day period beginning on January 1 of the applicable year), the FE Member shall have the right to update the list of Prohibited Competitors set forth on Schedule 2 (i) to replace no more than three of the Prohibited Competitors with other Competitors designated by the FE Member, and (ii) in addition to any replacements pursuant to clause (i), to add up to two additional Prohibited Competitors designated by the FE Member to such list. Notwithstanding anything to the contrary set forth in this Agreement, this Section 6.3(b) and Schedule 2 (together with the definition of "Prohibited Competitor") shall automatically terminate and have no further force and effect in the event that the FE Member and its Permitted Transferees, individually or collectively, no longer control the Company. For purposes of this Section 6.3 and Section 6.4, "control" means (x) the ownership of a majority of the issued and outstanding Common Membership Interests of the Company, or (y) the ability to elect, directly or indirectly, a majority of the Directors of the Company in accordance with this Agreement.

(c) Prior to the consummation of any Transfer pursuant to Section 6.3(a)(ii), the Transferring Member shall have delivered to the Board and to the Non-Transferring Member evidence reasonably satisfactory to the Board (with the Directors appointed by the Transferring Member abstaining from any such determination) and to the Non-Transferring Member that (i) the transferee is financially capable of carrying out the obligations and promptly paying all liabilities of the Transferring Member pursuant to this Agreement with respect to the Subject Membership Interests, and (ii) the Transfer complies with the provisions of Section 6.3(b) (if applicable).

Section 6.4 Tag-Along Rights.

(a) Other than with respect to a Transfer proposed and made in accordance with Section 6.5, in the event that the FE Member proposes to effect a Transfer to a Third Party transferee (the "Tag-Along Buyer") of a number of its Membership Interests (i) constituting more than 5.0% of the total Common Membership Interests then outstanding (but which would not result in the Tag-Along Buyer acquiring control of the Company) or (ii) that would result in the Tag-Along Buyer acquiring control of the Company (in either case, a "Tag-Along Sale"), then the FE Member shall give the Investor Member written notice (a "Tag-Along Notice") of such proposed Transfer at least thirty (30) days prior to the consummation of such Tag-Along Sale, setting forth (w) the number of Membership Interests ("Tag-Along Offered Membership Interests") proposed to be Transferred to the Tag-Along Buyer and the purchase price, (x) the identity of the Tag-Along Buyer, (y) any other material terms and conditions of the proposed

Transfer, and (z) the intended dates on which the FE Member will enter into a definitive agreement in respect of such proposed Transfer and consummate such proposed Transfer.

(b) Upon delivery of a Tag-Along Notice, the Investor Member shall have the right, (i) in the case of a Tag-Along Sale described under Section 6.4(a)(i), to sell up to its Tag Portion, and (ii) in the case of a Tag-Along Sale described under Section 6.4(a)(ii), to sell all of the Common Membership Interests of the Company held by the Investor Member, in either case at the same price per Common Membership Interest, for the same form of consideration and pursuant to the same terms and conditions (including time of payment) as set forth in the Tag-Along Notice (or, if different, as such are applicable at the time of the entry into a definitive agreement in respect of, or at the time of the consummation of, the Tag-Along Sale). If the Investor Member wishes to participate in the Tag-Along Sale, then the Investor Member shall provide written notice to the FE Member no less than thirty (30) days after the date of the Tag-Along Notice, indicating such election. Such notice shall set forth the number of its Common Membership Interests that the Investor Member elects to include in the Tag-Along Sale (which number shall not exceed its Tag Portion solely in the case of a Tag-Along Sale described under Section 6.4(a)(i)), and such notice shall constitute the Investor Member's binding agreement to sell such Common Membership Interests on the terms and subject to the conditions applicable to the Tag-Along Sale.

(c) Any Transfer of the Investor Member's Common Membership Interests in a Tag-Along Sale shall be on the same terms and conditions as the Transfer of the FE Member's Common Membership Interests in such Tag-Along Sale, except as otherwise provided in this Section 6.4(c). The Investor Member shall be required to make customary representations and warranties in connection with the Transfer of the Investor Member's Common Membership Interests, including as to its ownership and authority to Transfer, free and clear of all Liens, the Investor Member's Common Membership Interests and shall indemnify and hold harmless, to the fullest extent permitted by applicable Law, the Tag-Along Buyer against all losses of whatever nature arising out of, in connection with or related to any material breach of any material representation or warranty made by, or agreements, understandings or covenants of the Investor Member, as the case may be, under the terms of the agreements relating to such Transfer of Investor Member's Common Membership Interests, in each case not to exceed the equivalent obligations to indemnify and hold harmless the Tag-Along Buyer provided by the FE Member; provided, that (i) liability for misrepresentation or indemnity shall (as between the FE Member and the Investor Member) be expressly stated to be several but not joint and the FE Member and the Investor Member shall not be liable for any breach of covenants or representations or warranties as to the Common Membership Interests of any other Member and shall not, in any event, be liable for more than its *pro rata* share (based on the proceeds to be received) of any liability for misrepresentation or indemnity, (ii) the Investor Member shall benefit from any releases of sellers or other provisions in the transaction documentation of general applicability to sellers to the same extent as the FE Member, (iii) the Investor Member shall not be obligated to agree to any non-customary administrative covenants (such as any non-compete covenants that would restrict its or its Affiliates' business activities), and (iv) the Investor Member shall not be obligated to provide indemnification obligations that exceed its proceeds from the Tag-Along Sale.

(d) Notwithstanding the foregoing, and for the avoidance of doubt, the Investor Member shall not be entitled to Transfer its Common Membership Interests pursuant to this Section 6.4 in the event that, notwithstanding delivery of a written notice of election to participate in such Tag-Along Sale pursuant to this Section 6.4, the Investor Member fails to consummate the Transfer of its Common Membership Interests (on the terms and conditions required by this Section 6.4) in the applicable Tag-Along Sale.

(e) For the avoidance of doubt, (i) the terms of this Section 6.4 apply to any Transfers of any Common Membership Interests by a Permitted Transferee of the FE Member that would otherwise constitute a Tag-Along Sale, and (ii) the rights conferred to the Investor Member under this Section 6.4 do not apply in the event of (A) a Change in Control of the FE Member or (B) a sale of all or any portion of the FE Member's Special Purpose Membership Interests.

Section 6.5 Drag-Along Rights.

(a) In the event that the FE Member intends to effect a sale of all of the Common Membership Interests owned by the FE Member and such Common Membership Interests constitute a majority of the issued and outstanding Common Membership Interests of the Company (a "Drag-Along Sale"), then the FE Member shall have the option (but not the obligation) to require the Investor Member to Transfer all of its Common Membership Interests to the Third Party buyer (the "Drag-Along Buyer") (or to such other Party as the Drag-Along Buyer directs) in accordance with the provisions of this Section 6.5 (such right of the FE Member, the "Drag-Along Right").

(b) If the FE Member elects to exercise the Drag-Along Right pursuant to Section 6.5(a), then the FE Member shall send a written notice to the Investor Member (a "Drag-Along Notice") specifying (i) that the Investor Member is required to Transfer all of its Common Membership Interests pursuant to this Section 6.5, (ii) the amount and form of consideration payable for the Investor Member's Common Membership Interests, (iii) the name of the Third Party to which the Investor Member's Common Membership Interests are to be Transferred (or which is otherwise entitled to direct the disposition thereof at the consummation of the Drag-Along Sale), (iv) any other material terms and conditions of the proposed Transfer, and (v) the intended dates on which the FE Member will enter into a definitive agreement in respect of such proposed Transfer and consummate such proposed Transfer.

(c) In the event that the FE Member elects to exercise the Drag-Along Right, then the Investor Member hereby agrees with respect to all Common Membership Interests it holds:

(i) in the event such transaction requires the approval of Members, to vote (in person, by proxy or by action by written consent, as applicable) all of its voting Membership Interests in favor of such Drag-Along Sale;

(ii) to execute and deliver all related documentation and take such other action reasonably necessary to enter into definitive agreements in respect of and to

consummate the proposed Drag-Along Sale in accordance with, and subject to the terms of, this Section 6.5; and

(iii) not to deposit its Common Membership Interests in a voting trust or subject any Common Membership Interests to any arrangement or agreement with respect to the voting of such Common Membership Interests, unless specifically requested to do so by the Drag-Along Buyer in connection with a Drag-Along Sale.

(d) Subject to Section 6.5(e), any Transfer of the Investor Member's Common Membership Interests in a Drag-Along Sale shall be on the same terms and conditions as the proposed Transfer of the FE Member's Common Membership Interests in the Drag-Along Sale. Upon the request of the FE Member, the Investor Member shall be required to make customary representations and warranties in connection with the Transfer of the Investor Member's Common Membership Interests, including as to its ownership and authority to Transfer, free and clear of all Liens, its Membership Interests, and shall indemnify and hold harmless, to the fullest extent permitted by applicable Law, the Drag-Along Buyer against all losses of whatever nature arising out of, in connection with or related to any material breach of any representation or warranty made by, or agreements, understandings or covenants of the Investor Member as the case may be, under the terms of the agreements relating to such Transfer of the Investor Member's Common Membership Interests, in each case not to exceed the equivalent obligations to indemnify and hold harmless the Tag-Along Buyer provided by the FE Member; provided, that (i) liability for misrepresentation or indemnity shall (as between the FE Member and the Investor Member) be expressly stated to be several but not joint and the FE Member and the Investor Member shall not be liable for any breach of covenants or representations or warranties as to the Membership Interests of any other Member and shall not, in any event, be liable for more than its *pro rata* share (based on the proceeds to be received) of any liability for misrepresentation or indemnity, (ii) the Investor Member shall benefit from any releases of sellers or other provisions in the transaction documentation of general applicability to sellers to the same extent as the FE Member and (iii) the Investor Member shall not be obligated to provide indemnification obligations that exceed its proceeds from the Drag-Along Sale.

(e) Any Transfer required to be made by the Investor Member pursuant to this Section 6.5 shall be for consideration consisting solely of cash. Without the consent of the Investor Member, the Investor Member shall not be required in connection with such Drag-Along Sale to agree to any material non-customary administrative covenants (such as any non-compete covenants that would restrict its or its Affiliates' business activities).

(f) At the consummation of the Drag-Along Sale, the Investor Member shall Transfer all of its Common Membership Interests to the Drag-Along Buyer (or its designee), and the Drag-Along Buyer shall pay the consideration due for the Investor Member's Common Membership Interest. If the Investor Member has, due to its own fault, failed, as of immediately prior to the time that the consummation of the Drag-Along Sale would otherwise have occurred, to have taken all actions necessary in accordance with this Agreement to consummate the Transfer of the Common Membership Interests held by it, then the Investor Member shall be deemed to be in material breach of this Agreement for purposes of Article IV, and shall be deemed to have granted (and hereby grants, contingent only on the occurrence of such failure) an irrevocable appointment of any Person nominated for the purpose by the FE Member to be the

Investor Member's agent and attorney to execute all necessary documentation and instruments on its behalf to Transfer the Investor Member's Common Membership Interest to the Drag-Along Buyer (or as it may direct) as the holder thereof, in each case consistent with the terms set forth in this Section 6.5.

(g) The FE Member shall have a period of 180 days commencing on the delivery of the Drag-Along Notice (such 180-day period, the "Drag Sale Period") to consummate the Drag-Along Sale. If the Drag-Along Sale is not completed prior to the expiration of the Drag Sale Period, then the process initiated by the delivery of the Drag-Along Notice shall be lapsed, and the FE Member will be required to repeat the process set forth in this Section 6.5 to pursue any Drag-Along Sale; provided that if a definitive agreement providing for the consummation of such Drag-Along Sale is executed within the Drag Sale Period but such Drag-Along Sale has not been consummated at the expiration of the Drag Sale Period solely as a result of a failure to receive the requisite authorization, approval or consent of any Governmental Body in respect of such Drag-Along Sale, then the Drag Sale Period shall be extended solely to the extent necessary to permit the receipt of all such authorizations, approvals or consents which are in process but have not been received from the relevant Governmental Body as of the original expiration date of the Drag Sale Period and the consummation of the Drag-Along Sale provided for in such definitive agreement; provided, further, that the FE Member shall have used efforts in seeking such authorizations, approvals and consents consistent with its obligations under such definitive agreement(s) in respect thereof.

(h) Notwithstanding the foregoing, the FE Member may not exercise the Drag-Along Right or consummate any Drag-Along Sale without the prior written consent of the Investor Member unless the applicable Drag-Along Sale would result in the Investor Member receiving net cash proceeds that result in the achievement of at least (x) an IRR of 10.0% and (y) an amount equal to 250.0% of the Investor Member's total Capital Contributions as of the exercise date of the Drag-Along Right *plus* the Purchase Price (as defined in the Initial PSA) *plus* the Purchase Price (as defined in the Second PSA) (the "Investor Member Minimum Return") and all outstanding loans (pursuant to Section 5.1 or otherwise) from the Investor Member to the FE Member, the Company or any of its Subsidiaries, including all accrued and unpaid interest thereon, are repaid in full at the closing of such contemplated Drag-Along Sale; provided, that any shortfall in the Investor Member receiving net cash proceeds that result in the achievement of the Investor Member Minimum Return may be paid by the FE Member to the Investor Member in immediately available funds at the closing of the Drag-Along Sale, in which case the prior written consent of the Investor Member shall not be required to exercise the Drag-Along Right or consummate such Drag-Along Sale.

(i) For the avoidance of doubt, the rights conferred to the FE Member under this Section 6.5 do not apply in the event of (A) a Change in Control of the FE Member or (B) a sale of all or any portion of the FE Member's Special Purpose Membership Interests.

Section 6.6 Cooperation. The Members and the Company acknowledge and agree that each of them shall cooperate reasonably to obtain the requisite authorization, approval or consent of any Governmental Body necessary to consummate (i) any Transfers contemplated or permitted by this Article VI or (ii) any indirect transfer of ownership interests of any direct or indirect member of the Investor Group ("Investor Group Transfer") to the extent that such

transfer necessitates the Company, any of its Subsidiaries, or the FE Member's participation in order to obtain such authorization, approval or consent of an applicable Governmental Body. The Members shall have the right in connection with any Transfer of Membership Interests permitted by this Agreement or any Investor Group Transfer (or in connection with the investigation or consideration of any such potential Transfer or Investor Group Transfer) to require the Company to reasonably cooperate with potential purchasers in such prospective Transfer or Investor Group Transfer (at the sole cost and expense of the applicable Member or such potential purchasers) by taking such actions reasonably requested by the applicable Member or such potential purchasers, including (a) preparing or assisting in the preparation of due diligence materials, (b) providing access to the Company's and each of its Subsidiaries' books, records, properties and other materials (subject, in each case, to the execution of customary confidentiality and non-disclosure agreements) to potential purchasers, and (c) making the directors, officers, employees (if any) and other Representatives of the Company and its Subsidiaries available to potential purchasers for presentations and due diligence interviews; provided that no such cooperation by the Company shall be required (i) until the relevant potential purchaser executes and delivers to the Company a customary confidentiality agreement, (ii) to the extent such cooperation would unreasonably interfere with the normal business operations of the Company or any of its Subsidiaries, and (iii) to the extent the provision of any information would (A) conflict with, or constitute a violation of, any applicable Law or cause a loss of attorney-client privilege of the Company or any of its Subsidiaries, (B) other than as may be necessary for the purpose of any regulatory filings necessary to consummate any such Transfer or Investor Group Transfer, in the FE Member's reasonable and good faith determination, require the disclosure of any information that is proprietary, confidential or sensitive to the FE Member or to any other member of the FE Outside Group, (C) other than as may be necessary for the purpose of any regulatory filings necessary to consummate any such Transfer or Investor Group Transfer, in the Investor Member's reasonable and good faith determination, require the disclosure of any information that is proprietary, confidential or sensitive to the Investor Member, or (D) require the disclosure of any confidential information relating to any joint, combined, consolidated or unitary Tax Return that includes the FE Member or any other member of the FE Outside Group or any supporting work papers or other documentation related thereto. Notwithstanding, anything herein to the contrary, the Company will not be required in connection with any Transfers contemplated or permitted by this Article VI or any Investor Group Transfer to offer or grant any non-*de minimis* accommodation or concession (financial or otherwise) to any Third Party or to otherwise suffer any non-*de minimis* detriment in connection with obtaining any authorization, approval or consent of any Governmental Body in connection with such transfer (it being understood that costs and expenses incurred by the Company that are promptly reimbursed by the Member seeking to effect such transfer will not be considered a "detriment" for purposes of this sentence).

Section 6.7 Contracts Inhibiting Transfer. The Company shall not, and shall cause its Subsidiaries not to, enter into any Contract (or modify the terms of any existing Contract of the Company or any of its Subsidiaries so as to provide) that includes a provision that, by its terms, is triggered by a Transfer of the Investor Member's Membership Interests or an Investor Group Transfer and that the consequence of such triggering event under such Contract would have an effect that is materially adverse to the Company or any of its Subsidiaries.

ARTICLE VII
PREEMPTIVE RIGHTS

Section 7.1 Preemptive Rights. The Company hereby grants to each Member the right to purchase such Member's Preemptive Right Share of all (or any part) of any New Securities that the Company may from time to time issue after the date of this Agreement (the "Preemptive Right"). In the event the Company proposes to undertake an issuance of New Securities (in a single transaction or a series of related transactions), the Company shall give to each Member written notice of its intention to issue New Securities (the "Preemptive Right Participation Notice"), describing the amount and type of New Securities, the cash purchase price and the general terms upon which it proposes to issue such New Securities. Each Member shall have ten (10) Business Days from the date of receipt of any such Preemptive Right Participation Notice (the "Preemptive Right Notice Period") to agree in writing to purchase for cash up to such Member's Preemptive Right Share of such New Securities for the price and upon the terms and conditions specified in the Preemptive Right Participation Notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased (not to exceed such Member's Preemptive Right Share). If any Member fails to so respond in writing within the Preemptive Right Notice Period, then such Member shall forfeit the right hereunder to purchase its Preemptive Right Share of such New Securities. Subject to obtaining the requisite authorization, approval or consent of any Governmental Body, the closing of any purchase by any Member pursuant to this Section 7.1 shall be consummated concurrently with the consummation of the issuance or sale described in the Preemptive Right Participation Notice. The Company shall be free to complete the proposed issuance or sale of New Securities described in the Preemptive Right Participation Notice with respect to any New Securities not elected to be purchased pursuant to this Section 7.1 in accordance with the terms and conditions set forth in the Preemptive Right Participation Notice (except that the amount of New Securities to be issued or sold by the Company may be reduced upon approval by the Board, which shall require the approval of each Investor Director so long as the Investor Member holds a Common Percentage Interest of at least 30.0%).

ARTICLE VIII
PROTECTIVE PROVISIONS

Section 8.1 Investor Member No Threshold Matters. Notwithstanding anything to the contrary in this Agreement, the Company shall not cause or permit, in each case, without the prior written consent of the Investor Member (except that no such written consent shall be required to the extent that such matter is necessary to comply with applicable Law); provided, that the Investor Member may not unreasonably withhold its consent to the matters under clause (i) below (it being acknowledged and agreed that it shall be deemed unreasonable for the Investor Member to withhold its consent to any matter under clause (i) below solely on the basis of the pricing or other terms thereof if such pricing or other terms are provided for by, and are otherwise in accordance with, applicable Law):

(a) the issuance of (i) any membership interests by the Company or (ii) any equity interests by any of the Company's Subsidiaries to any Person that is not the Company or one of its Subsidiaries;

(b) the taking of any action that would reasonably be expected to result in the Company not being classified as a corporation for U.S. federal income Tax purposes (or for the purposes of any applicable state and local Taxes, to the extent material);

(c) causing the conversion of the Company or any of its Subsidiaries from its current legal business entity form to any other business entity form (*e.g.*, the conversion of the Company from a Delaware limited liability company to a Delaware corporation);

(d) any non-*pro rata* repurchase or redemption of any equity interests issued by the Company;

(e) the transfer, sale or other disposition, whether by way of asset sale, stock sale, merger or otherwise, of all or substantially all of the assets of the Company and the Company's Subsidiaries, taken as a whole on a consolidated basis (it being understood, for the avoidance of doubt, that this Section 8.1(e) shall not be deemed to restrict a transfer, sale or other disposition of the equity of the Company);

(f) any amendment or modification to any Organizational Document of any Subsidiary of the Company, other than (i) ministerial amendments thereto or (ii) amendments thereto that would not reasonably be expected to have a material and adverse impact on the Investor Member;

(g) any election that would cause the Company to be treated as a "real estate investment trust" (within the meaning of Section 856 of the Code);

(h) (i) any amendment or modification to the Company Group Intercompany Income Tax Allocation Agreement dated as of the Effective Date, among the Company and its Subsidiaries listed therein (or any replacement agreement thereof entered into among the Company and its Subsidiaries for the purpose of allocating consolidated tax liabilities, the "Company Group Tax Allocation Agreement"), or (ii) the entry by the Company into any Tax sharing or allocation agreement other than the Company Group Tax Allocation Agreement;

(i) the entry into, amendment or termination of, or waiver of any material right under, any Affiliate Transaction (which shall not be deemed to include any corporate allocations involving the Company or any of its Subsidiaries that are made in compliance with Section 2.14, other than those corporate allocations that relate to operating electric transmission assets and facilities (non-corporate support services) that are specific to the Company or its Subsidiaries) other than Affiliate Transactions that satisfy each of the following requirements: (i) any and all such Affiliate Transactions are entered into on terms that are no less favorable in the aggregate to the Company (or the relevant Subsidiary thereof party thereto) than reasonably would be obtainable by another similarly-situated utility company from an unaffiliated third party (it being agreed that any pricing or other terms required by applicable Law shall be deemed to constitute an arm's length term for purposes of this clause (i)); and (ii) any and all such Affiliate Transactions involve revenues or expenditures of less than $10,000,000 per Contract, transaction or series of related transactions individually and less than $30,000,000 in the aggregate for any fiscal year for all such Affiliate Transactions (it being acknowledged and agreed that no prior written consent of the Investor Member will be required with respect to any

amendments to any Affiliate Transaction made in the ordinary course of business unless and only to the extent such amendment would adversely affect the Company or its relevant Subsidiary party thereto in any material respect); provided, that with respect to any Affiliate Transaction contemplated by Section 8.2(b) or Section 8.1(h), Section 8.2(b) or Section 8.1(h) shall control over this Section 8.1(i);

(j) the filing of a petition seeking relief, or the consent to the entry of a decree or order for relief in an involuntary case, under the bankruptcy, rearrangement, reorganization or other debtor relief Laws of the United States or any state or any other competent jurisdiction or a general assignment for the benefit of its creditors by the Company or any of its Subsidiaries; or

(k) the entry into any binding agreement or arrangement by the Company or any of its Subsidiaries to effect any of the foregoing actions.

Section 8.2 Investor Member Threshold Matters. Notwithstanding anything to the contrary in this Agreement, but subject to Section 8.4, the Company shall not cause or permit, in each case, without the prior written consent of the Investor Member, for so long as the Investor Member holds at least a 9.9% Common Percentage Interest (unless such matter is necessary (i) to comply with applicable Law, or (ii) with respect to clauses (b), (c), (d) or (f) or, to the extent related to the foregoing, (j), in response to an Emergency Situation):

(a) any material change to any line or scope of the existing business of the Company or any of its Subsidiaries;

(b) without limiting the requirements of Section 2.14, the direct or indirect acquisition by the Company or any of the Company's Subsidiaries (whether by merger or consolidation, acquisition of assets or stock or by formation of a joint venture or otherwise), or any request for capital in connection therewith, (i) of any equity interests of any member of the FE Outside Group, or (ii) of any business, assets or operations of any member of the FE Outside Group, in either case having a Fair Market Value in excess of 2.5% of the Rate Base Amount in the aggregate in any calendar year, other than Qualifying Core Assets;

(c) the transfer, sale or other disposition, whether by way of asset sale, stock sale, merger or otherwise, of any business, assets or operations of one or more of the Company's Subsidiaries having a Fair Market Value in excess of 2.5% of the Rate Base Amount in the aggregate in any single transaction or series of related transactions, other than Qualifying Core Assets;

(d) other than in connection with capital expenditures (which are addressed in subparagraph (e) below), any acquisition of assets, including equity securities, or any request for capital in connection therewith, by the Company or any of its Subsidiaries from a Third Party the aggregate purchase price of which exceeds 2.5% of the Rate Base Amount in any calendar year, other than Qualifying Core Assets;

(e) any capital expenditure by the Company or its Subsidiaries, or any request for capital in connection therewith, that exceeds in the aggregate 1.0% of the Rate Base Amount in any calendar year and that is not (i) made in connection with obtaining, constructing or

otherwise acquiring a Qualifying Core Asset, or (ii) reasonably necessary to fund any Emergency Expenditures;

(f) the incurrence of Indebtedness (other than the refinancing of existing Indebtedness on commercially reasonable terms reflecting then-current credit market conditions) by the Company or any of its Subsidiaries that would reasonably be expected to result in the Company's Debt-to-Capital Ratio equaling or exceeding (i) prior to the fifth (5^{th}) anniversary of the Effective Date, sixty five percent (65%), and (ii) thereafter, seventy percent (70%); provided, that the Company shall notify the Investor Member at least thirty (30) days prior to the Company or any of its Subsidiaries incurring any Indebtedness in excess of the annual budget;

(g) the listing of any equity interests of the Company (or a successor to the Company, including by merger, conversion or other reorganization) on any stock exchange;

(h) the entrance into any joint venture, partnership or similar agreement, unless the aggregate amount of cash, property or other assets anticipated to be contributed by the Company or its applicable Subsidiary to such joint venture or partnership is less than 2.5% of the Rate Base Amount, or such joint venture, partnership or similar interests (or the cash, property or other assets so contributed to such joint venture or partnership) would continue to qualify as Qualifying Core Assets;

(i) material decisions relating to the conduct (including the settlement) of any litigation, administrative, or criminal proceeding to which the Company or any of its Subsidiaries is a party where (i) it is reasonably expected that the liability of the Company and its Subsidiaries would exceed $30,000,000 in the aggregate and (ii) such proceeding would reasonably be expected to have an adverse effect on the Investor Member or any of its Affiliates (other than in its or (if applicable, their) capacity as an investor in the Company); provided, that, for the avoidance of doubt, the foregoing shall not be applicable to any ordinary course regulatory proceedings (including rate cases) that do not involve claims of criminal conduct or intentional violations of applicable Law; provided that, notwithstanding the foregoing, the prior written consent of the Investor Member shall not be required in any litigation, administrative or criminal proceeding between one or more members of the Company Group, on the one hand, and one or more of the Investor Member and any of its Affiliates, on the other hand; or

(j) the entry into any binding agreement or arrangement by the Company or any of its Subsidiaries to effect any of the foregoing actions.

Section 8.3 Threshold Consultation Matters. Notwithstanding anything to the contrary in this Agreement, but subject to Section 8.4, for so long as (x) the Investor Member's Common Percentage Interest is at least 9.9% and (y) the Investor Member is not a Defaulting Member, the Company (and, as applicable, the Board) shall use its reasonable best efforts to consult in good faith with the Investor Member (which consultation shall be deemed to include the participation of Investor Directors in the meetings of the Board with respect to such matters, and, to the extent requested by the Investor Member, reasonable discussions between Representatives of the Company, of the Investor Member and of the FE Member) prior to the Company undertaking, or causing or permitting any of its Subsidiaries to undertake, any of the following matters (except as would be impracticable in respect of a particular action that the Board reasonably believes to be

necessary or appropriate to comply with applicable Law or in response to an Emergency Situation):

(a) establishing or materially amending the annual budget and business plan of the Company and its Subsidiaries;

(b) without limiting the Investor Member's rights under Section 8.2(f), incurring long-term Indebtedness of the Company or any of its Subsidiaries if such incurrence would be subject to the authorization or approval of any of the Public Utilities Commission of Ohio, the Pennsylvania Public Utility Commission or FERC, except for (i) any refinancing of Indebtedness using similar instruments on substantially similar or more favorable terms relative to the existing Indebtedness being so refinanced and (ii) any such incurrence of Indebtedness made in the ordinary course of business consistent with the Company's or the applicable Subsidiary's established target regulatory capital structure consistent with the Company's or the applicable Subsidiary's historical practices;

(c) without limiting the Investor Member's rights under Section 8.2(j), initiating, settling or compromising any arbitration, lawsuit, proceeding or regulatory process (i) with a settlement or compromise amount in excess of 2.5% of the Rate Base Amount, or (ii) that has material non-monetary penalties or obligations on the Company and/or any of its Subsidiaries;

(d) the appointment or replacement of any member of the Transmission Leadership Team; and

(e) any material Tax election by or with respect to the Company or any Subsidiary that would reasonably be expected to have a material impact on the Investor Member.

Section 8.4 Investor Member Enhanced Threshold Matters. Notwithstanding anything to the contrary in this Agreement, for so long as (x) the Investor Member holds at least a 30.0% Common Percentage Interest and (y) the Investor Member is not a Defaulting Member (it being understood that if at any time the Investor Member holds at least a 30.0% Common Percentage Interest and is not a Defaulting Member, then Section 8.2 and Section 8.3(b) and (d) shall not apply), the Company shall not cause or permit, in each case, without the prior written consent of the Investor Member (unless such matter is necessary (i) to comply with applicable Law, or (ii) with respect to clauses (e), (f), or, to the extent related to the foregoing, (t), in response to an Emergency Situation):

(a) any material change to any line or scope of the existing business of the Company or any of its Subsidiaries;

(b) without limiting the requirements of Section 2.14, the direct or indirect acquisition by the Company or any of the Company's Subsidiaries (whether by merger or consolidation, acquisition of assets or stock or by formation of a joint venture or otherwise), or any request for capital in connection therewith, (i) of any equity interests of any member of the FE Outside Group, or (ii) of any business, assets or operations of any member of the FE Outside Group, in either case having a Fair Market Value in excess of 1.5% of the Rate Base Amount in the aggregate in any calendar year;

(c) the transfer, sale or other disposition, whether by way of asset sale, stock sale, merger or otherwise, of any business, assets or operations of one or more of the Company's Subsidiaries having a Fair Market Value in excess of 1.5% of the Rate Base Amount in the aggregate in any single transaction or series of related transactions;

(d) other than in connection with capital expenditures that are included in the Annual Approved Budget, any (i) acquisition of assets, including equity securities, or any request for capital in connection therewith, by the Company or any of its Subsidiaries from a Third Party the aggregate purchase price of which exceeds 1.5% of the Rate Base Amount in any calendar year or (ii) any loans to or investments in a Third Party;

(e) (i) any capital expenditure (A) made in connection with a Material Project by the Company or its Subsidiaries, or any request for capital in connection therewith, that varies from the amount for such Material Project as set forth for such project in the project listing provided by the FE Member to the Investor Member in connection with approval of the Annual Approved Budget by more than 10.0% or (B) made in connection with obtaining, constructing or otherwise acquiring any asset that is not a Qualifying Core Asset by any Subsidiary by the Company or its Subsidiaries, or any request for capital in connection therewith, that exceeds the amount set forth for such project in the project listing provided by the FE Member to the Investor Member in connection with the approval of the Annual Approved Budget for such capital expense item by more than 5.0%, or (ii) any increase in the capital expenditures of the Subsidiaries of the Company, such that the aggregate amount of capital expenditures for the current fiscal year would reasonably be expected to exceed by 10.0% or more the aggregate capital expenditures set forth in the Annual Approved Budget; provided that the Investor Member may not unreasonably withhold its consent to capital expenditures reasonably necessary to fund any Emergency Expenditures;

(f) (i) the incurrence or refinancing of Indebtedness of the Company or (ii) the incurrence or refinancing of Indebtedness of any Subsidiary of the Company if such incurrence or refinancing would reasonably be expected to cause such Subsidiary to deviate from its Targeted Capital Structure;

(g) the entry into, modification, amendment or termination of, or waiver of any material right under, any Affiliate Transaction (which shall not be deemed to include any corporate allocations involving the Company or any of its Subsidiaries that are made in compliance with Section 2.14), other than Affiliate Transactions that satisfy each of the following requirements: (i) any and all such Affiliate Transactions are entered into on terms that are no less favorable in the aggregate to the Company (or the relevant Subsidiary thereof party thereto) than reasonably would be obtainable by another similarly-situated utility company from an unaffiliated third party (it being agreed that any pricing or other terms required by applicable Law shall be deemed to constitute an arm's length term for purposes of this clause (i)); and (ii) any and all such Affiliate Transactions involve revenues or expenditures of less than $10,000,000 per Contract, transaction or series of related transactions individually and less than $20,000,000 in the aggregate for any fiscal year for all such Affiliate Transactions (it being acknowledged and agreed that no prior written consent of the Investor Member will be required with respect to (1) intercompany interconnection service agreements entered into in the ordinary course of business as required by Law or any Governmental Body in connection with services

provided to or within the PJM Region or (2) any amendments to any Affiliate Transaction made in the ordinary course of business unless and only to the extent such amendment would adversely affect the Investor Member, the Company, or any Subsidiary of the Company in any non-*de minimis* respect);

(h) the filing of a petition seeking relief, or the consent to the entry of a decree or order for relief in an involuntary case, under the bankruptcy, rearrangement, reorganization or other debtor relief Laws of the United States or any state or any other competent jurisdiction or a general assignment for the benefit of its creditors by the Company or any of its Subsidiaries;

(i) the listing of any equity interests of the Company (or a successor to the Company, including by merger, conversion or other reorganization) on any stock exchange;

(j) the entrance into any joint venture, partnership or similar agreement;

(k) material decisions relating to the initiation or conduct (including the settlement) of any litigation, administrative or criminal proceeding (other than regulatory matters, which are addressed below in clause (n)) to which the Company or any of its Subsidiaries is a party where (i) it is reasonably expected that the liability of the Company and its Subsidiaries would exceed $20,000,000 in the aggregate or (ii) such proceeding would reasonably be expected to have an adverse effect on the Investor Member or any of its Affiliates or the Company or any of its Subsidiaries; provided that, notwithstanding the foregoing, the prior written consent of the Investor Member shall not be required in any litigation, administrative or criminal proceeding between one or more members of the Company Group, on the one hand, and one or more of the Investor Member and any of its Affiliates, on the other hand;

(l) establishing or amending the Annual Approved Budget;

(m) (i) the Company or any of its Subsidiaries employing any individual or entering into or amending the terms of such employment, (ii) compensation decisions with respect to any employees or officers of the Company or any of its Subsidiaries (but not, for the avoidance of doubt, independent contractors) and (iii) the appointment or replacement of any member of the Transmission Leadership Team;

(n) if the FE Member is no longer directly or indirectly the beneficial owner of at least a majority of the Common Membership Interests of the Company, any adoption, amendment or modification of accounting policies of the Company or any Subsidiary;

(o) any (i) filings made pursuant to FPA Section 205 by any of the Company's Subsidiaries that have a material effect on the rates or terms and conditions of service, (ii) responses to FPA Section 206 proceedings, in which the Company's Subsidiaries are named parties, that are material, (iii) responses on behalf of the Company and/or its Subsidiaries to FERC enforcement proceedings involving matters material to the Company and/or its Subsidiaries, (iv) filings made with any state Governmental Body on behalf of the Company and/or its Subsidiaries involving matters material to the Company and/or its Subsidiaries, and (v) in each of the above cases, any settlement filings with respect thereto; provided, however, that all of the above rights will not apply to the extent that any member of the FE Outside Group other than Parent is a party to the relevant proceeding unless the filing, response, or proceeding as a

whole (x) is likely to have a material adverse impact on the Company and its Subsidiaries or the Investor Member that is disproportionate to the relative impact on the FE Outside Group (it being understood that any such filing whose impact is proportionate to the relative impact on the FE Outside Group will not be subject to this approval right, but that the FE Member will reasonably consult with the Investor Member in respect of such filing) or (y) presents a conflict of interest between the Company and/or its Subsidiaries, on the one hand, and one or more members of the FE Outside Group, on the other hand (in each case as reasonably determined by either Member in good faith based on the facts and circumstances, and it being understood that the FE Member will provide information as reasonably requested by the Investor Member for the purpose of determining whether such a conflict exists), it being understood that in the event of a Deadlock in respect of these filings, the applicable provisions of Schedule 4 will apply (it being acknowledged that, without limiting the foregoing, in no event shall the Investor Member have a consent right over a filing, response or proceeding of a member to the extent relating to the FE Outside Group);

(p) any execution of, termination of, material amendment to, material modification of, or waiver of any material rights under, any material contract of the Company or any of its Subsidiaries that relates to a subject matter that is different from the other subject matters addressed by the other clauses of this Section 8.4;

(q) any action reasonably expected to cause a default or breach of a material contract of the Company or any Subsidiary;

(r) creation of any material Lien, other than a Permitted Lien;

(s) causing (i) any reorganization of the Company or any of its Subsidiaries or (ii) the conversion of the Company or any of its Subsidiaries from its current legal business entity form to any other business entity form (e.g., the conversion of the Company from a Delaware limited liability company to a Delaware corporation); or

(t) the entry into any binding agreement or arrangement by the Company or any of its Subsidiaries to effect any of the foregoing actions.

Section 8.5 Enhanced Consultation Matters. Notwithstanding anything to the contrary in this Agreement, for so long as (x) the Investor Member's Common Percentage Interest is at least 25.0% but is less than 30.0% and (y) the Investor Member is not a Defaulting Member, the Company (and, as applicable, the Board) shall use its reasonable best efforts to consult in good faith with the Investor Member (which consultation shall be deemed to include the participation of Investor Directors in the meetings of the Board with respect to such matters, and, to the extent requested by the Investor Member, reasonable discussions between Representatives of the Company, of the Investor Member and of the FE Member) prior to the Company undertaking, or causing or permitting any of its Subsidiaries to undertake, any of the matters listed in Section 8.4 (except as would be impracticable in respect of a particular action that the Board reasonably believes to be necessary or appropriate to comply with applicable Law or in response to an Emergency Situation). For the avoidance of doubt, nothing in this Section 8.5 shall affect the Investor Member's rights under Sections 8.1 and 8.2.

Section 8.6 Actions by the Investor Director(s) on behalf of the Investor Member. Where any action requires the consent of the Investor Member pursuant to Section 8.1, Section 8.2 or Section 8.4, the Investor Director(s) shall, unless the Investor Member indicates in writing to the FE Member otherwise, have the authority to provide such consent on behalf of the Investor Member at any meeting of the Board called to discuss such matters, and the Company, the other Members and the other Directors shall be entitled to rely on such action of the Investor Director(s) as an action of the Investor Member with such action being binding upon the Investor Member.

Section 8.7 Certain Other Matters.

(a) For the avoidance of doubt, and notwithstanding Section 8.1, Section 8.2 and Section 8.3, in no event will the Investor Member have any consent or consultation rights in respect of the dissolution, liquidation or winding up (or similar actions taken having the same effect) of AET PATH or any of its Subsidiaries or the business and affairs of any of such Persons; provided, however, that the foregoing provisions of this Section 8.7 shall not have any effect for so long as the Investor Member holds at least a 30.0% Common Percentage Interest.

(b) Notwithstanding anything in this Agreement to the contrary, for so long as the Investor Member holds at least a 30.0% Common Percentage Interest, the Investor Member may make recommendations concerning the removal of any member of the Transmission Leadership Team, which recommendation the FE Directors must consider and discuss in good faith with the Investor Directors.

ARTICLE IX
OTHER COVENANTS AND AGREEMENTS

Section 9.1 Books and Records.

(a) The Company shall keep and maintain, or cause to be kept and maintained, books and records of accounts, taxes, financial information and all matters pertaining to the Company and its Subsidiaries at the principal offices and place of business of the Company in a commercially reasonable manner consistent with the manner in which similar books and records are kept and maintained by other members of the FE Outside Group. Each Member (other than any Defaulting Member) and its duly authorized Representatives shall have the right to, at reasonable times during normal business hours, upon reasonable notice, under supervision of the Company's personnel and in such a manner as to not unreasonably interfere with the normal operations of any member of the Company Group: (i) visit and inspect the books and records of the Company Group, and, at its expense, make copies of and take extracts from any books and records of the Company Group, (ii) meet and consult with officers, other managers of the Company Group and Representatives of the Company Group regarding their businesses and activities, and (iii) in the case of the Investor Member, for so long as the Investor Member holds at least a 30.0% Common Percentage Interest, inspect and, at its expense, make copies of and take extracts from any written reports made available to the FE Member concerning the Company Group (provided that the Company may redact or omit any portions thereof not solely related to the Company Group) or any other written information regarding the Company Group as may reasonably be requested by the Investor Member (it being

acknowledged that, for the avoidance of doubt, the obligations in this clause (iii) shall not require the disclosure of emails and other non-recurring informal correspondence, and shall not unreasonably require the creation of data or information that is not already in existence); provided that, in the case of the Investor Member, any Person gaining access to such information regarding the Company Group pursuant to this Section 9.1 and Section 9.2 shall agree to hold in strict confidence, not make any disclosure of, and not use for purposes other than good faith administration of the Investor Member's continuing investment, all information regarding any member of the Company Group that is not otherwise publicly available.

(b) Notwithstanding the foregoing or anything in Section 9.2(f), the Company shall not be obligated to provide to the Investor Member any record or information (i) relating to the negotiation and consummation of the transactions contemplated by this Agreement, the Initial PSA and the Second PSA, including confidential communications with Representatives or Advisors, including legal counsel, representing the Company or any of its Affiliates, (ii) that is subject to an attorney-client or other legal privilege, (iii) that, in the FE Member's reasonable and good faith determination are proprietary, confidential or competitively sensitive to the FE Member or to any other member of the FE Outside Group, (iv) relating to any joint, combined, consolidated or unitary Tax Return that includes the FE Member or any other member of the FE Outside Group or any supporting work papers or other documentation related thereto, or (v) the provision of which would violate any applicable Law.

(c) Each Member shall reimburse the Company for all documented out-of-pocket costs and expenses incurred by the Company in connection with such Member's exercise of its inspection and information rights pursuant to this Section 9.1 and Section 9.2(f).

Section 9.2 Financial Reports. The Company shall provide, or otherwise make available, to any Member (unless such Member is a Defaulting Member):

(a) for so long as the Investor Member holds at least a 30.0% Common Percentage Interest, on a monthly basis, operating and financial reports and any periodic updates made to financial forecasts (provided that the obligation to do so may be satisfied by delivering such information to the Board or Advisory Committee at the next scheduled monthly meeting thereof);

(b) on an annual basis, within 105 days after the end of each fiscal year, an audited consolidated balance sheet, statement of operations and statement of cash flow of each member of the Company Group;

(c) on a quarterly basis, within 60 days after the end of each fiscal quarter, an unaudited quarterly and year-to-date consolidated balance sheet and related statement of operation and statement of cash flow of each member of the Company Group;

(d) on an annual basis, as soon as reasonably practicable after the approval thereof by the Board, the annual budget and business plan (if applicable) for each member of the Company Group;

(e) on an annual basis, as soon as reasonably practicable after the approval thereof by the Board, financial forecasts for each member of the Company Group for the fiscal

year, which shall be in such manner and form as approved by the Board, and which shall include a projection of income and a projected cash flow statement for each fiscal quarter in such fiscal year and a projected balance sheet as of the end of each fiscal quarter in such fiscal year; and

(f) to the Investor Member, any other financial information regarding the Company Group reasonably requested by the Investor Member; provided, however, that the Company shall not be unreasonably required pursuant to this clause (f) to create data or information that is not already in existence.

Section 9.3 Other Business; Corporate Opportunities.

(a) To the extent permitted by applicable Law and, in the case of the FE Member, subject to its compliance with its obligations under Section 9.3(b), any Member and any Affiliate of any Member may engage in, possess an interest in or otherwise be involved in other business ventures of any nature or description, independently or with others, similar or dissimilar to the businesses of the Company Group, and neither the Company nor any other Member shall have any rights by virtue of this Agreement in and to such independent ventures or the income or profits derived therefrom, and the pursuit of any such venture, even if competitive with the businesses of the Company Group, shall be deemed not to be wrongful or improper so long as it is consistent with all Laws applicable to the Company and its Subsidiaries.

(b)

(i) In the event that the FE Member identifies an acquisition, "greenfield" development, expansion or upgrade opportunity primarily involving, related to or in furtherance of the activities described in clauses (i) and (iii) of the definition of the Company Business within the PJM Transmission Zones within the PJM Region in which the Company and its Subsidiaries then currently operate or, to the extent permitted by applicable Law, in any other area not then-covered by an existing member of the FE Outside Group (excluding the JCP&L PJM Transmission Zone) (a "Company Business Opportunity"), if and to the extent it would be permissible by the relevant Governmental Body for the Company or one of its Subsidiaries to pursue such Company Business Opportunity, then such Company Business Opportunity shall be presented by the FE Member to the Board for pursuit by the Company (subject to Article VIII) prior to any members of the FE Outside Group undertaking such opportunity; provided, however, that a "Company Business Opportunity" shall, subject to Sections 9.3(b)(ii) and 9.3(b)(iii), exclude any business activities conducted by the FE Outside Group as of the Effective Date, including direct or indirect investments in, or directly or indirectly developing, constructing, commercializing, operating, maintaining or owning, electric transmission assets and facilities in the Allegheny Power Systems Transmission Zone (but only to the extent such activities are otherwise not permitted to be undertaken by the Company) and JCP&L PJM Transmission Zone. If the Company declines the Company Business Opportunity, then the FE Outside Group will have the right to pursue the Company Business Opportunity without further involvement of the Company.

(ii) For so long as the Investor Member holds at least a 30.0% Common Percentage Interest, if the FE Member receives a bona fide third party offer to

acquire any or all of the KATCo Interests, which such offer the FE Member wishes to accept, then the FE Member shall promptly notify the Company and the Investor Member in writing of such offer (such notice, the "KATCo ROFR Notice"), setting forth the name and address of the prospective purchaser, the price or method of determining such price (the "KATCo ROFR Price"), and the material terms and conditions of such proposed sale.

(1) The Investor Member shall have a period of up to forty-five (45) days (the "KATCo ROFR Option Period") after receipt of the KATCo ROFR Notice within which to notify the FE Member in writing that it wishes for the Company to acquire all (but not less than all) of the KATCo Interests at a price equal to the KATCo ROFR Price and upon the same terms and conditions set forth in the KATCo ROFR Notice. Subject to such terms and conditions, the FE Member and Investor Member shall cooperate in good faith to obtain any necessary consents or approvals and enter into any definitive agreements to consummate the sale of the KATCo Interests to the Company. If such consents or approvals are obtained, then the FE Member shall be obligated to sell to the Company, and the Company shall be obligated to acquire from the FE Member, the KATCo Interests at the price and on the terms and conditions set forth in the KATCo ROFR Notice.

(2) If the Investor Member does not give such notice to the FE Member within such KATCo ROFR Option Period or if, having given such notice, the Investor Member and FE Member do not obtain the necessary consents or regulatory approvals despite the parties' good faith cooperation to do so, then the FE Member shall be free to sell the KATCo Interests to the Third Party named in its notice, provided that such sale is consummated at a price equal to or greater than the KATCo ROFR Price and upon substantially the same terms and conditions (other than the price, which may be higher than the KATCo ROFR Price) as are set forth in the KATCo ROFR Notice. If such sale to any Third Party is not completed prior a period of 120 days commencing on the earlier of (A) the expiration of the ROFR Option Period and (B) the delivery of a written notice by the Investor Member to the FE Member rejecting the offer set forth in the KATCo ROFR Notice (such 120-day period, the "KATCo ROFR Sale Period"), then the process initiated by the delivery of the KATCo ROFR Notice shall be lapsed, and the FE Member will be required to repeat the process set forth in this Section 9.3(b)(ii) before entering into any agreement with respect to, or consummating, any sale of KATCo Interests to such Third Party; provided, that if a definitive agreement providing for the consummation of such sale is executed within the KATCo ROFR Sale Period but such sale has not been consummated at the expiration of the KATCo ROFR Sale Period solely as a result of a failure to receive the requisite authorization, approval or consent of any Governmental Body in respect of such sale, then the KATCo ROFR Sale Period shall be extended solely to the extent necessary to permit the receipt of all such authorizations, approvals or consents which are in process but have not been received from the relevant Governmental Body as of the original expiration date of the KATCo ROFR Sale Period and the consummation of the sale provided for

in such definitive agreement; provided, further, that the FE Member shall have used its reasonable best efforts in seeking such authorizations, approvals and consents.

(iii) In connection with the sale of any KATCO Interests, the FE Member shall promptly provide any due diligence materials that were provided to the Third Party making the relevant bona fide third party offer or any other due diligence materials that are in the FE Member's possession or control or are otherwise reasonably available to the FE Member that are reasonably requested by the Investor Member in furtherance of the Investor Member's exercise of its rights under Section 9.3(b)(ii).

(c) The Company and each Member expressly acknowledge and agree, that, except as set forth in Section 9.3(b), (i) neither the Members nor any of their respective Affiliates or Representatives shall have any duty to communicate or present an investment or business opportunity to the Company in which the Company may, but for the provisions of this Section 9.3, have an interest or expectancy (a "Corporate Opportunity"), and (ii) neither of the Members nor any of their respective Affiliates or Representatives (even if such Person is also an officer or Director of the Company) shall be deemed to have breached any duty or obligation to the Company by reason of the fact that such Person pursues or acquires a Corporate Opportunity for itself or directs, sells, assigns or transfers such Corporate Opportunity to another Person or does not communicate information regarding such Corporate Opportunity to the Company. The Company and each Member expressly renounce any interest in Corporate Opportunities and any expectancy that a Corporate Opportunity will be offered to the Company.

(d) For so long as the Investor Member is a Member, the Company shall not, and shall cause its Subsidiaries not to, seek approval from the applicable Governmental Body to permit the members of the FE Outside Group that directly own equity interests in MAIT to make any capital contributions to MAIT; provided that, for so long as the Investor Member is a Member and the Company directly owns the MAIT Class B Interests, the Company shall not make any capital contributions to MAIT on account of the Company's ownership of its MAIT Class B Interests.

Section 9.4 Compliance with Laws.

(a) The Company shall not, and shall cause its Subsidiaries not to, and shall use its commercially reasonable efforts to procure that the Company Group's respective Representatives shall not in the course of their actions for, or on behalf of, any Member of the Company Group:

(i) offer promise, provide or authorize the provision of any money, property, contribution, gift, entertainment or other thing of value, directly or knowingly indirectly, to any government official, to unlawfully influence official action or secure an improper advantage, or to unlawfully encourage the recipient to improperly influence or affect any act or decision of any Governmental Body, in each case, in order to assist any member of the Company Group in obtaining or retaining business, or otherwise act in violation of any applicable Anti-Corruption Laws;

(ii) violate any applicable Anti-Money Laundering Laws;

(iii) engage in any unlawful dealings or transactions with or for the benefit of any Sanctioned Person or otherwise violate Sanctions; or

(iv) violate any applicable FDI Law.

(b) The Company shall promptly notify the Members of (i) any allegations of misconduct by any member of the Company Group or any actions, suits or proceedings by or before any Governmental Body to which any member of the Company Group becomes a party, or to which the Company becomes aware that any Representative of the Company Group (in relation to such Representative's actions for, or on behalf of, any member of the Company Group) is a party, in each case, relating to any material breach or suspected material breach of any applicable Anti-Corruption Laws, Anti-Money Laundering Laws, Sanctions or FDI Laws or (ii) any fact or circumstances of which it becomes aware that would reasonably be expected to result in a breach of this Section 9.4.

(c) The Company and its Subsidiaries have implemented and maintain, and will continue to implement and maintain, policies and procedures and a system of internal controls to ensure compliance by the Company, its Subsidiaries, their respective directors, officers, employees and agents (in their capacity as such) and Affiliates with Anti-Corruption Laws, Anti-Money Laundering Laws, Sanctions and FDI Laws.

(d) The Company and its Affiliates shall comply in all respects with all relevant terms of the Deferred Prosecution Agreement with the Southern District of Ohio entered into on July 22, 2021.

(e) Each Director and Board Observer may confer with the Member that appointed such Director and/or Board Observer regarding any allegations of misconduct by any member of the Company Group relating to any breach or suspected breach of any applicable anti-terrorism Laws, Anti-Corruption Laws, Anti-Money Laundering Laws, Sanctions or FDI Laws.

(f) Each Member shall, and shall use its commercially reasonable efforts to procure that its Representatives in the course of their actions for, or on behalf of, such Member or its Affiliates, comply in all respects with all Anti-Corruption Laws, Anti-Money Laundering Laws and FDI Laws applicable to such Persons.

(g) All Persons serving as Directors, Board Observers, Designated Alternates or members of the Advisory Committee (or any other committee of the Board) shall at all times comply with and be bound by the obligations of the members of the Company Group under the Standards of Conduct. Each Member shall cause each of its Directors, Board Observers, Designated Alternates and members of the Advisory Committee (or any other committee of the Board) to complete training on the Standards of Conduct within the first thirty (30) days of their appointment to their position as a Director, Board Observer, Designated Alternate or Member of the Advisory Committee (or any other committee of the Board if necessary) and then, thereafter, ensures on an annual basis that each such Person maintains full compliance with the Standards of Conduct compliance obligations for so long as such Person remains a Director, Board Observer,

Designated Alternate or member of the Advisory Committee (or any other committee of the Board) (as applicable). Notwithstanding anything in this Agreement to the contrary, each Member and the Company acknowledges and agrees that: (i) the Company and/or the Board may withhold access to (including by excluding him or her from the relevant portion of any Board or committee meeting regarding) material non-public transmission function information subject to FERC's Standards of Conduct until the applicable Person has satisfied the Standards of Conduct compliance obligations set forth in this Section 9.4(g); and (ii) no member of the Company Group shall be required to disclose or otherwise provide any information or materials to any Person to the extent such information is required to be kept confidential by the Standards of Conduct in accordance with applicable Law.

Section 9.5 Non-Solicit. Without the prior written consent of the Company, the members of the Investor Group shall not solicit for employment, hire or engage as a consultant any individual who is serving in any position within the Transmission Leadership Team or an FE Director; provided that this Section 9.5 shall not prohibit any Person from issuing general public solicitations not specifically targeted at the Transmission Leadership Team or from hiring any Person responding to such general solicitations.

Section 9.6 Confidentiality.

(a) Each Member shall, and shall cause its Representatives to, keep confidential and not divulge any information (including all budgets, business plans and analyses) concerning the Company and its Subsidiaries, including their respective assets, business, operations, financial condition and prospects ("Confidential Information"), and to use such Confidential Information only in connection with the operation of the Company and its Subsidiaries or such Member's administration of its investment in the Company; provided that nothing herein shall prevent any Member from disclosing such Confidential Information (i) upon the Order of any court or administrative agency, (ii) upon the request or demand of any Governmental Body having jurisdiction over such party, (iii) to the extent compelled by legal process or required or requested pursuant to subpoena, interrogatories or other discovery requests, (iv) to the other Parties, (v) to such party's Representatives that in the reasonable judgment of such party need to know such Confidential Information, (vi) to any potential Permitted Transferee in connection with a proposed Transfer of Membership Interests from a Member so long as such transferee agrees to be bound by the provisions of this Section 9.6 as if a Member or (vi) in the case of the Investor Member, the limited partners of and other direct or indirect co-investors in the Investor Member and their respective Affiliates (provided that such disclosures are subject to and in accordance with the guidelines and restrictions set forth on Schedule 3); provided, further, that in the case of clauses (i), (ii) or (iii), such Member shall, to the extent legally permissible, notify the other Parties of the proposed disclosure as far in advance of such disclosure as practicable and use reasonable efforts to ensure that any Confidential Information so disclosed is accorded confidential treatment, when and if available.

(b) The restrictions in Section 9.6(a) shall not apply to information that (i) is or becomes generally available to the public other than as a result of a disclosure by a Member or any of its Representatives in violation of this Agreement, (ii) is or becomes available to a Member or any of its Representatives on a non-confidential basis prior to its disclosure to the receiving Member and any of its Representatives, (iii) is or has been independently developed or

conceived by such Member or its Affiliates without use of the Company's or any of its Subsidiaries' Confidential Information or (iv) becomes available to the receiving Member or any of its Representatives on a non-confidential basis from a source other than the Company or any of its Subsidiaries, any other Party or any of their respective Representatives; provided that such source is not known by the recipient of the information to be bound by a confidentiality agreement with the disclosing party or any of its Representatives.

(c) Each Party shall inform any Representatives to whom it provides Confidential Information that such information is confidential and instruct them (i) to keep such Confidential Information confidential and (ii) not to disclose Confidential Information to any Third Party (other than those Persons to whom such Confidential Information has already been disclosed in accordance with the terms of this Agreement). The disclosing Party shall be responsible for any breach of this Section 9.6 by the Person to whom the Confidential Information is disclosed.

(d) The restrictions in Section 9.6(a) shall not restrict any Member and its Affiliates from disclosing any Confidential Information required to be disclosed under applicable securities Laws or the rules of any stock exchange on which any of their securities are traded.

(e) Notwithstanding anything herein to the contrary, the provisions of this Section 9.6 shall survive the termination of this Agreement for a period of three years and, with respect to each Member, shall survive for a period of three years following the date on which such Member is no longer a Member. The provisions of this Section 9.6 shall supersede the provisions of any non-disclosure agreements entered into by the Company (or its Affiliates, including the FE Member) and any of the Members (or their respective Affiliates) with respect to the transactions contemplated hereby, by the Initial PSA or by the Second PSA prior to the Effective Date.

Section 9.7 Expenses. Except as otherwise expressly provided herein, all costs and expenses, including fees and disbursements of Representatives and other Advisors, incurred in connection with this Agreement and with the continuing relationship between the Company and its Members, and among any of them, shall be paid by the Party incurring such costs and expenses.

Section 9.8 Commitment to the Company Business. In furtherance of the Company's commitment to engaging only in activities and conduct consistent with the Company Business or any reasonable extension thereof, other than any transaction or series of transactions approved unanimously by the Board or as otherwise agreed in writing by the Members, the Company shall not, during any 10 year period, transfer, sell or otherwise dispose, or permit the Company's Subsidiaries to or otherwise cause the transfer, sale or other disposition, whether by way of asset sale, stock sale, merger or otherwise, of Qualifying Core Assets of the Company or one or more of its Subsidiaries having a Fair Market Value in excess of 20.0% of the Fair Market Value of the Company and its Subsidiaries' aggregate Qualifying Core Assets (such percentage to be measured immediately prior to such transfer, sale or disposition, and in the case of multiple transactions, the percentages will be added to determine if such 20.0% threshold has been exceeded) in any single transaction or series of transactions unless the proceeds from such transactions are reinvested (or committed to be reinvested) in other Qualifying Core Assets or

other capital expenditure projects set forth in the Annual Approved Budget; provided that the foregoing shall not apply to any transfer, sale or other disposition of any of the Company's or its Subsidiaries' Qualifying Core Assets that is required by any Governmental Body or otherwise required under applicable Law.

Section 9.9 Budget; Business and Capital Plans.

(a) The (i) Annual Approved Budget shall be approved and (ii) each of the Business Plan and the Capital Plan shall be established, in each case in accordance with Schedule 5 hereto.

ARTICLE X
TAX MATTERS

Section 10.1 Tax Classification. The Parties intend that the Company be classified as a corporation for U.S. federal income (and applicable state and local) Tax purposes, and Internal Revenue Service Form 8832 was filed on May 10, 2022.

Section 10.2 Tax Matters Shareholder. The FE Member is hereby designated the "Tax Matters Shareholder" of the Company and its Subsidiaries. Except as otherwise provided in this Agreement, the Tax Matters Shareholder may, in its reasonable discretion, make or refrain from making any Tax elections allowed under applicable Law for the Company or any of its Subsidiaries. The Tax Matters Shareholder shall prepare and file or cause to be prepared and filed any Tax Return required to be filed by or with respect to the Company or its Subsidiaries. Notwithstanding any other provision of this Agreement, the Tax Matters Shareholder shall be entitled to control in all respects, and neither the Investor Member nor its Affiliates shall have the right to participate in, any Tax audits, examinations or other proceedings by any taxing authority of any Governmental Body with respect to any Tax Return of the Company or any of its Subsidiaries.

Section 10.3 Cooperation. The Investor Member shall, and shall cause its Affiliates to, provide to the FE Member and its Subsidiaries (including the Company and its Subsidiaries), and the FE Member and the Company shall, and shall cause their Affiliates to, provide to the Investor Member, in each case, such cooperation, documentation and information as any of them reasonably may request in connection with (a) filing any Tax Return, amended Tax Return or claim for refund, (b) determining a liability for Taxes or (c) preparing for or conducting any Tax audits, examinations or other proceedings by any taxing authority of any Governmental Body.

Section 10.4 Withholding. The Company may withhold and pay over to the United States Internal Revenue Service (or any other relevant Tax authority) such amounts as it is required to withhold or pay over, pursuant to the Code or any other applicable Law, on account of a Member, including in respect of distributions made pursuant to Section 5.2 or Section 5.3, and, for the avoidance of doubt, the amount of any such distribution or other payment to a Member shall be net of any such withholding. To the extent that any amounts are so withheld and paid over, such amounts shall be treated as paid to the Person(s) in respect of which such withholding was made. To the extent that a Member claims to be entitled to a reduced rate of, or exemption from, a withholding Tax pursuant to an applicable income Tax treaty, or otherwise,

such Member shall furnish the Company with such information and forms as such Member may be required to complete where necessary to comply with any and all Laws and regulations governing the obligations of withholding Tax agents, and the Company shall apply such reduced rate of, or exemption from, withholding Tax as reflected on such information and forms that have been provided by such Member. Each Member agrees that if any information or form provided pursuant to this Section 10.4 expires or becomes obsolete or inaccurate in any respect, such Member shall update such form or information.

Section 10.5 Certain Representations and Warranties. Each Member represents and warrants that any such information and forms furnished by such Member shall be true and accurate and agrees to indemnify the Company from any and all damages, costs and expenses resulting from the filing of inaccurate or incomplete information or forms relating to such withholding Taxes.

ARTICLE XI
LIABILITY; EXCULPATION; INDEMNIFICATION

Section 11.1 Liability; Member Duties. The debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Covered Person shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Covered Person. Each Member acknowledges and agrees that each Member, in its capacity as a Member, may decide or determine any matter subject to the approval of such Member pursuant to any provision of this Agreement in the sole and absolute discretion of such Member, and in making such decision or determination such Member shall have no duty, fiduciary or otherwise, to any other Member or to the Company Group, it being the intent of all Members that such Member, in its capacity as a Member, has the right to make such determination solely on the basis of its own interests.

Section 11.2 Exculpation. To the fullest extent permitted by applicable Law, no Covered Person shall be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person's fraud, gross negligence or willful misconduct.

Section 11.3 Indemnification. The Company shall indemnify, defend and hold harmless any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed actions, suits or proceedings by reason of the fact that such Person is or was a Director or officer of the Company, or is or was a Director or officer of the Company serving at the request of the Company as a director, officer or agent of another limited liability company, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, settlements, penalties and fines actually and reasonably incurred by him or her in connection with the defense or settlement of such, action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company; and, with respect to any criminal action or proceeding,

either he or she had reasonable cause to believe such conduct was lawful or no reasonable cause to believe such conduct was unlawful.

Section 11.4 Authorization. To the extent that such present or former Director or officer of the Company has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Section 11.3, or in the defense of any claim, issue or matter therein, the Company shall indemnify him or her against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith. Any other indemnification under Section 11.3 shall be made by the Company only as authorized in the specific case, upon a determination that indemnification of the present or former Director or officer is permissible in the circumstances because such present or former Director or officer has met the applicable standard of conduct. Such determination shall be made, with respect to a Person who is a Director or officer at the time of such determination, (a) by a majority vote of the Directors who are not parties to such action, suit or proceeding, even with less than a quorum, or (b) if there are no such Directors, or if such Directors so direct, by independent legal counsel in a written opinion, or (c) by the Members. Such determination shall be made, with respect to former Directors and officers, by any Person or Persons having the authority to act on the matter on behalf of the Company.

Section 11.5 Reliance on Information. For purposes of any determination under Section 11.3, a present or former Director or officer of the Company shall be deemed to have acted in good faith and have otherwise met the applicable standard of conduct set forth in Section 11.3 if his or her action is based on the records or books of account of the Company or on information supplied to him or her by the officers of the Company in the course of his or her duties, or on the advice of legal counsel for the Company or on information or records given or reports made to the Company by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Company. The provisions of this Section 11.5 shall not be deemed to be exclusive or to limit in any way the circumstances in which a present or former Director or officer of the Company may be deemed to have met the applicable standard of conduct set forth in Section 11.3.

Section 11.6 Advancement of Expenses. Expenses (including reasonable attorneys' fees) incurred by the present or former Director or officer of the Company in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the Company as authorized in the specific case in the same manner described in Section 11.4, upon receipt of a written affirmation of the present or former Director or officer that he or she has met the standard of conduct described in Section 11.3 and upon receipt of a written undertaking by or on behalf of him or her to repay such amount if it shall ultimately be determined that he or she did not meet the standard of conduct, and a determination is made that the facts then known to those making the determination shall not preclude indemnification under this Article XI.

Section 11.7 Non-Exclusive Provisions. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article XI shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled.

Section 11.8 Survival of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article XI shall, unless otherwise provided when authorized or ratified, continue as to a Person who has ceased to be a Director or officer of the Company and shall inure to the benefit of his or her heirs, executors and administrators.

Section 11.9 Limitations. Notwithstanding anything contained in this Article XI to the contrary, the Company shall not be obligated to indemnify any Director or officer (or his or her heirs, executors or personal or legal representatives) or advance expenses in connection with a proceeding (or part thereof) initiated by such Person unless such proceeding (or part thereof) was authorized or consented to by the Board.

ARTICLE XII
REPRESENTATIONS AND WARRANTIES

Section 12.1 Members Representations and Warranties. Each Member hereby represents and warrants, severally and not jointly, to the Company and to the other Member as follows:

(a) Such Member is a company duly organized, validly existing and in good standing under the Laws of its jurisdiction of incorporation or formation, as applicable, with full power and authority to enter into this Agreement and perform all of its obligations hereunder.

(b) The execution and delivery of this Agreement by such Member, and the performance by such Member of its obligations hereunder, have been duly and validly authorized by all requisite action by such Member, and no other proceedings on the part of such Member are necessary to authorize the execution, delivery or performance of this Agreement by such Member.

(c) This Agreement has been duly and validly executed and delivered by such Member, and, assuming that this Agreement is a valid and binding obligation of the other Parties, this Agreement constitutes a valid and binding obligation of such Member, enforceable against such Member in accordance with its terms, except as limited by the application of bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other Laws relating to or affecting creditors' rights or general principles of equity.

(d) The execution and delivery by such Member of this Agreement, and the performance by such Member of its obligations hereunder, does not (i) violate or breach its Organizational Documents, (ii) violate any applicable Law to which such Member is subject or by which any of its assets are bound, or (iii) result in any breach of or constitute a default (or an event that, with notice or lapse of time or both, would become a default) under any Contract to which such Member is a party or by which any of its assets are bound.

ARTICLE XIII
MISCELLANEOUS

Section 13.1 Notices. Except as otherwise expressly provided herein, all notices, demands and other communications to be given or delivered under or by reason of the provisions

of this Agreement shall be in writing and shall be deemed to have been given (a) when personally delivered, (b) when transmitted by electronic mail (unless if transmitted after 5:00 p.m. Eastern time or other than on a Business Day, then on the next Business Day) to the address specified below in which case such notice shall be deemed to have been given when the recipient transmits manual written acknowledgment of successful receipt, which the recipient shall have an affirmative duty to furnish promptly after successful receipt, (c) when sent by internationally-recognized courier in which case it shall be deemed to have been given at the time of actual recorded delivery, or (d) the third Business Day following the day on which the same is sent by certified or registered mail, postage prepaid, in each case, to the respective Party at the number, electronic mail address or street address, as applicable, set forth below, or at such other number, electronic mail address or street address as such Party may specify by written notice to the other Parties.

Notices to the Investor Member:

North American Transmission Company II L.P.
c/o Brookfield Infrastructure Group
1200 Smith Street, Suite 640
Houston, Texas 77002
Attention: Fred Day
Email: fred.day@brookfield.com

with copies to (which shall not constitute notice):

Skadden, Arps, Slate, Meagher & Flom LLP
1000 Louisiana Street
Houston, Texas 77002
Attention: Eric Otness
Email: eric.otness@skadden.com

and

Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005
Attention: Aryan Moniri
Email: aryan.moniri@skadden.com

Notices to the FE Member and to the Company:

FirstEnergy Transmission, LLC
c/o FirstEnergy Corp.
76 South Main Street
Akron, Ohio 44308
Attention: David W. Pinter
Email: dpinter@firstenergycorp.com

with a copy to (which shall not constitute notice):

Jones Day
901 Lakeside Ave.
Cleveland, Ohio 44114
Attention: Peter Izanec; George Hunter
Email: peizanec@jonesday.com; ghunter@jonesday.com

Section 13.2 Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided that no Member, nor the Company, shall purport to assign or Transfer all or any of its rights or obligations under this Agreement nor grant, declare, create or dispose of any right or interest in this Agreement in whole or in part except with respect to a Transfer in accordance with the terms of this Agreement, and any attempted or purported assignment hereof not in accordance with the terms hereof shall be void *ab initio*.

Section 13.3 Waiver of Partition. Each Member hereby waives any right to partition of the Company property.

Section 13.4 Further Assurances. From and after the Effective Date, from time to time, as and when requested by any Party and at such Party's expense, any other Party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as such requesting Party may reasonably deem necessary or desirable to carry out the purposes and intent of this Agreement.

Section 13.5 Third Party Beneficiaries. Except as otherwise expressly provided herein, nothing expressed or referred to in this Agreement shall be construed to give any Person other than the Parties any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement; provided, that Covered Persons are express third party beneficiaries of Article XI.

Section 13.6 Parties in Interest. This Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective successors, legal representatives and permitted assigns.

Section 13.7 Severability. If any term, provision, covenant or restriction contained in this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against its regulatory policy, the remainder of the terms, provisions, covenants and restrictions contained in this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and, to the extent permitted and possible, any invalid, void or unenforceable term shall be deemed replaced by a term that is valid and enforceable and that comes closest to expressing the intention of such invalid, void or unenforceable term.

Section 13.8 Construction. The language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Person. The headings of the sections and paragraphs of this Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions hereof.

Section 13.9 Complete Agreement. This Agreement (including any schedules thereto), constitutes the entire agreement of the Parties hereto with respect to the subject matter hereof and thereof and supersedes any prior understandings, agreements or representations by or among the Parties hereto or Affiliates thereof, written or oral, to the extent they relate in any way to the subject matter hereof.

Section 13.10 Amendment; Waiver. Subject to Article VIII, neither this Agreement nor any other Organizational Document of the Company may be amended (whether by merger or otherwise) except in a written instrument signed by the FE Member and the Investor Member; provided, however, that any modification, alteration, supplement or amendment to this Agreement that would have a disproportionately adverse impact on the Members that are holders of the Special Purpose Membership Interests (in such holders' capacity as such) as compared to holders of any other Membership Interests shall require the approval of the Members who are holders of the Special Purpose Membership Interests, voting in their capacity as such holders as a separate class. In the event that (i) the Company issues Membership Interests to one or more Third Parties pursuant to Section 5.1(d) or Section 7.1, (ii) if the FE Member is no longer directly or indirectly the beneficial owner of a majority of the Company, or (iii) if the Investor Member Transfers Membership Interests to another Person, the Members and the Company shall negotiate in good faith to amend this Agreement to the extent reasonably necessary to reflect such additional Members or changes appropriate to reflect the new respective Percentage Interests of the Members. For the avoidance of doubt, any transferee of the Investor Member shall be entitled to the same protective provisions set forth in this Agreement (including Article VIII) for so long as such transferee's Percentage Interest is at least equal to the Percentage Interest at which such right is afforded to the Investor Member, and any such amendment to this Agreement made in accordance with this Section 13.10 shall reflect as much. Any amendment or revision to Schedule 1 that is made by an officer solely to reflect information regarding Members or the Transfer or issuance of Membership Interests made in accordance with the terms of this Agreement shall not be considered an amendment to this Agreement and shall not require any Board or Member approval. Any failure or delay on the part of any Party in exercising any power or right hereunder shall not operate as a waiver thereof, nor shall any single or partial exercise of any such right or power preclude any other or further exercise thereof or the exercise of any other right or power hereunder or otherwise available at law or in equity.

Section 13.11 Governing Law. This Agreement, and any claim, action, suit, investigation or proceeding of any kind whatsoever, including a counterclaim, cross-claim or defense, regardless of the legal theory under which such liability or obligation may be sought to be imposed, whether sounding in contract or tort, or whether at law or in equity, or otherwise under any legal or equitable theory, that may be based upon, arising out of or related to this Agreement or the negotiation, execution or performance of this Agreement or the transactions contemplated hereby shall be governed by and construed in accordance with the internal Laws of the State of Delaware applicable to agreements executed and performed entirely within such State without regards to conflicts of law principles of the State of Delaware or any other jurisdiction that would cause the Laws of any jurisdiction other than the State of Delaware to apply.

Section 13.12 Specific Performance. The Parties agree that irreparable damage, for which monetary relief, even if available, shall not be an adequate remedy, would occur in the

event that any provision of this Agreement is not performed in accordance with its specific terms or is otherwise breached. It is accordingly agreed that (a) the Parties shall be entitled to seek an injunction or injunctions, specific performance or other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof without proof of damages or otherwise, this being in addition to any other remedy to which they are entitled under this Agreement, and (b) the right of specific performance and other equitable relief is an integral part of this Agreement and the business and legal understandings between the Members with respect to the Company, and without that right, none of the Members would have entered into this Agreement. The Parties acknowledge and agree that any Party pursuing an injunction or injunctions or other Order to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in accordance with this Section 13.12 shall not be required to provide any bond or other security in connection with any such Order. The remedies available to the Parties pursuant to this Section 13.12 shall be in addition to any other remedy to which they may be entitled at law or in equity, and the election to pursue an injunction or specific performance shall not restrict, impair or otherwise limit any Party from seeking to collect or collecting damages. Each of the Parties agrees that it shall not oppose the granting of an injunction, specific performance and other equitable relief on the basis that any other Party has an adequate remedy at law or that any award of specific performance is not an appropriate remedy for any reason at law or in equity.

Section 13.13 Arbitration.

(a) With the exception only of any proceeding seeking interim or provisional relief in order to protect the rights or property of a Party which a Party may elect to pursue in court, all claims or disputes arising out of or relating to this Agreement, not amicably resolved between the Parties shall be determined by binding arbitration upon demand by a Party. Such arbitration shall be administered by the American Arbitration Association ("AAA") utilizing its Commercial Arbitration Rules in effect as of the date the arbitration is commenced. The arbitration shall be conducted before a single arbitrator, if the Parties can agree on the one arbitrator. If the Parties cannot agree on a single arbitrator, there shall be a panel of three arbitrators with one chosen by each Member and the third arbitrator selected by the two Members-appointed arbitrators. If a Party fails to appoint an arbitrator within 30 days following a written request by another Party to do so or if the two party-appointed arbitrators fail to agree upon the selection of a third arbitrator, as applicable, within 30 days following their appointment, the additional arbitrator shall be selected by the AAA pursuant to its applicable procedures. Each arbitrator shall be disinterested and have at least 20 years of experience with commercial matters. The arbitrator(s) shall have the power to award any appropriate remedy consistent with the objectives of the arbitration and subject to, and consistent with, all Laws applicable to the Company and its Subsidiaries (including, for the avoidance of doubt, the necessity of obtaining any requisite authorization, approval or consent of any Governmental Body necessary to implement the appropriate remedy). The decision of the one arbitrator or, if applicable, the majority of the three arbitrators shall be final and binding upon the Parties (subject only to limited review as required by applicable Law). Judgment upon the award of the arbitrator(s) may be entered in any court of competent jurisdiction or otherwise enforced in any jurisdiction in any manner provided by applicable Law. The losing Party shall pay the prevailing Party's attorney's fees and costs and the costs associated with the arbitration, including expert fees and costs and the arbitrators' fees and costs; provided, however, that each Party shall bear its own

fees and costs until the arbitrator(s) determine which, if any, Party is the prevailing Party and the amount that is due to such prevailing Party. The arbitration proceedings shall take place in Akron, Ohio and, for the avoidance of doubt, the arbitration proceedings shall be conducted in the English language.

(b) All discussions, negotiations and proceedings under this Section 13.13, and all evidence given or discovered pursuant hereto, will be maintained in strict confidence by all Parties, except where disclosure is required by applicable Law, necessary to comply with any legal requirements of such Party or necessary or advisable in order for a Party to assert any legal rights or remedies, including the filing of a complaint with a court or, based on the advice of counsel, such disclosure is determined to be necessary or advisable under applicable securities Laws or the rules of any stock exchange on which any of such Party's securities are traded. Disclosure of the existence of any arbitration or of any award rendered therein may be made as part of any action in court for interim or provisional relief or to confirm or enforce such award.

(c) Any settlement discussions occurring and negotiating positions taken by any Party in connection with the procedures under this Section 13.13 will be subject to Rule 408 of the Federal Rules of Civil Procedure and shall not be admissible as evidence in any proceeding relating to the subject matter of this Agreement.

(d) The fact that the dispute resolution procedure specified in this Section 13.13 has been or may be invoked will not excuse any Party from performing its obligations under this Agreement, and during the pendency of any such procedure, all Parties must continue to perform their respective obligations in good faith.

Section 13.14 Counterparts. This Agreement may be executed in counterparts, and any Party may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute one and the same instrument. This Agreement shall become effective when each Party shall have received a counterpart hereof signed by the other Parties. The Parties agree that the delivery of this Agreement may be effected by means of an exchange of facsimile or electronically transmitted signatures.

Section 13.15 Fair Market Value Determination. Upon request by any Member, so long as such Member holds a Common Percentage Interest greater than 5.0%, or, to the extent necessary for purposes of determining Fair Market Value of the outstanding Special Purpose Membership Interests pursuant to Section 5.3, any Member that is the owner of a majority of the issued and outstanding Special Purpose Membership Interests, within five (5) Business Days after receiving written notice of the Board's determination in connection with any determination of Fair Market Value of Membership Interests or other assets under this Agreement (which determination shall be provided by the Company to each Member promptly following the making thereof), the Company shall select a nationally recognized independent valuation firm with no existing or prior business or personal relationship with any Member or any of its Affiliates in the five-year period immediately preceding the date of engagement pursuant to this Section 13.15 (the "Independent Evaluator") to determine such Fair Market Value. Each of the Company and the requesting Member shall submit their view of the Fair Market Value of the Membership Interests or the relevant asset(s) to the Independent Evaluator, and each party will

receive copies of all information provided to the Independent Evaluator by the other party. The final Independent Evaluator's determination of the Fair Market Value of such Membership Interests or asset(s) shall be set forth in a detailed written report addressed to the Company and the requesting Member within 30 days following the Company's selection of such Independent Evaluator and such determination shall be final, conclusive and binding. In rendering its decision, the Independent Evaluator shall determine which of the positions of the Company and the requesting Member submitted to the Independent Evaluator is, in the aggregate, more accurate (which report shall include a worksheet setting forth the material calculations used in arriving at such determination), and, based on such determination, adopt either the Fair Market Value determined by the Company or the requesting Member. Any fees and expenses of the Independent Evaluator incurred in resolving the disputed matter(s) will be borne by the party whose positions were not adopted by the Independent Evaluator.

Section 13.16 Certain Definitions. As used in this Agreement, the following terms shall have the meanings ascribed to them below:

"Act" means the Delaware Limited Liability Company Act, as amended from time to time.

"Advisors" means, with respect to any Person, the accountants, attorneys, consultants, advisors, investment bankers, or other representatives of such Person.

"AET PATH" means AET PATH Company, LLC, a Delaware limited liability company.

"Affiliate" of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, Contract or otherwise.

"Annual Approved Budget" means an annual approved budget, which will be in the form attached to Schedule 5 hereto.

"Anti-Corruption Laws" means (a) the U.S. Foreign Corrupt Practices Act of 1977, as amended; (b) the U.K. Bribery Act 2010, as amended; and (c) any other Law concerning or relating to bribery or corruption imposed, administered or enforced by any Governmental Body.

"Anti-Money Laundering Laws" means any Law concerning or relating to money laundering, any predicate crime to money laundering or any record keeping, disclosure or reporting requirements related to money laundering imposed, administered or enforced by any Governmental Body.

"Available Cash" means, for any applicable fiscal quarter, the cash flow generated from the business operations of the Company and its Subsidiaries in such fiscal quarter (but excluding any MAIT Class B Distributable Amounts), less any amounts that the Board reasonably determines are necessary and appropriate to be retained in order to (a) permit the Company and its Subsidiaries to pay their obligations as they become due in the ordinary course of business, (b) maintain the Company's and its Subsidiaries' target regulatory capital structure and investment-grade credit metrics, (c) fund planned capital expenditures, (d) maintain an adequate

level of working capital, (e) maintain prudent reserves for future obligations (including contingent obligations of the Company and its Subsidiaries), (f) comply with the terms of the Company's and its Subsidiaries Indebtedness (including making any required payments of principal or interest in satisfaction of Indebtedness) or (g) comply with applicable Law or respond to an Emergency Situation. For the avoidance of doubt, the proceeds of the issuance of the Investor Member's Membership Interests shall be excluded from the calculation of Available Cash (and may be held in a segregated sub-account in the money pool of the FE Member).

"Available Limited Discretion Cash" means, for any applicable fiscal quarter, the cash flow generated from the business operations of the Company and its Subsidiaries in such fiscal quarter (but excluding any MAIT Class B Distributable Amounts), less any amounts that the Board, based on the recommendation of the Transmission Leadership Team as substantiated by written financial reports and forecasts included therewith, reasonably determines (which such determination shall include the approval of the Investor Director(s) for so long as the Investor Member holds at least a 30.0% Common Percentage Interest) in good faith are necessary to be retained in order to (a) permit the Company and its Subsidiaries to pay their obligations due as of such date or that are expected to become due in the next ninety (90) days in the ordinary course of business (including making any required payments of principal or interest in satisfaction of Indebtedness) that cannot be satisfied on commercially reasonable terms by the Company's available liquidity, or (b) comply with applicable Law or respond to an Emergency Situation.

"Business Day" means any day other than a Saturday, Sunday or a day on which banking institutions located in New York, New York are authorized by applicable Law to be closed.

"Business Plan" has the meaning set forth on Schedule 5 hereto.

"Capital Plan" has the meaning set forth on Schedule 5 hereto.

"Change in Control" means with respect to the applicable Party, any person or group (within the meaning of Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended) at any time becoming the beneficial owner of 50.0% or more of the combined voting power of the voting securities of such Party.

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

"Common Percentage Interest" means, in respect of any Member, their relative ownership in the outstanding Common Membership Interests at the relevant time, expressed as a percentage, which shall be deemed to be equal to the number of outstanding Common Membership Interests that such Member owns at the relevant time divided by the total number of Common Membership Interests then outstanding.

"Company Group" means the Company and each of its Subsidiaries, collectively.

"Competitor" means any Person that is, or through its Subsidiaries is, directly involved in the transmission of electricity in the United States; provided that no Financial Investor shall be considered a "Competitor" as defined herein.

"Contract" means any written agreement, arrangement, commitment, indenture, instrument, purchase order, license or other binding agreement.

"Covered Person" means any (a) Member, any Affiliate of a Member or any officers, directors, shareholders, partners, members, employees, representatives or agents of a Member or their respective Affiliates, (b) Director, or (c) employee, officer or agent of the Company or its Affiliates.

"Debt-to-Capital Ratio" means, with respect to any Person, the ratio of (a) the Indebtedness of such Person and its Subsidiaries to (b) the sum of (i) the Indebtedness of such Person and its Subsidiaries plus (ii) Member equity (including, if applicable, noncontrolling interest of MAIT Class B membership equity), capital stock (but excluding treasury stock and capital stock subscribed and unissued) and other equity accounts (including retained earnings and paid in capital but excluding accumulated other comprehensive income and loss) of such Person and its Subsidiaries, determined in accordance with GAAP.

"Emergency Expenditure" means amounts required to be incurred in order to respond to an Emergency Situation or to avoid an Emergency Situation in a manner that is consistent with general practices applicable to facilities used in the Company Business, but only to the extent such expenditures are reasonably designed to ameliorate the consequences, or an immediate threat of any of the consequences, of the issues set forth in the definition of "Emergency Situation."

"Emergency Situation" means, with respect to the business of the Company and its Subsidiaries, (a) any abnormal system condition or abnormal situation requiring immediate action to maintain system frequency, loading within acceptable limits or voltage or to prevent loss of firm load, material equipment damage or tripping of system elements that is reasonably likely to materially and adversely affect reliability of an electric system, (b) any other occurrence or condition that otherwise requires immediate action to prevent an immediate and material threat to the safety of Persons or the operational integrity of, or material damage to, any material assets of, or the business of the Company or its Subsidiaries, or (c) any other condition or occurrence requiring immediate implementation of emergency procedures as defined by the applicable transmission grid operator or transmitting utility.

"Encumber" means to place a Lien against.

"Excluded Membership Interests" means any Membership Interests or other equity interests in the Company issued in connection with:

(a) any arrangement approved unanimously by the Board for the return of income or capital to the Members;

(b) any equity split, equity dividend or any similar recapitalization; or

(c) the commencement of any offering of Membership Interests or other equity interests of the Company or any of its Subsidiaries, pursuant to a registration statement filed in accordance with the United States Securities Act of 1933.

"Fair Market Value" means, with respect to any asset (including equity interest), the price at which the asset would change hands between a willing buyer and a willing seller that are not affiliated parties, neither being under any compulsion to buy or to sell, and both having knowledge of the relevant facts and taking into account the full useful life of the asset. In valuing Membership Interests, no consideration of any control, liquidity or minority discount or premium shall be taken into account. Fair Market Value shall be determined by the Board in accordance with the foregoing, subject to Section 13.15.

"FDI Law" means any Law concerning or relating to foreign investment or national security imposed, administered or enforced by any Governmental Body.

"FE Outside Group" means the FE Member and its Subsidiaries, other than the Company and its Subsidiaries.

"FERC" means the U.S. Federal Energy Regulatory Commission or any successor agency thereto.

"Financial Investor" means any non-strategic financial investor such as a retirement fund, pension fund, exchange traded fund, sovereign wealth fund, private equity fund, asset management fund, hedge fund or similar institutional investor, including any Subsidiary of such Person, whose principal business activity is acquiring, holding and selling investments (including controlling interests) in other Persons.

"FPA " means the Federal Power Act.

"GAAP" means United States generally accepted accounting principles applied on a consistent basis during the periods involved.

"Governmental Body" means any national, foreign, federal, regional, state, local, municipal or other governmental authority of any nature (including any division, department, agency, commission or other regulatory body thereof) and any court or arbitral tribunal, including any governmental, quasi-governmental or non-governmental body administering, regulating or having general oversight over electricity, power or the transmission or transportation thereof (including, for the avoidance of doubt, FERC, PJM, NERC, the Pennsylvania Public Utility Commission, the Public Utilities Commission of Ohio and the Virginia State Corporation Commission), including any regional transmission operator or independent system operator.

"Indebtedness" means, with respect to any Person, (a) all indebtedness of such Person, whether or not contingent, for borrowed money or in respect of any loans or advances, (b) all other indebtedness of such Person evidenced by bonds, debentures, notes or other similar instruments or debt securities (excluding trade accounts payables constituting short term liabilities under GAAP), (c) the maximum amount of all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments, (d) all guarantees of the obligations of any other Person, (e) net obligations of such Person under any hedging arrangement, and (f) any accrued interest, premiums and penalties.

"Initial PSA" means the Purchase and Sale Agreement, dated November 6, 2021, by and among the Company, the FE Member, the Investor Member, and, solely for the purposes of Sections 5.5, 5.6(c) and 8.1(a) and Article X thereof, the Guarantors (as defined therein).

"Investor Group" means Brookfield Super-Core Infrastructure Partners L.P., together with its controlled investment vehicles.

"IRR" means, with respect to the Investor Member, as of the consummation of a Drag-Along Sale, the actual pre-Tax annual rate of return of the Investor Member (specified as a percentage) taking into account only the following, on a cash-in, cash-out basis: (a) all Capital Contributions actually made to the Company by or on behalf of the Investor Member or any of its Permitted Transferees with respect to their Membership Interests on or before such date *plus* the Purchase Price (as defined in the Initial PSA) *plus* the Purchase Price (as defined in the Second PSA), and (b) all cash distributions to the Investor Member or any of its Permitted Transferees on or before such date. The IRR will be calculated using the XIRR function in the most recent version of Microsoft Excel (or if such program is no longer available, such other software program for calculating the IRR as is reasonably determined by the Board), and will be based on the actual dates of funding of such capital contributions and the actual dates of receipt of such cash distributions and proceeds.

"JCP&L" means Jersey Central Power & Light.

"KATCo Interests" means the equity interests in Keystone Appalachian Transmission Company.

"Law" means any (a) law (statutory, common, or otherwise), rule, regulation, code or ordinance enacted, adopted, promulgated or applied by any Governmental Body, including the Federal Power Act, as amended, and FERC's implementing regulations thereunder and all other regulatory requirements or Orders emanating from state and federal regulators of the Company Group's businesses and operations or the ownership of the Membership Interests and (b) any other Order.

"Liens" means all liens, mortgages, deeds of trust, pledges, security interests, charges, claims, proxy, voting trust or transfer restriction under any stockholder or similar agreement.

"Lock-Up Period" means the date that is the third (3rd) anniversary of the Effective Date.

"MAIT" means Mid-Atlantic Interstate Transmission, LLC.

"MAIT Class B Distributable Amounts" means any amount of distributions received by the Company on account of the Company's MAIT Class B Interests from MAIT in accordance with its Organizational Documents.

"Material Project" means any acquisition, construction, expansion, improvement, alteration, replacement or significant repair activity or series of related activities of/to any Qualifying Core Assets that exceeds in the aggregate the lower of: (i) 0.75% of the Rate Base Amount, or (ii) $75 million adjusted by annually by the Consumer Price Index, in any calendar year.

"Member" means each of FE Member and Investor Member, and any Person admitted as an additional member of the Company or a substitute member of the Company pursuant to the provisions of this Agreement, each in its capacity as a member of the Company that owns Membership Interests.

"Membership Interests" means membership interests of the Company.

"NERC" means the North American Electric Reliability Corporation (including any of the eight (8) designated regional entities) or any successor electric reliability organization certified by FERC.

"New Securities" means any Membership Interests or other equity interests in the Company, other than any Excluded Membership Interests; provided that no New Securities that are issued shall be issued as Special Purpose Membership Interests.

"OFAC" means the U.S. Office of Foreign Assets Control.

"Order" means any judgment, order, injunction, decree, ruling, writ or arbitration award of any Governmental Body or any arbitrator.

"Organizational Documents" means, with respect to any corporation, its articles or certificate of incorporation, memorandum or articles of association and by-laws or documents of similar substance; with respect to any limited liability company, its articles of association, articles of organization or certificate of organization, formation or association and its operating agreement or limited liability company agreement or documents of similar substance; with respect to any limited partnership, its certificate of limited partnership and partnership agreement or documents of similar substance; and with respect to any other entity, documents of similar substance to any of the foregoing.

"Percentage Interest" means, in respect of any Member, their relative ownership in the outstanding Membership Interests at the relevant time, expressed as a percentage, which shall be deemed to be equal to the number of outstanding Membership Interests that such Member owns at the relevant time divided by the total number of Membership Interests then outstanding.

"Permitted Lien" means (a) Liens for Taxes not yet delinquent or for Taxes that the taxpayer is contesting in good faith through appropriate proceedings so long as adequate reserves are maintained in accordance with GAAP, (b) Liens of lessors, lessees, sublessors, sublessees, licensors or licensees to the extent arising under and in accordance with the terms of the disclosed Leases arising or incurred in the ordinary course of business, (c) Liens arising under the Indebtedness set forth on Schedule 10.17(b) to the Second PSA, (d) mechanics Liens and similar Liens for labor, materials, or supplies relating to obligations as to which there is no breach or default on the part of the Company or any of its Subsidiaries, as the case may be, or the validity or amount of which is being contested in good faith through appropriate proceedings so long as adequate reserves are maintained on the financial statements in accordance with GAAP, (e) zoning, building codes, and other land use Laws regulating the use or occupancy of real property or the activities conducted thereon that are imposed by any Governmental Body having jurisdiction over such real property, in each case that do not adversely impact in any material respect the current use, occupancy or operation of the owned or leased real property of the

Company and its Subsidiaries, and are not violated by the then-current use, occupancy or activity conducted thereon by the Company or any of its Subsidiaries, as applicable, which does not in any material respect affect the value or current use thereof, (f) easements, servitudes, covenants, conditions, restrictions, and other similar matters of record affecting title to any assets of the Company or any of its Subsidiaries and other title defects that do not or would not reasonably be expected to, individually or in the aggregate, materially impair the use or occupancy of such assets in the operation of the business of the Company and its Subsidiaries, (g) all matters set forth on title policies or surveys made available by or on behalf of the FE Outside Group to Investor prior to the date of the Second PSA other than those Liens that, individually or in the aggregate, impair in any material respect the current use or occupancy of the subject real property to which they relate, and (h) Liens arising under Laws of general applicability, other than to the extent such Liens arise from or relate to any applicable Person's failure to comply with any such Law.

"Permitted Transferee" means, with respect to the FE Member or the Investor Member, (i) a directly or indirectly wholly owned Subsidiary of such Member, (ii) an Affiliate of such Member of which such Member is, directly or indirectly, a wholly owned Subsidiary (an "Affiliate Parent"), or (iii) an Affiliate of such Member that is a wholly owned Subsidiary of an Affiliate Parent.

"Persons" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a Governmental Body.

"PJM" means PJM Interconnection L.L.C., a regional transmission organization, or any designated successor thereto.

"PJM Market Rules" refers collectively to the PJM Open Access Transmission Tariff and the Amended and the Restated PJM Operating Agreement, and all schedules, appendices, or exhibits attached thereto to each, on file with FERC as may be amended from time to time (or any successor tariff, agreement, or rules governing the operations of PJM).

"PJM Region" has the meaning set forth under the PJM Market Rules.

"PJM Transmission Zone" means Zone as such terms are defined under the PJM Market Rules.

"Preemptive Right Share" means a ratio of (a) the number of Membership Interests (excluding Special Purpose Membership Interests) held by such Member with Preemptive Rights, to (b) the total number of Membership Interests (excluding Special Purpose Membership Interests) then outstanding immediately prior to the issuance of New Securities giving rise to the Preemptive Rights.

"Prohibited Competitor" means any Competitor listed on Schedule 2, as may be updated from time to time in accordance with Section 6.3(b).

"Qualified Designee" means either (a) an employee of any Affiliate of the Investor Member (an "Investor Employee") or (b) an individual with at least 10 years of management-

level experience in the private sector electricity transmission, distribution and generation business; provided, that a "Qualified Designee" shall not include (i) any director, officer, employee or other Person affiliated with a Competitor; provided, further, that this clause (i) shall not be deemed to apply to an Investor Employee solely because such Person serves on an investment committee or is otherwise employed at any Affiliate of the Investor Group that is an investment fund and (A) such investment fund holds investments in a Competitor, or (B) such Person serves on the board of directors of a Competitor that does not conduct any non-*de minimis* operations in the PJM region or in any regional transmission organization or independent system transmission operator interconnected with PJM (provided, further, in the case of this clause (B), that such Person's service on such board of directors and on the Board would not constitute a prohibited director interlock, or otherwise be prohibited, under any applicable Law, (ii) any Person that is, or within 10 years prior to the Effective Date was, an employee or consultant of FERC or any other Governmental Body, a public official or a candidate for public office (it being agreed that any individual affiliated with the Investor Member shall not be considered a public official as a result of such affiliation), (iii) any Person convicted by a court or equivalent tribunal of any felony (or equivalent crime in the applicable jurisdiction) or of any misdemeanor (or equivalent crime in the applicable jurisdiction) that involves financial dishonesty or moral turpitude, or (iv) solely in the case of an individual that is not an Investor Employee, any Person that would create a material regulatory or reputational risk to the Company based on a good-faith determination by the Board.

"Qualifying Core Assets" means assets utilized in connection with the conduct of the Company's and its Subsidiaries' business on which the Company reasonably expects (a) that it or its Subsidiaries will be eligible to include in the applicable rate base, and (b) to earn a return through rates approved by FERC (or such other Governmental Body that may then be applicable) that are commercially reasonable (to be determined by the Board in good faith) and are not otherwise inconsistent with applicable FERC (or such other Governmental Body, as the case may be) rate precedent). For the avoidance of doubt, "Qualifying Core Assets" shall also include necessary or ancillary expenses to support such assets (including working capital).

"Rate Base Amount" means an amount equal to the net utility plant of the Company and its Subsidiaries, taken as a whole, as determined based on the most recently filed FERC Form 1s for the Company and each of its Subsidiaries.

"Representatives" means the directors, officers, employees, agents, and Advisors of a Party.

"Sanctioned Person" means a Person named on the list of Specially Designated Nationals or Blocked Persons maintained by OFAC available at http://www.treas.gov/offices/enforcement/ofac/sdn/index.html, or as otherwise published from time to time or any other Sanctions-related list of designated Persons maintained by an applicable Governmental Body described in the definition of "Sanctions."

"Sanctions" means any sanctions imposed, administered or enforced from time to time by OFAC, the U.S. Department of State, Her Majesty's Treasury, the United Nations, the European Union or any agency or subdivision of any of the foregoing, including any regulations, rules and executive orders issued in connection therewith.

"Special Percentage Interest" means, in respect of any Member, their relative ownership in the outstanding Special Purpose Membership Interests at the relevant time, expressed as a percentage, which shall be deemed to be equal to the number of outstanding Special Purpose Membership Interests that such Member owns at the relevant time divided by the total number of Special Purpose Membership Interests then outstanding.

"Standards of Conduct" means (a) (i) FERC's standards of conduct for transmission providers codified at 18 C.F.R. Part 358 and the rules, regulations, and Orders issued by FERC pertaining thereto, and (ii) any applicable or relevant requirements under NERC standards, including but not limited to, protection of Critical Energy/Electric Infrastructure Information (as such terms are defined under FERC rules and regulations), CIP requirements, and receipt and storage of other non-public information containing sensitive information regarding the Company Group's transmission system and the safety and reliability of the bulk-electric system (as that term is defined under the Federal Power Act, as amended, and FERC); and (b) the policies, procedures and internal compliance practices of any member of the Company Group, or its Subsidiaries governing internal compliance regarding part (a) of this definition or as may be designated by the chief compliance officer(s) (as such term is defined by under 18 CFR 358.8(c)(2)) for the Company Group.

"Subsidiary" means, with respect to any Person, any entity of which a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof or any partnership, association or other entity of which a majority of the partnership or other similar ownership interest is at the time owned or controlled, directly or indirectly, by such Person or one or more Subsidiaries of such Person or a combination thereof. For purposes of this definition, a Person is deemed to have a majority ownership interest in a partnership, limited liability company, association or other business entity if such Person is allocated a majority of the gains or losses of such partnership, limited liability company, association or other entity or is or controls the managing director or general partner of such partnership, limited liability company, association or other business entity.

"Tag Portion" means an amount of Membership Interests equal to the specified quantity of Tag-Along Offered Membership Interests multiplied by Investor Member's Percentage Interest.

"Targeted Capital Structure" means the targeted regulatory capital structure of an applicable Subsidiary of the Company as it appears in the applicable attachment H of the PJM Open Access Transmission Tariff, which amount shall comply with all applicable Laws and shall otherwise be determined by the Board (which determination shall include the approval of the Investor Directors as long as the Investor Member holds at least a 30.0% Common Percentage Interest).

"Tax" or "Taxes" means any federal, state, local, foreign or other income, gross receipts, capital stock, capital gains, franchise, profits, withholding, payroll, social security, unemployment, disability, real property, ad valorem/personal property, stamp, excise,

occupation, sales, use, excise, escheat, unclaimed property, transfer, value added, import, export, alternative minimum, estimated or other tax, duty, assessment or governmental charge of any kind whatsoever, including any interest, penalty or addition thereto.

"Tax Return" means any return, claim for refund, report, election, form, statement or information return relating to Taxes, including any schedule or attachment thereto, and including any amendments thereof.

"Third Party" means, with respect to a Member, another Person that is not another Member or an Affiliate of a Member.

"Transfer" shall mean, with respect to the legal or beneficial ownership of any of a Member's Membership Interests, any sale, assignment, transfer, pledge, encumbrance, hypothecation or other similar arrangement or disposal, directly or indirectly, whether voluntarily, involuntarily or by operation of applicable Law including by the entry into any contract, option or other arrangement, or the granting or imposition of any Lien, that gives any Person other than the Member, whether or not upon the occurrence or nonoccurrence of an event, the right to acquire any Membership Interests or any interest therein, to vote any Membership Interest, or to require that any Membership Interests be transferred, directly or indirectly, whether voluntarily, involuntarily or by operation of applicable Law, except in any such case as expressly set forth in Section 6.2(b). For the avoidance of doubt and notwithstanding the foregoing, (a) any sale, assignment, transfer, or other disposition of equity interests in any Member or any direct or indirect parent of such Member in which the Membership Interests held by such Member represent more than 50.0% of the Fair Market Value of all of the assets directly or indirectly held by such Member or direct or indirect parent the equity interests of which are being disposed shall constitute a "Transfer" for all purposes of this Agreement, except in any such case as expressly set forth in Section 6.2(b) or the following clause (b), (b) any direct or indirect transfer of equity interests in any Member that does not result in a Change in Control of such Member shall not constitute a "Transfer" for any purpose under this Agreement so long as any required authorization, approval or consent of all applicable Governmental Bodies in respect of such transfer has been received, and (c) a Change in Control of the FE Member shall not constitute a "Transfer" for any purpose under this Agreement.

"Transmission Leadership Team" means the individuals serving in the following positions (or any successor positions thereof, however titled or restyled) at FE Member: (a) President of the Company, (b) Vice President of Transmission, (c) Vice President of Construction and Design Services, (d) Vice President of Compliance and Regulated Services, and (e) Director of Transmission Rates and Regulatory Affairs.

Section 13.17 Terms Defined Elsewhere in this Agreement. As used in this Agreement, the following terms shall have the meanings ascribed to them in the sections indicated:

Term	**Section**
Annual Approved Budget	13.16
AAA	13.13(a)
Act	13.16
Additional Funding Requirement.	5.1(a)(iv)

Section 13.18 Other Definitional Provisions. The following shall apply to this Agreement:

(a) Accounting terms which are not otherwise defined in this Agreement have the meanings given to them under GAAP. To the extent that the definition of an accounting term defined in this Agreement is inconsistent with the meaning of such term under GAAP, the definition set forth in this Agreement shall control.

(b) The terms "hereof," "herein" and "hereunder" and terms of similar import are references to this Agreement as a whole and not to any particular provision of this Agreement. Section, clause, schedule and exhibit references contained in this Agreement are references to sections, clauses, schedules and exhibits in or to this Agreement, unless otherwise specified.

(c) Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." Where the context permits, the use of the term "or" shall be equivalent to the use of the term "and/or."

(d) When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a day other than a Business Day, the period in question shall end on the next succeeding Business Day. In addition, notwithstanding any deadline for payment, performance, notice or election under this Agreement, if such deadline falls on a date that is not a Business Day, then the deadline for such payment, performance, notice or election will be extended to the next succeeding Business Day.

(e) Words denoting any gender shall include all genders, including the neutral gender. Where a word is defined herein, references to the singular shall include references to the plural and vice versa.

(f) The word "will" will be construed to have the same meaning and effect as the word "shall". The words "shall," "will," or "agree(s)" are mandatory, and "may" is permissive.

(g) All references to "$" and dollars shall be deemed to refer to United States currency unless otherwise specifically provided.

(h) All references to a day or days shall be deemed to refer to a calendar day or calendar days, as applicable, unless otherwise specifically provided.

(i) Any reference to any Contract shall be a reference to such agreement or Contract, as amended, amended and restated, modified, supplemented or waived.

(j) Any reference to any particular Code section or any Law shall be interpreted to include any amendment to, revision of or successor to that section or Law regardless of how it is numbered or classified; provided, that, for the purposes of the representations and warranties contained herein, with respect to any violation of or non-compliance with, or alleged violation of or non-compliance, with any Code section or Law, the reference to such Code section or Law means such Code section or Law as in effect at the time of such violation or non-compliance or alleged violation or non-compliance.

(k) For all purposes of this Agreement (including the determination of a Member's Percentage Interest and its entitlement, if applicable, to designate one or more Directors), such Member and its Permitted Transferees shall be deemed to be, and shall be treated as, one and the same Member.

[Remainder of Page Intentionally Left Blank]

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

The Company:

FirstEnergy Transmission, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

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

FE Member:

FirstEnergy Corp., an Ohio corporation

By: _____
Name:
Title:

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

Investor Member:

North American Transmission Company II L.P.,
a Delaware limited liability company

By: _____
Name:
Title:

Schedule 1

Schedule of Members

Name	Address	Common Percentage Interest	Special Percentage Interest
FirstEnergy Corp.	76 South Main Street Akron, Ohio 44308	50.1%	100%
North American Transmission Company II L.P.	1200 Smith Street, Suite 640 Houston, Texas 77002	49.9%	-

Schedule 2

Prohibited Competitors

1. American Electric Power
2. American Municipal Power
3. AES
4. Dominion Energy
5. Duke Energy
6. Duquesne Light Company
7. Exelon
8. ITC
9. LS Power
10. PSE&G
11. PPL
12. NextEra Energy

Schedule 3

Investors Guidelines and Restrictions for Disclosures to Co-Investors

See attached.

Schedule 3

Investor Guidelines and Restrictions for Disclosures to Co-Investors[1]

1. For purposes of this Schedule 3, "Co-Investor" has the same meaning as that term is defined in the Second PSA. Any other capitalized terms used, but not defined herein, shall have the meanings set forth in the Agreement.

2. The Investor Member may only provide or disclose Confidential Information to any Co-Investor or its Representatives to the extent such disclosure does not violate applicable Law or Order.

3. Any Co-Investor and its Representatives shall be bound by all applicable Laws in their receipt and use of Confidential Information, including but not limited to, all antitrust Laws, Standards of Conduct, including CIP, CEII, and NERC rules and regulations, and Governmental Body Laws and Orders.

4. The Investor Member (as set forth in Section 9.4(g) of the Agreement), the Co-Investors and their respective Representatives shall be bound by the Standards of Conduct. Prior to receiving any utility operations information, and on an annual basis, the Investor Member, Co-Investors and their respective Representatives shall complete Standards of Conduct training.

5. For the avoidance of doubt, any Co-Investor and its Representatives shall be bound by confidentiality requirements no less restrictive in the aggregate than the requirements by which the Investor Member is bound pursuant to Section 9.6 of the Agreement.

[1] Any disclosure of CEII shall be in accordance with all applicable Laws, including, but not limited to, the CFIUS Regulations (Section 721 of Title VII of the Defense Production Act of 1950, as amended (50 U.S.C. § 4565), and all applicable rules and regulations issued and effective thereunder) and in accordance with any commitments made in any notice to CFIUS, or as set forth in the CFIUS Clearance, as such terms are defined in the Second PSA.

Schedule 4

Specific Deadlock Resolution Procedures

See attached.

[redacted]

Schedule 4
Specific Deadlock Resolution Procedures

Resolution for Deadlocks over Annual Approved Budget (other than Capital Expenditures)	• *Annual Approved Budget (excluding Capital Expenditures, which are addressed in the next row below)*. In the event that the FE Member and Investor Member continue to be unable to agree on line items in the Annual Approved Budget after the senior executive discussions contemplated by the second sentence of Section 1.10(b), then such line items in the Annual Approved Budget for the relevant fiscal year will be deemed to be the same as the Annual Approved Budget for the preceding fiscal year with the following modifications: o Adjustments to reflect the consumer price index and increases in costs pursuant to documented then-current contractual and compliance obligations; and o The values resulting from the preceding bullet may be adjusted by the Company to reflect the need to account for the occurrence of events beyond the reasonable control of the Company and its Subsidiaries. ▪ If the Investor Member believes that the FE Member's adjustments are not commercially reasonable, then such dispute may be submitted to binding arbitration as contemplated by Section 13.13.
Resolution for Deadlocks Over the Aggregate Capital Expenditures in the Annual Approved Budget	• In the event that the FE Member and Investor Member continue to be unable to agree on a line item (either "Regulatory Required" or "Reliability Enhancements") in the capital expenditure budget in the Annual Approved Budget after the senior executive discussions contemplated by the second sentence of Section 1.10(b), then the aggregate Annual Capital Expenditure Budget for such line item in the relevant fiscal year will be deemed to be the same as the aggregate Annual Capital Expenditure Budget for such line item in the prior fiscal year, increased by the greater of a percentage equal to (i) the implied annual investment growth rate for the FET utilities in the applicable year, as presented in the FE Member's most recent publicly announced Factbook as found on the FE Member's website and (ii) CPI *plus* 2.5%. • If the Investor Member believes that the calculation is not commercially reasonable, then such dispute may be submitted to binding arbitration as contemplated by Section 13.13.

Resolution for Officer and/or Transmission Leadership Team Deadlocks	• In the event that the FE Member and Investor Member continue to be unable to agree on the appointment of an officer and/or the Transmission Leadership Team after the senior executive discussions contemplated by the second sentence of Section 1.10(b), then FE Member, on the one hand, and the Investor Member, on the other hand, will each prepare in good faith a list of five appropriately qualified individuals (each person so listed at least satisfying the qualifications set forth in the below sub bullets) for any deadlocked officer position or member of the Transmission Leadership Team, as applicable. o Each individual proposed must (i) have at least 10 years of management-level experience in the private sector, (ii) not have been an employee or consultant of FERC or any other Governmental Body, a public official or a candidate for public office (it being agreed that any individual affiliated with the Investor Member shall not be considered a public official as a result of such affiliation), and (iii) not have been convicted by a court or equivalent tribunal of any felony (or equivalent crime in the applicable jurisdiction) or of any misdemeanor (or equivalent crime in the applicable jurisdiction) that involves financial dishonesty or moral turpitude. o In the case of the Investor Member's proposed appointees, such individuals must also not create a material regulatory or reputational risk to the Company based on a good-faith determination by the Board. • Following receipt of the lists, if one or more individuals are listed on both the FE Member's list and the Investor Member's list, then the FE Member will have the right to designate one of those individuals to the deadlocked officer or Transmission Leadership Team position, as applicable, and the parties will take all necessary actions to cause such appointment as promptly as practicable. • If there are no individuals included on both lists, then the FE Member and the Investor Members will take turns striking an individual from the other's list. o The FE Member will go first in striking from the Investor Members' list. Whichever individual is the last person remaining on the list will be selected for the position (and if such individual is unable or unwilling to serve, then the next-last individual on the list will be selected, and so on).

Resolution for "Available Limited Discretion Cash" Deadlocks	• In the event that the FE Member and Investor Member continue to be unable to agree on the determination of the "Available Limited Discretion Cash" amount for any fiscal quarter after the senior executive discussions contemplated by the second sentence of Section 1.10(b), then the "Available Limited Discretion Cash" for such fiscal quarter shall be deemed to be equal to: o The cash flow generated from the business operations of the Company and its Subsidiaries in such fiscal quarter; <u>less</u> o An amount equal to 50% of the aggregate payment obligations that are then due or scheduled to be due during the next succeeding fiscal quarter in the ordinary course of business (including making any required payments of principal or interest in satisfaction of Indebtedness), provided that the Company has then-available liquidity that is sufficient to pay the other 50% of such aggregate payment obligations (and if the Company does not have such then-available liquidity, then the amount reserved pursuant to this bullet will be increased by such shortfall in then-available liquidity); <u>less</u> o An amount equal to the amount reasonably recommended by the Transmission Leadership Team for such fiscal quarter in order to enable the Company and its Subsidiaries to comply with applicable Law or Order or respond to an ongoing Emergency Situation. ▪ If the Investor Member believes that the Transmission Leadership Team's recommendation is not reasonable, then such dispute may be submitted to binding arbitration as contemplated by Section 13.13.
Resolution for "Targeted Capital Structure" Deadlocks	• In the event that the FE Member and Investor Member continue to be unable to agree on the determination of the Company's "Targeted Capital Structure" after the senior executive discussions contemplated by the second sentence of Section 1.10(b), then the Targeted Capital Structure of the applicable Subsidiary will be equal to the Targeted Capital Structure of such for the preceding fiscal year, subject to compliance with applicable Law.

Resolution for Regulatory Filing Deadlocks	• To the extent that any regulatory filing that is subject to the consent rights in Section 8.4(o) has a deadline by which the regulatory filing must be made, such that there is not sufficient time for the fifteen (15) Business Day and twenty (20) Business Day discussion periods contemplated by Section 1.11(b) to take place, the Investor Member and the FE Member will agree in good faith on shorter time periods such that the filing will be made by such deadline. • In the event that the FE Member and Investor Member continue to be unable to agree on the content of such regulatory filing after these discussion periods: o In respect of filings made pursuant to FPA Section 205 that are voluntary, the filing will not be made unless and until the FE Member and Investor Member are able to agree on the filing. o In respect of all other filings covered by Section 8.4(o), the Company will retain independent qualified regulatory counsel that is mutually acceptable to FE Member and Investor Member (negotiating in good faith). The Company will direct its internal and applicable external counsel to cooperate with this independent counsel, and the independent counsel will be responsible for preparing the filing. After consultation with the FE Member and Investor Member, which shall equally have the right to participate in the consultation and preparation of any such filings, the independent counsel will be instructed to prepare a commercially reasonable filing that is in the best interests of the Company.

Schedule 5

Annual Approved Budget, Business Plan, and Capital Plan Procedures

See attached.

[redacted]

Schedule 5

Budget, Business Plan and Capital Plan Process

Defined Terms:

- "Annual Budget" means a one-year budget for the Company and its Subsidiaries, presented on both a consolidated basis and a by-subsidiary basis, including an income statement, balance sheet, cash flow statement, and aggregate capital expenditure budget, consistent with the forms of the relevant worksheets in Attachment 1 to this Schedule 5. The aggregate capital expenditure budget in an Annual Budget will include two line items ("Regulatory Required" and "Reliability Enhancements").

- "Business Plan" means the five-year financial forecast (covering the next five full fiscal years, commencing with the fiscal year starting in the following January) for the Company and its Subsidiaries, presented on both a consolidated basis and a by-subsidiary basis, including an income statement, balance sheet and cash flow statement, consistent with the forms of the relevant worksheets in Attachment 1 to this Schedule 5.

- "Capital Plan" means the five-year capital expenditure forecast for the Company (on an aggregate total Company basis), in the form of the relevant worksheet in Attachment 1 to this Schedule 5 and, for the avoidance of doubt, is specifically row 9 of the worksheet titled "Form: Financial Forecast – Consolidated".

Process Steps

- FE Member and Investor Member will cooperate and work together in good faith to jointly establish the date by which the Board shall each year approve the Annual Budget for the following fiscal year and the Capital Plan (such date, as may be subsequently adjusted from time to time by the written agreement of the FE Member and the Investor Member, the "Approval Date"), provided, however, that the Approval Date shall be no later than December 31st of a year for the Annual Budget and Capital Plan for the following calendar year.

- The Company shall commit to present to the Board no later than 45 days prior to the Approval Date, a draft Annual Budget and a Business Plan, which will include the draft Capital Plan, for the following period, and the FE Member and the Investor Member will direct their respective Directors to discuss in good faith and seek to approve such Annual Budget and Capital Plan no later than Approval Date or as promptly as reasonably practicable thereafter. Upon the Board's approval, such draft Annual Budget and draft Capital Plan (in each case, with such amendments or modifications thereto as authorized by the Board) shall become the Annual Approved Budget and the Capital Plan, respectively; provided that, in the case of the Annual Budget, the draft Annual Budget's approval as the Annual Approved Budget is, for so long as the Investor Member's Common Percentage

Interest is at least 30.0%, subject to the Investor Member's approval rights in Section 8.4(l) and the deadlock provisions in Section 1.11.

- In addition, as supporting information to and in conjunction with the Annual Budget, Business Plan and Capital Plan, the Company will provide to the Board a list of the capital projects consistent with the worksheet titled "Form Ill. Capex Project List", it being understood that the specific list of capital projects is subject to change over the course of the fiscal year.

- On a periodic basis throughout the year, the Company will also provide to the Board any forecast updates to the Annual Approved Budget.

Schedule 6

Voting Calculation Methodology for Special Purpose FE Director

See attached.

[redacted]

Schedule 6

Voting Calculation Methodology for Special Purpose FE Director

For purposes of the vote required to determine the FE Director jointly designated for appointment by FE Member's Common Membership Interests and the Members that are holders of the Special Purpose Membership Interests, the following shall apply:

- As of the Effective Date, the FE Member on account of its Common Membership Interests (in such capacity a "Common Voter") shall have 86 votes (the "Common Votes") and the Member(s) that are holders of the Special Purpose Membership Interests (in such capacity a "Special Purpose Voter") shall have 14 votes (the "Special Purpose Votes") in respect of voting to designate such FE Director as required by Section 2.2(d) of the Agreement.
- At all times when such vote is required pursuant to Section 2.2(d) of the Agreement, such FE Director designee shall be the individual who receives a plurality of the Common Votes and Special Purpose Votes cast, voting together as a single class.
- Both Common Voters and Special Purpose Voters may vote all of its or their votes for the same individual or multiple individuals for such FE Director position (for example, the Common Voter could elect to vote 45 of its Common Votes for "Individual A" and 43 of its Common Votes for "Individual B", while the Special Purpose Voter may elect to likewise split its Special Purpose Votes amongst multiple individuals or vote all of its Special Purpose Votes for a single individual).
- During the five year period that such vote is required, the total number of Special Purpose Votes shall be adjusted periodically to proportionally decrease as the Special Purpose Value declines. For this purpose, the "Special Purpose Value" shall mean the respective value of (i) the Special Purpose Membership Interests as compared to (ii) the FE Member's Common Membership Interests and the Special Purpose Membership Interests collectively, which value is presumed to decrease proportionately as (i) the capital account balance maintained by MAIT pursuant to its Organizational Documents for its members on account of such member(s)' MAIT Class B Interests decreases relative to (ii) the collective capital account balance of the holders of the FE Member's Common Membership Interests and the holders of the Special Purpose Membership Interests in the Company; provided that such total number of Special Purpose Votes will in all circumstances (subject to the next bullet point) be rounded down to the next nearest whole number such that there are no fractional Special Purpose Votes. By way of examples, (i) if on the Effective Date, the relevant capital account balance (measured as a percentage) was 20% and subsequently decreases to 10%, then the total number of Special Purpose Votes would be automatically reduced to 7; (ii) assuming again an initial capital account balance of 20% but in this instance that decreases to 9%, the total number of Special Purpose Votes in such circumstance would automatically be reduced to 6.
- During the five year period that such vote is required, for so long as any Special Purpose Membership Interests are outstanding and the MAIT Class B Interests are owned by the Company, in no event will there be less than 1 Special Purpose Vote in existence. Therefore, to the extent that a decrease required by the immediately preceding bullet would result in 0

Special Purpose Votes, such determination will be adjusted so that 1 Special Purpose Vote remains in existence.

- In the event that multiple Members are the holders of Special Purpose Membership Interests, the total number of Special Purpose Votes that each Member holds in respect of their Special Purpose Membership Interest will be based on such Member's Special Percentage Interest (rounding as appropriate to the nearest whole number(s) so that no Member holds any fractional Special Purpose Votes).

Joint Applicants Exhibit
SRS-3

SECOND AMENDED AND RESTATED

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

OF

MID-ATLANTIC INTERSTATE TRANSMISSION, LLC

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SECOND AMENDED AND RESTATED

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

OF

MID-ATLANTIC INTERSTATE TRANSMISSION, LLC

THIS SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT (this "***Agreement***") of Mid-Atlantic Interstate Transmission, LLC, a Delaware limited liability company (the "***Company***"), is made and is dated [DATE], by FirstEnergy Transmission, LLC, a Delaware limited liability company ("***FET***" or the "***Member***"). Unless the context otherwise requires, terms that are capitalized and not otherwise defined in context have the meanings set forth or cross-referenced in Article 2.

WHEREAS, FET caused to be filed a Certificate of Formation of the Company with the Secretary of State of Delaware (the "***Secretary of State***") to form the Company under and pursuant to the Law (as herein defined) on June 10, 2015 (the "***Formation Date***");

WHEREAS, in connection with such formation, FET entered into a Limited Liability Company Agreement of the Company dated as of June 10, 2015 (the "***Original LLC Agreement***");

WHEREAS, pursuant to a contribution agreement between the Company, Pennsylvania Electric Company, a Pennsylvania corporation ("***PN***") and Metropolitan Edison Company, a Pennsylvania corporation ("***ME***", and together with FET and PN, the "***Initial Members***") (the "***Contribution Agreement***") dated January 31, 2017 (the "***Contribution Date***"), each of the Initial Members contributed certain assets and/or cash in exchange for Interests in the Company;

WHEREAS, the Company and the Initial Members entered into an Amended and Restated Limited Liability Company Agreement of the Company dated as of January 31, 2017 (the "***First Amended and Restated LLC Agreement***") to set forth the respective rights, powers and interests of the Initial Members with respect to the Company and their respective Interests therein and to provide for the management of the business and operations of the Company;

WHEREAS, pursuant to a Membership Interest Purchase Agreement between FirstEnergy and the Initial Members dated [DATE], FirstEnergy purchased 100% of the Class B Interests from the Initial Members in exchange for cash;

WHEREAS, pursuant to a Contribution Agreement between FirstEnergy and FET dated [DATE], FirstEnergy contributed 100% of the Class B Interests to FET; and

WHEREAS, FET desires to enter into this Agreement to amend and restate the First Amended and Restated LLC Agreement in its entirety and to set forth the respective rights, powers and interests of FET with respect to the Company and its respective Interests therein and to provide for the management of the business and operations of the Company.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt, adequacy and sufficiency of

which are hereby acknowledged, the Member, intending to be legally bound, hereby agrees to amend and restate the First Amended and Restated LLC Agreement in its entirety as follows:

Article 1. Organization

1.1 Formation of the Company; Term. The Company is a limited liability company under the Law and is governed by this Agreement. The Company is an entity separate from the Member(s) and the Managers (as defined below), created by the execution and filing of the certificate of formation of the Company with the Secretary of State of the State of Delaware. Unless sooner dissolved and liquidated by action of the Member(s) and the Managers, the Company is to continue in perpetuity.

1.2 Name. The name of the Company is: "Mid-Atlantic Interstate Transmission, LLC."

1.3 Purpose of the Company; Business. The purpose of the Company is to engage in any lawful act or activity for which a limited liability company may be formed within the State of Delaware, including, but not limited, to (a) design, engineer, site, acquire rights-of- way for, procure, permit, construct, commission, finance, own, operate and maintain certain transmission and interconnection facilities in the PJM Region; and (b) engage in any and all lawful activities directly or indirectly relating thereto, including incurring and guaranteeing indebtedness related to such activities.

1.4 Registered Office; Registered Agent. The registered office of the Company shall be the office of the initial registered agent named in the Certificate of Formation or such other office (which need not be a place of business of the Company) as the Board (as defined below) may designate from time to time in the manner provided by the Law. The registered agent for service of process on the Company in the State of Delaware shall be the initial registered agent named in the Certificate of Formation or such other Person or Persons as the Board may designate from time to time in the manner provided by the Law.

1.5 Principal Place of Business. The principal place of business and mailing address of the Company is 76 S. Main Street, Akron Ohio 44308. The Company may also have offices at such other locations as the business of the Company may require. From time to time, the Board may change the principal place of business of the Company without reflecting the change in this Agreement.

Article 2. Definitions

"***Affiliate***" of any Person means any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person.

"***Class***" means a specific group of Member(s) owning an Interest in the Company having certain specific rights, powers, and duties as provided for under this Agreement.

"***Class A Interest***" means an Interest in the Company designated as a Class A Interest.

"***Class B Interest***" means an Interest in the Company designated as a Class B Interest.

"***Code***" means the United States Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations promulgated thereunder.

"***FirstEnergy***" means FirstEnergy Corp., an Ohio corporation, and the parent of the Initial Members.

"***Fiscal Year***" means the fiscal year of the Company for accounting and tax purposes, which shall begin on January 1 and end December 31 of each year or such other date as the Board shall determine from time to time, except for the short taxable years in the years of the Company's formation and termination and as otherwise required by the Code.

"***Interest***" means any interest in the Company held by any Member, including the Class A Interests and the Class B Interests.

"***Law***" means the Delaware Limited Liability Company Act (6 Del. C. § 18-101, et seq.), as amended from time to time. Any reference to the Law automatically includes a reference to any subsequent or successor limited liability company law in the State of Delaware.

"***Member***" or "***Members***" means (a) FET; and (b) and each Person who is hereafter admitted as a Member in accordance with the terms of this Agreement and the Law, in each case so long as such Person is shown on the Company's books and records as the owner of any Interest. The Member(s) shall constitute the "members" (as that term is defined in the Law) of the Company.

"***Person***" or "***person***" means any natural person and any corporation, firm, partnership, trust, estate, limited liability company or other entity resulting from any form of association.

"***PJM***" means PJM Interconnection, L.L.C., a regional transmission organization, or any successor entity.

"***PJM Region***" means the aggregate of the transmission control zones within the PJM geographic footprint.

Article 3. Capitalization; Economics

3.1 Authorized Interests. The Company shall be authorized to issue different classes of Interests, consisting of Class A Interests and Class B Interests. Except for the voting rights as set forth in Section 3.2, Class A Interests and Class B Interests shall have the same rights, preferences, privileges and obligations under this Agreement. The Board shall have the right to create additional classes of Interests from time to time; provided, this Agreement shall be amended by the Board to reflect the rights, preferences, privileges and obligations of any such new Interests, subject to approval by the Member(s) as set forth in Section 3.2.

3.2 Voting Rights.

(a) <u>In General</u>. Except as otherwise required by applicable law, no Member shall have any voting rights except as otherwise expressly set forth in this Agreement.

(b) Management Control. Each Member holding Class A Interests shall have the sole authority to elect and remove the Managers and determine the size of the Board.

(c) Special Matters. Members holding Class A Interests or Class B Interests shall have equal voting rights with respect to the special matters delineated below. Without the prior written consent of the majority of the voting rights of the Members holding Class A Interests and Class B Interests, voting together as a class, the Company shall not: (a) voluntarily initiate any liquidation, dissolution or winding up of the Company or permit the commencement of a proceeding for bankruptcy, insolvency, receivership or similar action against the Company; (b) sell, dispose of (whether by merger, sale of equity, recapitalization or otherwise) the Company or substantially all of the assets of the Company; and (c) amend, modify or waive any provision of this Agreement.

3.3 Member(s). The ownership percentage of the Class A Interests and Class B Interests is set forth opposite the Member's name in Exhibit A hereto.

3.4 Distributions. The Member(s) shall not be entitled to interest on their capital contributions to the Company or have the right to distributions or the return of any contribution to the capital of the Company, except for distributions in accordance with this Section 3.6 or upon dissolution and liquidation of the Company in accordance with Sections 7.1 and 7.2. To the fullest extent permitted by the Law, the Member(s) shall not be liable for the return of any such amounts. Notwithstanding any provision in this Agreement to the contrary, the Company shall not make a distribution to the Member(s) on account of their respective Interests in the Company if such distribution would violate the Law or other applicable law.

3.5 Classification. The Company has made an election to be classified as a corporation for U.S. federal income (and applicable state and local) tax purposes, and an Internal Revenue Service Form 8832 has been properly filed electing such classification.

Article 4. Management

4.1 Board of Managers.

(a) The Company shall be managed by a board of managers (the "***Board***") initially composed of three managers (each a "***Manager***" and collectively, the "***Managers***") as elected by FET. From time to time, the Member(s) holding Class A Interests may elect additional Managers to serve on the Board.

(b) Each Manager is to serve until the earlier of his or her death, resignation or removal. Member(s) holding Class A Interests may remove or replace a Manager at any time. Any Manager may resign at any time by delivering his or her written resignation to the Member(s) holding Class A Interests.

4.2 Authority of the Board.

(a) Except as specifically reserved to the Member(s) in this Agreement or as provided by applicable law, the Board has all power and authority to manage, and to direct the management of, the business and affairs of the Company in the ordinary course of its business

consistent with the Law. Approval by or action taken by the Board in accordance with this Agreement is the approval or action of the Company and is binding on each Member, Manager and the Company.

(b) The Board may delegate to the officers, other employees and agents of the Company the authority to conduct the business of the Company in the ordinary course, in accordance with this Agreement and any policy of delegation which may be adopted and revised from time to time by the Board. Any power not delegated by the Board remains with the Board.

4.3 Notice of Board Meetings. Regular meetings of the Board may be held at such times and places as may be fixed by the Board. Special meetings of the Board may be called by the president (if appointed), by the secretary (if appointed), or by any Manager. Notice of the time and place of a special or regular meeting of the Board is effective if delivered to each member of the Board by hand, mail, telecopy, telephone or electronic mail and received not less than one day prior to the time of such special meeting. Notices of special meetings of the Board are to identify the time, place, and purpose of the special meeting or the business to be transacted at the special meeting. The failure to specifically identify an action to be taken or business to be transacted does not invalidate any action taken or any business transacted at a special meeting.

4.4 Location of Board Meetings. Board meetings may be held at any location in the world. The Managers may participate in a meeting of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting is presence in person at the meeting.

4.5 Waiver of Notice of Meeting. Whenever notice of a Board meeting is required to be given, a written waiver of notice, signed by the Manager entitled to notice, whether before or after the time of the meeting, is equivalent to notice. Neither the business to be transacted at, nor the purpose of, any Board meeting need to be specified in any written waiver of notice thereof. A Manager's attendance at a meeting is a waiver of notice of that meeting, except when the Manager attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

4.6 Quorum; Required Vote. A quorum for the transaction of business at any meeting of the Board shall consist of a majority of the Managers then in office. The vote of at least a majority of the Managers on the Board constitutes approval by, or the authorization of, the Board. No Manager on the Board is disqualified from acting on any matter because the Manager is interested in the matter to be acted upon by the Board.

4.7 Voting; Proxies. Each Manager on the Board has one vote. A Manager has no power to authorize another person to vote on behalf of the Manager, whether by proxy or other power of attorney.

4.8 Written Actions of the Board. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if a majority of the Managers on the Board consents thereto in writing, and the writing or writings are filed by the Company Secretary with the minutes of proceedings of the Board.

4.9 Officers of the Company.

(a) The Board may, but shall not be required to, appoint one or more individuals to serve as officers of the Company, assign powers and duties to such officers and set the compensation of such officers, if any.

(b) The officers of the Company may consist of a president, a secretary, a controller, a treasurer, and such other officers and assistant officers and agents as the Board shall deem necessary or advisable.

(c) Each officer shall serve until the earlier of his or her death, resignation or removal. The Board may remove or replace any officer at any time, with or without cause, by a vote of at least a majority of the members of the Board then in office. Any officer may resign at any time by delivering his or her written resignation to the Board.

(d) Unless otherwise specified elsewhere in this Agreement or by the Board from time to time, the officers of the Company will have such authority and perform such duties as are customarily incident to their offices.

(e) The Board shall authorize those individuals who will be responsible for signing documents necessary or advisable for the operation of the business.

Article 5. Powers and Duties of and Limitations on the Members

5.1 Rights of the Member. Each Member is entitled to have such rights and powers as are provided in this Agreement or by mandatory requirements of applicable law.

5.2 Limitations on the Rights of each Member. Subject to any mandatory requirements of applicable law, each Member (in its capacity as a Member) has no right to take any part whatsoever in the management and control of the ordinary business of the Company, sign for or bind the Company, compel a sale or appraisal of Company assets or sell or assign its interest in the Company except as provided in this Agreement.

5.3 Limited Liability of each Member. No Member will be obligated personally for any debt, obligation or liability of the Company or other Members, whether arising in contract, tort or otherwise, solely by reason of being a Member.

5.4 Assignments and Transfers of Interests. A Member may transfer all or any portion of its Interest in the Company and any and all rights and/or obligations associated therewith with the written consent of the Board. The transferee of an Interest shall be admitted to the Company as a Member upon its execution of a counterpart signature page to this Agreement, or some other written instrument reasonably acceptable to the Board in which the Member agrees to be bound by the terms of this Agreement. If the transferring Member transfers all of its Interest, such admission shall be deemed effective immediately prior to the transfer and immediately following such admission, the transferor Member shall cease to be a member of the Company.

5.5 Admission of Additional Members. In connection with the issuance of additional Interests by the Company, one or more additional Member(s) may be admitted to the Company as a Member with the written consent of the Board and upon execution of a counterpart signature page to this Agreement or some other document pursuant to which such additional Member agrees

to be bound by this Agreement. The Company shall continue as a limited liability company under the Law after the admission of any additional Members pursuant to this Section 5.5.

5.6 Withdrawal. A Member shall not cease to be a Member as a result of the bankruptcy of such Member or as a result of any other events specified in the Law. A Member who continues to hold any Interest may withdraw from the Company only with the prior written consent of the Board. Otherwise, so long as a Member continues to hold any Interest, such Member shall not have the ability to withdraw or resign as a Member prior to the dissolution and winding up of the Company and any such withdrawal or resignation or attempted withdrawal or resignation by a Member prior to the dissolution or winding up of the Company shall be null and void. As soon as any Person who is a Member ceases to hold any Interests, such Person shall no longer be a Member.

Article 6. Exculpation and Indemnification

6.1 Exculpation. To the full extent authorized or permitted by law (as now or hereafter in effect), no Manager of the Company (or any predecessor of the Company) shall be personally liable to the Company or the Member(s)for monetary damages for any breach of fiduciary duty by such a Manager as a Manager. Notwithstanding the foregoing sentence, a Manager shall be liable to the extent provided by applicable law (a) for any breach of the Manager's duty of loyalty to the Company or its Member(s), (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law or (c) for any transaction from which the Manager derived an improper personal benefit. No amendment to or repeal of this Section 6.1 shall apply to or have any effect on the liability or alleged liability of any Manager of the Company for or with respect to any acts or omissions of such Manager occurring prior to such amendment or repeal.

6.2 Indemnification.

(a) The Company shall indemnify to the fullest extent authorized or permitted by law (as now or hereafter in effect) any person made, or threatened to be made a party to or otherwise involved in any action or proceeding (whether civil or criminal or otherwise) by reason of the fact that he, his testator or intestate, is or was a Manager or officer of the Company or by reason of the fact that such Manager or officer, at the request of the Company, is or was serving any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, in any capacity, against expenses reasonably incurred by him or her in connection with the defense or settlement of such action if he or she acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Company, except in relation to matters as to which he or she is adjudged in such action or proceeding to be liable for negligence or misconduct in the performance of a duty owed to the Company. Nothing contained herein shall affect any rights to indemnification to which employees other than Managers and officers may be entitled by law. No amendment or repeal of this Section 6.2 shall apply to or have any effect on any right to indemnification provided hereunder with respect to any acts or omissions occurring prior to such amendment or repeal.

(b) Expenses incurred in defending any action or proceeding, civil or criminal, may be paid by the Company in advance of the final disposition of such action or proceeding notwithstanding any provisions of this Article to the contrary. But the Manager, officer, employee,

or agent so defended shall repay such expenses to the Company if it is judicially determined that such Manager, officer, employee, or agent is not entitled to indemnification as provided in this Article.

(c) The Company may purchase and maintain insurance on behalf of any person who is or was a Manager, officer, employee or agent of the Company or was serving at the request of the Company as a Manager, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his status as such, whether or not the Company would have the power to indemnify him or her against such liability under the provisions of the law. The Company may create a trust fund, grant a security interest and use any other means (including, without limitation, letters of credit, surety bonds and other similar arrangements), as well as enter into contracts providing for indemnification to the fullest extent authorized or permitted by law and including as part thereof any or all of the foregoing, to ensure the payment of such sums as may become necessary to effect full indemnification.

(d) The rights to indemnification conferred in this Section 6.2 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, this Agreement or any agreement, any vote of Member(s) or Managers or otherwise.

Article 7. General

7.1 Dissolution. The Company shall be dissolved only upon the first to occur of the following: (a) by action of the Member(s) approving such dissolution; (b) at any time there is no Member of the Company unless the Company is continued in accordance with the Law; (c) the entry of a decree of judicial dissolution under Section 18-802 of the Law; or (d) as otherwise required by applicable law.

7.2 Winding Up and Liquidation. If the Company is required to wind up its affairs and liquidate its assets, it will first pay or make provision to pay all of its obligations as required by law and any assets remaining will be distributed to the Member(s).

7.3 Entire Agreement; Amendment. This Agreement is the entire declaration of the Member(s) with respect to the subject matter hereof and will only be amended, subject to Section 3.2, by a writing duly signed by the Member(s) that refers to this Agreement.

7.4 Notices. All notices, requests, consents and other communications hereunder to any party shall be deemed to be sufficient if delivered in writing in person or by telecopy, facsimile, electronic mail or similar electronic means or sent by nationally-recognized overnight courier or first class registered or certified mail, return receipt requested, postage prepaid, addressed to such party at the address set forth in Exhibit A hereto, in the case of any Member, in Section 1.5, in the case of the Company, or at such other address as may hereafter be designated in writing by such party to the other parties. All such notices, requests, consents and other communications shall be deemed to have been received (a) in the case of personal delivery or delivery by telecopy, facsimile, electronic mail or similar electronic means, on the date of such delivery, (b) in the case of dispatch by nationally recognized overnight courier, on the next Business Day following such dispatch, and (c) in the case of mailing, on the fifth Business Day after the posting thereof.

7.5 Invalidity. In the event that any provision of this Agreement is invalid, the validity of the remaining provisions of the Agreement are not in any way to be affected thereby.

7.6 Governing Law. This agreement is governed by and is to be construed under the laws of the State of Delaware, without giving effect to its conflicts of laws rules.

7.7 Successors and Assigns. This Agreement shall be binding upon the parties and their respective successors, executors, administrators, legal representatives, heirs and legal assigns and shall inure to the benefit of the parties and, except as otherwise provided herein, their respective successors, executors, administrators, legal representatives, heirs and legal assigns.

7.8 No Benefit of Third Parties. The provisions of this Agreement are intended only for the regulation of relations among the Member(s), the Managers and former or prospective members or managers of the Company. This Agreement is not intended for the benefit of any other Person.

7.9 Construction. The headings contained in this Agreement are for reference purposes only and do not affect the meaning or interpretation of this Agreement. All personal pronouns used in this Agreement, whether used in the masculine, feminine or neutral gender, include all other genders. The words "include," "includes," and "including" will be deemed to be followed by "without limitation." Except when the context requires otherwise, any reference in this Agreement to a singular number shall include the plural. The words "this Agreement," "herein," "hereof," "hereby," "hereunder" and words of similar import refer to this Agreement as a whole, including the Annexes, Exhibits and Schedules, as the same may be amended, supplemented or otherwise modified from time to time, and not to any particular subdivision unless expressly so limited. Captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit, extend or describe the scope or intent of this Agreement or of any of its provisions. All references in this Agreement to any numbered Articles or Sections are, unless otherwise indicated, references to the Articles or Sections of this Agreement which are so numbered. All references to the numbered or lettered Annexes, Exhibits and Schedules are references to the Annexes, Exhibits and Schedules so numbered or lettered which are appended to this Agreement, as such Annexes, Exhibits and Schedules may be amended, supplemented or otherwise modified from time to time. Such references to Annexes, Exhibits and Schedules are to be construed as incorporating by reference the contents of each Annex, Exhibit or Schedule, as applicable, to which such reference is made as though such contents were set out in full at the place in this Agreement where such reference is made.

7.10 Counterparts. This Agreement may be executed in any number of counterparts, including by facsimile or other electronic signature. All counterparts shall be construed together and shall constitute one instrument.

[Signature on the Following Page]

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

FIRSTENERGY TRANSMISSION, LLC

By: _____
Name:
Title:

EXHIBIT A

Membership Interest

Member	Capital Contribution	Class of Interest (percentage)
FirstEnergy Transmission, LLC 5001 NASA Blvd., Fairmont, West Virginia 26554	$[NBV]	Class A (100%)
FirstEnergy Transmission, LLC 5001 NASA Blvd., Fairmont, West Virginia 26554	$[NBV]	Class B(100%)

Joint Applicants Exhibit
SRS-4

FORM OF CAPITAL CONTRIBUTION AGREEMENT

This Capital Contribution Agreement (this "Agreement") by and among **FirstEnergy Corp.**, an Ohio Corporation ("FirstEnergy"), and **FirstEnergy Transmission, LLC**, a Delaware limited liability company ("FET" and together with FirstEnergy, collectively the "Parties"), is effective as of the [DAY] day of [MONTH], [YEAR] (the "Effective Date").

BACKGROUND

WHEREAS, FirstEnergy owns 100% of the Class B Membership Interests (the "MAIT Class B Membership Interests") of Mid-Atlantic Interstate Transmission, LLC, a Delaware limited liability company ("MAIT").

WHEREAS, FirstEnergy desires to transfer and relinquish all rights in the MAIT Class B Membership Interests to FET, in the form of a capital contribution (the "Equity Contribution"), in exchange for the issuance by FET of 100% of the Special Purpose Membership Interests of FET (the "Special Purpose Membership Interests") to FirstEnergy, and FET desires to acquire and accept the Equity Contribution from FirstEnergy.

WHEREAS, 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 Equity Contribution, upon the terms and conditions set forth in this Agreement.

WHEREAS, the Parties intend that the Equity Contribution in exchange for the issuance by FET of the Special Purpose Membership Interests to FirstEnergy will qualify as a reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended (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).

WHEREAS, pursuant to the terms and conditions set forth below, FirstEnergy and FET desire to enter into such transactions in which FirstEnergy contributes the MAIT Class B Membership Interests to FET in consideration of its Special Purpose Membership Interest ownership in FET.

AGREEMENT

NOW THEREFORE, in consideration of the above premises and the promises contained in this Agreement, and intending to be legally bound, the Parties agree as follows:

§1. Transfer of Capital Contribution to FET.

Except as otherwise provided in, and upon the terms and subject to the conditions of this Agreement, on the Effective Date, FirstEnergy shall contribute, transfer, assign, convey and deliver, to FET, free and clear of all liens (other than restrictions imposed on transfer

under applicable federal or state securities laws), and FET shall accept, all of FirstEnergy's and its affiliates' right, title and interest in, the Equity Contribution.

§2. Equity Interest in FET.

In exchange for, and upon the completion of, the transfer described in §1 above, FET shall issue, and FirstEnergy shall own, 100% of the Special Purpose Membership Interests in FET. Upon the issuance by FET of the Special Purpose Membership Interests to FirstEnergy, the Special Purpose Membership Interests shall be duly authorized and validly issued, fully paid, and non-assessable. The Parties will execute all required documentation to effect the transactions contemplated by this §2.

§3. Closing.

Pending receipt of all required governmental approvals, the closing of the transactions contemplated herein (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 the Parent. The date on which the Closing occurs is referred to in this Agreement as the "Closing Date."

§4. Warranties of FET.

§4.1 FET is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. FET has full power and authority to conduct its business as it is now being conducted, to own or use the properties and assets relating to its business that it purports to own or use, and to perform all its obligations with respect thereto.

§4.2 FET has the relevant power and authority necessary to execute and deliver this Agreement. FET has taken all actions necessary to authorize the Agreement, the performance of its obligations thereunder, and the consummation of the transaction contemplated by §2. This Agreement has been duly authorized by, and has been or will be duly executed, and delivered by, and, assuming the due authorization, execution and delivery thereof by each counterparty, is enforceable against, FET, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting the rights and remedies of creditors and to general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

§4.3 To the best of the knowledge of the undersigned officer of FET, there is no legal action or proceeding pending against FET that would inhibit the transaction of FET's ordinary business or prevent FET from validly entering into this Agreement.

§4.4 The Special Purpose Membership Interests which are being issued to FirstEnergy hereunder will, when issued, sold and delivered in accordance with the terms hereof for the

consideration expressed herein, (i) have been duly and validly authorized and issued, fully paid and non-assessable and (ii) have not been issued in violation or breach of applicable law or the FET Operating Agreement.

§4.5 FET (a) understands that the MAIT Class B Membership Interests to be contributed hereunder have 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 are being offered and sold in reliance upon federal and state exemptions for transactions not involving any public offering, (b) is acquiring the MAIT 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 MAIT and has had the opportunity to obtain additional information as desired in order to evaluate the merits and the risks inherent in holding the MAIT Class B Membership Interests, (e) is able to bear the economic risk and lack of liquidity inherent in holding the MAIT Class B Membership Interests, and (f) is an accredited investor as set forth in Regulation D promulgated under the Securities Act. Furthermore, FET hereby acknowledges that FirstEnergy makes no representations or warranties with respect to MAIT, its assets, liabilities or operations in any respect, except as expressly set forth in this §4.

§4.6 Except for the approval of the Federal Energy Regulatory Commission and the Pennsylvania Public Utility Commission with respect to the Equity Contribution, no governmental authorizations are or will be required in connection with the execution, delivery or performance by FET, or the consummation by it of the transactions contemplated by this Agreement.

§4.7 The execution and performance of the obligations contained in this Agreement do not constitute a violation, breach or default under any other agreement by which FET is bound, which, in each case, would reasonably be expected to prohibit, prevent or materially delay the consummation by FET of the transactions contemplated by this Agreement.

§5. Warranties of FirstEnergy.

§5.1 FirstEnergy is a corporation, duly incorporated, validly existing and in good standing under the laws of the State of Ohio. FirstEnergy has full power and authority to own, encumber or otherwise transfer the MAIT Class B Membership Interests that it purports to own, encumber or otherwise transfer, and to perform all its obligations with respect thereto.

§5.2 FirstEnergy has the relevant power and authority necessary to execute and deliver this Agreement. FirstEnergy has taken all actions necessary to authorize the Agreement, the performance of its obligations thereunder, and the consummation of the transaction contemplated by §1. This Agreement has been duly authorized by, and has been or will be duly executed, and delivered by, and, assuming the due authorization, execution and delivery thereof by each counterparty, is enforceable against, FirstEnergy, subject to

bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting the rights and remedies of creditors and to general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

§5.3 To the best of the knowledge of the undersigned officer of FirstEnergy, there is no legal action or proceeding pending against FirstEnergy that would inhibit the transaction of FirstEnergy's ordinary business or would prevent FirstEnergy from validly entering into this Agreement and performing the transactions contemplated herein.

§5.3 FirstEnergy has good, marketable and valid title to the MAIT Class B Membership Interests, in each case free and clear of all liens (other than restrictions imposed on transfer under applicable federal or state securities laws).

§5.4 FirstEnergy (a) understands that the Special Purpose Membership Interests to be received hereunder have not been, and will not be, registered under the Securities Act or under any state securities laws, and are being offered and sold in reliance upon federal and state exemptions for transactions not involving any public offering, (b) is acquiring the Special Purpose 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 FET and has had the opportunity to obtain additional information as desired in order to evaluate the merits and the risks inherent in holding the Special Purpose Membership Interests, (e) is able to bear the economic risk and lack of liquidity inherent in holding the Special Purpose Membership Interests, and (f) is an accredited investor as set forth in Regulation D promulgated under the Securities Act. Furthermore, FirstEnergy hereby acknowledges that FET makes no representations or warranties with respect to FET, its assets, liabilities or operations in any respect, except as expressly set forth in this §5.

§5.5 Except for the approval of the Federal Energy Regulatory Commission and the Pennsylvania Public Utility Commission with respect to the Equity Contribution, no governmental authorizations are or will be required in connection with the execution, delivery or performance by FirstEnergy, or the consummation by it of the transactions contemplated by this Agreement.

§5.6 The execution and performance of the obligations contained in this Agreement do not constitute a violation, breach or default under any other agreement by which FirstEnergy is bound which, in each case, would reasonably be expected to prohibit, prevent or materially delay the consummation by FirstEnergy of the transactions contemplated by this Agreement.

§6. Mutuality of Consent.

Each Party acknowledges that this Agreement is the manifestation of direct negotiation, and such Agreement represents the mutual and voluntary consent and understanding of the Parties.

§7. Each Party Familiar with Operations of Other Party.

Each Party acknowledges that it (i) is familiar with the operations of the other Party, (ii) has been provided access to all necessary financial records, statements, accounts or other materials of the other Party to the extent such party so requested, and (iii) is competent to evaluate the risks associated with the performance of its obligations under the Agreement.

§8. Tax Consequences.

The Parties intend that the Equity Contribution in exchange for the issuance by FET of the Special Purpose Membership Interests to FirstEnergy will 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 FirstEnergy, 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.

§9. Governing Law.

This Agreement is to be governed by and interpreted and enforced in accordance with Delaware law without reference to the conflict of laws provisions thereof.

§10. Non-assignability.

This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns; provided, however, that this Agreement, or any portion thereof, may not be assigned without the written consent of each non-assigning Party, which consent shall not be unreasonably withheld.

§11. Severability.

If any provision of the Agreement is determined to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining provisions of this Agreement.

§12. Entire Agreement.

This Agreement constitutes the entire understanding of the Parties with respect to the subject matter hereof and supersedes all prior understandings, contracts and agreements between the Parties.

§13. Amendment.

This Agreement may not be amended or modified without the written consent of each Party.

§14. Expenses.

Each Party agrees to pay its respective expenses incurred with respect to this Agreement and the consummation of the transactions contemplated thereby.

§15. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement of the date first written above.

FIRSTENERGY CORP.

By:_____
Name:
Its:

FIRSTENERGY TRANSMISSION, LLC

By:_____
Name:
Its:

Joint Applicants Exhibit

SRS-5

INCOME TAX ALLOCATION AGREEMENT
BY AND AMONG FIRSTENERGY TRANSMISSION, LLC AND SUBSIDIARIES

THIS INCOME TAX ALLOCATION AGREEMENT (as the same may be amended, modified or supplemented from time to time, this "**Agreement**") is made and entered into as of this [●] day of [●], [2024], by and among FirstEnergy Transmission, LLC, a limited liability company organized under the laws of the State of Delaware and classified as a corporation for U.S. federal income tax purposes ("**Parent**"), and Parent's undersigned subsidiaries listed on Schedule A to this Agreement (each such subsidiary, a "**Subsidiary**").

RECITALS

WHEREAS, Parent and each Subsidiary are members (each separately a "**Member**" and collectively "**Members**") of an affiliated group (the "**Parent Group**") as defined in section 1504(a) of the Internal Revenue Code of 1986, as amended (the "**Code**");

WHEREAS, the Members of the Parent Group were included in the U.S. federal consolidated income tax return of FirstEnergy Corp., an Ohio corporation, and its subsidiaries (the "**FE Corp Group**") prior to [●], the date North American Transmission Company II LLC purchased an additional 30% interest in Parent (the "**Brookfield Purchase**"), and the Members are parties to that certain Income Tax Allocation Agreement by and among FirstEnergy Corp. and subsidiaries, dated as of [●] (the "**FE Corp Group Tax Sharing Agreement**"), which provides for allocation of and sharing payments with respect to both U.S. federal consolidated tax liability among the FE Corp Group members and state and local income tax liability among certain members of the FE Corp Group which comprise a state or local consolidated, combined, or unitary income tax group ("**FE Corp State Groups**").

WHEREAS, the Brookfield Purchase resulted in the deconsolidation, for U.S. federal income tax purposes, of the Members of the Parent Group from the FE Corp Group, but not the deconsolidation of Members of the Parent Group from certain of the FE Corp State Groups ("**Continuing FE Corp State Groups**"), and the FE Corp Group Tax Sharing Agreement ceased to apply to the Members of the Parent Group for U.S. federal income tax purposes, but continues to apply to the Members of the Parent Group with respect to Continuing FE Corp State Groups;

WHEREAS, Parent will file, on behalf of the Parent Group, an initial U.S. federal consolidated income tax return for its taxable year ending on December 31, [2024], and each Subsidiary will provide a duly executed authorization and consent form to be attached to such return, and the Parent Group will be required to file a U.S. federal consolidated income tax return for subsequent taxable years (such initial and subsequent returns, each a "**Consolidated Tax Return**");

WHEREAS, it is the intent and desire of Parent and each Subsidiary to enter into this Agreement for allocating the consolidated tax liability of the Parent Group among the Members, for reimbursing Parent for payment of such tax liability, for compensating any Member for use of its tax losses or credits, and to provide for the allocation and payment of any refund arising from the carryback to a prior taxable year of tax losses or credits, and providing similar rules with respect to any tax liability of any State Group (as defined herein), it being understood that the FE Corp

Group Tax Sharing Agreement, rather than this Agreement, will continue to govern all such matters with respect to any Continuing FE Corp State Group; and

WHEREAS, the Parent Group will elect to allocate its consolidated tax liability for earnings and profits purposes among its Members under the method described in Treasury Regulation sections 1.1502-33(d)(3) and 1.1552-l(a)(2), and the fixed percentage to be used for purposes of Treasury Regulation section 1.1502-33(d)(3)(i) is 100%.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties hereto agree as follows:

ARTICLE I
FILING OF TAX RETURNS

Section 1.1 Income Tax Returns. A Consolidated Tax Return shall be filed by Parent, on behalf of the Parent Group, for its taxable year ending on December 31, [2024], and for each subsequent taxable year in respect of which this Agreement is in effect and for which Parent is required or permitted to file a Consolidated Tax Return on behalf of itself and any Subsidiary. With respect to the Parent Group's initial Consolidated Tax Return, each Subsidiary shall provide a duly executed authorization and consent of subsidiary corporation to be included in a U.S. federal consolidated income tax return (Form 1122 or successor form) to be attached to such return. Parent and each Subsidiary shall execute and file such consent, elections, and other documents that may be required or appropriate for the proper filing of any Consolidated Tax Return. Each Subsidiary agrees to make available to Parent any documents or other information reasonably requested by Parent, in the manner and by the date requested, and otherwise to cooperate to the extent reasonably necessary for the preparation and filing of such returns by Parent.

Section 1.2 Rights and Responsibilities.

(a) Of Parent. Parent (or its successor) shall, for any consolidated tax year or any portion of a consolidated tax year for which it is the common parent of the Parent Group, act as the sole agent of the Parent Group, and shall act for each Subsidiary with respect to all matters relating to any Consolidated Tax Return or tax liability of the Parent Group pursuant to Treasury Regulation section 1.1502-77 (including those matters enumerated in Treasury Regulation section 1.1502-77(d)). For purposes of this Section 1.2(a), "**successor**" means any entity, other than Parent, that is the common parent of the Parent Group during any portion of a consolidated tax year. With respect to any tax liability or tax matter subject to this Agreement, in addition to any other right, power or authority granted under law or under any other provision of this Agreement, Parent shall have full responsibility and exclusive right, in its sole discretion, to:

(i) Prepare and file any tax return (including an amended tax return) subject to this Agreement;

(ii) Maintain books and records reflecting the intercompany accounts including the amounts owed, collected, and paid with respect to income taxes pursuant to this Agreement;

(iii) Make any election with respect to any tax return or tax matter subject to this Agreement;

(iv) Request any extension of time for filing any election or return subject to this Agreement;

(v) Make any claims for refund and determine whether any refunds shall be paid by way of refund or credited against any liability for the related tax;

(vi) Control, manage, settle or contest any tax controversy involving a tax return for which it has filing responsibility under this Agreement; and

(vii) Retain outside firms to conduct or assist in any of the enumerated matters in this Section 1.2(a).

Parent shall exercise its rights and carry out its responsibilities under this Agreement through the determinations and actions of the Agreement Administrator, as defined in Section 3.4.

(b) Delegation. In order to fulfill any of its rights or responsibilities under this Agreement, Parent, in its sole discretion, may delegate in writing to one or more Affiliates any of the enumerated actions in Section 1.2(a) or any other of Parent's rights or responsibilities under this Agreement, including, but not limited to, for the collection and disbursement of monies under this Agreement, as well as responsibilities for maintaining books and records as required under this Agreement. For this purpose, "Affiliate" means any entity of which Parent owns, directly or indirectly, equity interests representing 50% or more of the total outstanding combined voting power or total value, and, so long as FirstEnergy Corp. owns directly or indirectly 50% or more of the outstanding equity interests of Parent, any entity of which FirstEnergy Corp. owns, directly or indirectly, equity interests representing 50% or more of the total outstanding combined voting power or total value.

(c) Of Subsidiaries. No Subsidiary shall have authority to act for or represent itself in any matter relating to the consolidated tax liability of the Parent Group, except as provided in Treasury Regulation section 1.1502-77(e), or to perform any of the actions enumerated in Section 1.2(a), except at the direction and with the written consent of Parent. Further, each Subsidiary shall cooperate fully at such time and to the extent reasonably requested by Parent in the preparation or filing of any tax return or the conduct of any other filing, audit, dispute, proceeding, suit or action concerning any issues or other matters considered in this Agreement.

Section 1.3 Consolidated, Combined, or Unitary State and Local Income Tax Returns. The principles described in Section 1.1 and Section 1.2 shall apply in similar fashion to any consolidated, combined, or unitary state or local income tax liability and associated tax returns that may be elected or required to be filed of any group that (a) includes any Subsidiary and/or Parent, and (b) is not a Continuing FE Corp State Group (any such group, a "**State Group**", and any such return, a "**State Group Return**"), and Parent shall have the discretion to modify the principles as necessary to comply with the laws and regulations of the jurisdiction governing any State Group and State Group Return. Parent shall have the exclusive right, in its sole discretion, to determine the membership of any State Group, including any such group of which Parent is not a member.

If the right to file any State Group Return is optional, Parent shall determine whether to file a State Group Return and, to the extent permitted by law, which Subsidiaries should join in the filing of such return. Further to Parent's rights of delegation under Section 1.2(b), in the case of any State Group of which Parent is not a member, Parent may, in its discretion, direct one or more members of such State Group (including the member designated as the parent of such group for state or local income tax law purposes) to perform one or more of the actions enumerated in Section 1.2(a) with respect to such group. Such member or members shall perform such actions in accordance with Parent's express direction and shall not take any action enumerated in Section 1.2(a) without the express direction and the written consent of Parent. Matters involving any Continuing FE Corp State Group shall be governed by the FE Corp Group Tax Sharing Agreement rather than the provisions of this Agreement.

ARTICLE II
PAYMENT OF TAXES

Section 2.1 Payment of Taxes Generally.

(a) Allocation of Consolidated Tax Liability.

(i) Separate Return Liabilities. For each taxable year, Parent shall compute the (A) Separate Return Tax Liability, and (B) as applicable, Separate Return CAMT Liability of each Member, and each Taxable Member shall pay (I) the amount of such Separate Return Tax Liability, plus (II) in a CAMT Taxable Year, the amount of such Separate Return CAMT Liability to Parent in the manner provided in this Section 2.1.

(ii) Certain Defined Terms. For purposes of this Agreement, the following terms shall have the following meanings:

(A) "**CAMT Liability**" shall mean the amount of tax equal to the excess, if any, of the tentative minimum tax for a taxable year, over the regular tax for the taxable year as determined under section 55(a) of the Code, and, if such regular tax equals or exceeds the tentative minimum tax for a taxable year, the CAMT Liability shall be deemed to be zero.

(B) "**CAMT Taxable Year**" shall mean any taxable year in which the Parent Group has a CAMT Liability.

(C) "**Separate Return CAMT Liability**" shall mean, with respect to any Member, the amount of the CAMT Liability which is reasonably allocated by Parent to the Member based on such Member's adjusted financial statement income and/or other relevant attributes that contributed to the Parent Group's consolidated CAMT Liability. In making such allocation of CAMT Liability, Parent shall reasonably take into account any applicable statutes, regulations, or other authoritative guidance issued by the Internal Revenue Service or U.S. Department of Treasury with respect to the allocation of the tax imposed under section 55(a) of the Code; provided, that in no event shall the sum of the Separate Return CAMT Liabilities of the Members for any taxable year be greater than the CAMT Liability of the Parent Group for such taxable year.

(D) "**Separate Return Tax Liability**" shall mean, with respect to any Member, the regular tax liability of such Member as if the Member filed a separate return in accordance with the principles of section 1552(a)(2) of the Code and Treasury Regulation section 1.1552-1(a)(2)(ii), provided, however, that any (y) current year tax credit or deduction, or (z) carryover of a tax attribute from a prior taxable year that, in each case, is not absorbed in the determination of the consolidated tax liability of the Parent Group for such taxable year shall be disregarded.

(E) "**Taxable Member**" shall mean any Member with a positive Separate Return Tax Liability or a positive Separate Return CAMT Liability for the taxable year.

(iii) Base Erosion Tax. Each Member's Allocable Share of Base Erosion Tax (as defined in Section 2.1(d)), if any, shall be treated as part of such Member's Separate Return Tax Liability.

(iv) Absorption of Tax Attributes. If, for any taxable year, the sum of the Members' Separate Return Tax Liabilities exceeds the consolidated tax liability of the Parent Group as a result of tax losses or credits of one or more Members (each such Member, a "**Loss Member**") being absorbed by the Parent Group, an amount equal to such excess shall be allocated among the Loss Members based on each Loss Member's allocable portion of tax losses or credits absorbed by the Parent Group in the taxable year (each such portion, a "**Full Year Tax Receipt**"). Parent shall pay each such Loss Member (excluding Parent) its allocable portion of such tax losses or credits in the manner provided in this Section 2.1. Parent shall receive and hold any payments of Separate Return Tax Liability (except for amounts described in Section 2.1(a)(iv)(B), below, which shall be received by Parent on its own behalf) on behalf of the applicable Loss Members until such amounts have been paid over to such Loss Members pursuant to Section 2.1(b) or Section 2.1(c)(ii), below. For purposes of this Section 2.1(a)(iv):

(A) The amount of a Loss Member's allocable tax loss or credit absorbed by the Parent Group shall be determined in accordance with the principles of Treasury Regulation section 1.1502-21(b); provided, however, that the amount of any tax losses or credits taken into account in the determination of a Member's Separate Return Tax Liability under Section 2.1(a)(i) shall not be further taken into account in determining a Loss Member's allocable portion of tax losses or credits absorbed by the Parent Group; and

(B) To the extent Parent is a Loss Member for any taxable year, Parent shall retain its proportionate share of any payment of Separate Return Tax Liability received for such year based on its allocable portion of tax losses or credits absorbed by the Parent Group in such taxable year.

(v) Tax Liability. For purposes of this Agreement, any reference to a tax liability includes a reference to any interest, penalties, or additions with respect to such tax liability.

(b) Estimated Tax Payments. Parent shall elect a method for determining quarterly estimated tax payments for the Parent Group and each Member shall follow that method. During each quarter of the taxable year, Parent shall estimate each Member's Separate Return Tax Liability or Full Year Tax Receipt based on such Member's projected Separate Return Tax Liability and the projected Parent Group consolidated tax liability for the taxable year. Based on such estimates, Parent shall assess to each Taxable Member a portion of its estimated Separate Return Tax Liability (such portion, a "**Quarterly Estimated Tax Payment**") and shall pay to each Loss Member a portion of its estimated Full Year Tax Receipt (such portion, a "**Quarterly Estimated Tax Receipt**"), in each case, determined with reference to the number of quarters remaining in the taxable year, the updated projections at the time of each such estimate, and any prior Quarterly Estimated Tax Payment paid or Quarterly Estimated Tax Receipt received by such Member for the taxable year. In addition, during each quarter in which a CAMT Taxable Year is projected, Parent shall also estimate each Member's Separate Return CAMT Liability and assess such Member the allocable portion of such estimated amount (such portion, a "**Quarterly Estimated CAMT Payment**"). Each Taxable Member shall pay to Parent its Quarterly Estimated Tax Payment and/or Quarterly Estimated CAMT Payment, and, subject to Section 2.1(c)(iv), each Loss Member shall be paid its Quarterly Estimated Tax Receipt by Parent, not later than the 15th day of the 4th, 6th, 9th and 12th months, of the applicable taxable year. With respect to any extension payment made in connection with an applicable extension of time to file, Parent shall estimate and assess or, subject to Section 2.1(c)(iv), pay to each Member its share of such extension payment. Each Member shall pay such assessed amount or receive payment from Parent, as applicable, no later than thirty (30) days after such extension is filed. For purposes of Section 2.1(c), any extension payment made by a Member shall be considered a Quarterly Estimated Tax Payment (or Quarterly Estimated CAMT Payment, as applicable) and any extension payment made by Parent to a Member shall be considered a Quarterly Estimated Tax Receipt.

(i) Illustrative Example. For the first quarter of the taxable year, based on projections relating to Member X and the Parent Group for the taxable year, Parent estimates Member X's Separate Return Tax Liability for the taxable year to be $100 and assesses Member X a Quarterly Estimated Tax Payment of $25 for the first quarter. For the second quarter of the taxable year, Parent, based on revised projections, estimates that Member X's Separate Return Tax Liability for the taxable year will be $140 and then assesses Member X a Quarterly Estimated Tax Payment of $45 for the second quarter, representing the cumulative incremental amount that Member X owes (i.e., ($140 x .50) - $25 = $45) based on its revised projections.

(c) Final Tax Payments. Within sixty (60) days after the date of filing the Consolidated Tax Return for the taxable year:

(i) Final Regular Tax Payment. Parent shall assess each Taxable Member a "**Final Regular Tax Payment**," as provided in this Section 2.1(c)(i). If, based on the final Separate Return Tax Liability for the taxable year, a Taxable Member's Separate Return Tax Liability exceeds the sum of such Taxable Member's Quarterly

Estimated Tax Payments (net of any Quarterly Estimated Tax Receipts received), such Taxable Member shall pay such excess to Parent as a Final Regular Tax Payment within thirty (30) days of receipt of such assessment. However, if the sum of a Taxable Member's Quarterly Estimated Tax Payments (net of any Quarterly Estimated Tax Receipts received) exceeds such Member's Separate Return Tax Liability, then Parent shall refund such excess to such Taxable Member within thirty (30) days of making such determination.

(ii) Final Tax Receipt. Subject to Section 2.1(c)(iii), Parent shall determine the amount of each Loss Member's "**Final Tax Receipt**," as provided in this Section 2.1(c)(ii). If, for the taxable year, a Loss Member's Full Year Tax Receipt exceeds the sum of such Loss Member's Quarterly Estimated Tax Receipts (net of any Quarterly Estimated Tax Payments made), subject to Section 2.1(c)(iii), Parent shall pay such excess to such Loss Member as a Final Tax Receipt within thirty (30) days of making such determination. However, if a Loss Member's Quarterly Estimated Tax Receipts (net of any Quarterly Estimated Tax Payments made) exceed such Loss Member's Full Year Tax Receipt, then Parent shall assess such Loss Member such excess and such Loss Member shall refund such excess to Parent within thirty (30) days of receipt of such assessment.

(iii) Final CAMT Payment. In a CAMT Taxable Year, Parent shall assess each Taxable Member a "**Final CAMT Payment**," as provided in this Section 2.1(c)(iii). If, based on the final Separate Return CAMT Liability for the taxable year, a Taxable Member's Separate Return CAMT Liability exceeds the sum of such Taxable Member's Quarterly Estimated CAMT Payments, such Taxable Member shall pay such excess to Parent as a Final CAMT Payment within thirty (30) days of receipt of such assessment. However, if the sum of a Taxable Member's Quarterly Estimated CAMT Payments exceeds such Member's Separate Return CAMT Liability, then Parent shall refund such excess to such Taxable Member within thirty (30) days of making such determination.

(iv) Bankruptcy, Receivership or Similar Case. If a Member becomes subject to any proceedings under applicable bankruptcy, reorganization, liquidation, insolvency or similar law or to any proceeding in which a receiver, liquidator, trustee or other similar official is appointed, and if during the pendency of such proceedings, the Member is a Loss Member for any taxable year, then, notwithstanding Section 2.1(b) or Section 2.1(c)(ii), Parent shall not pay any Quarterly Estimated Tax Receipts or Final Tax Receipt to such Loss Member pursuant to this Agreement (such receipts, "**Bankruptcy Tax Receipts**"). Bankruptcy Tax Receipts, if any, shall be paid by Parent to the Loss Member pursuant to a separate written agreement between Parent and such Loss Member settling any and all claims between the Loss Member, Parent, and any other applicable Members. The amount and the terms and conditions of any Bankruptcy Tax Receipts shall be determined pursuant to the separate agreement between Parent and the Loss Member and not this Agreement.

(v) Loss Member Payments. The manner of determining payments to Loss Members pursuant to Section 2.1(b) or Section 2.1(c)(ii) for use of tax attributes shall be pursuant to a consistent method which reasonably reflects such items of tax loss or credit

(such consistency and reasonableness to be determined by the Agreement Administrator, defined in Section 3.4).

(d) Allocable Share of Base Erosion Tax. For purposes of this Agreement, a Member's "**Allocable Share of Base Erosion Tax**" shall be the portion of the Parent Group's liability, if any, for base erosion and anti-abuse tax under section 59A of the Code or any similar applicable provision of federal, state, or local law, which is reasonably allocated by Parent to the Member based on such Member's actions and/or tax attributes that contributed to the Parent Group's consolidated liability under section 59A or similar applicable provisions.

(e) Attribute Apportionment to Separate Return Years. If part or all of an unused tax loss or credit is allocated to a Member, pursuant to Treasury Regulation section 1.1502-21(b), Treasury Regulation section 1.1502-22(b), Treasury Regulation section 1.1502-79 or similar applicable provision, and is carried back or carried forward to a taxable year in which such Member filed a separate return or a consolidated return with another affiliated group, any refund or reduction in tax liability arising from the carryback or carryover shall be retained by such Member. Notwithstanding the foregoing and in accordance with Section 1.2, Parent shall determine whether an election shall be made not to carry back part or all of the consolidated net operating loss for any taxable year in accordance with Treasury Regulation section 1.1502-21(b)(3) or similar applicable provision.

Section 2.2 Adjustments to Returns.

(a) Except as otherwise provided in this Agreement, and in accordance with its rights and responsibilities under Section 1.2(a), Parent shall have the exclusive right, in its sole discretion, to determine (i) whether any extensions may be requested, (ii) whether an amended tax return shall be filed, (iii) whether any claims for refund shall be made, (iv) whether any refunds shall be paid by way of refund or credited against any liability for the related tax, and (v) whether to retain outside firms to prepare or review such tax returns.

(b) If the consolidated tax liability is adjusted for any taxable year, whether by means of an amended return, claim for refund, or after a tax audit by the Internal Revenue Service (or other tax authority, as applicable), the liability of each Member of the Parent Group shall be recomputed to give effect to such adjustments.

(i) In the case of an adjustment giving rise to a refund, Parent shall hold any refund on behalf of the Members until Parent shall have determined, in the same manner as in Section 2.1 above, the share of such refund belonging to each Member, if any, and, upon making such determination, Parent shall pay over to each such Member such share. Parent shall make such determination and payment no later than the thirtieth (30th) day after the refund is received by Parent.

(ii) To the extent an adjustment results in a decrease in tax liability of one or more Members that does not result in a refund to the Parent Group, Parent shall recompute the Separate Return Tax Liabilities (and, to the extent applicable, the Separate Return CAMT Liabilities) and Full Year Tax Receipts of the Members pursuant to Section 2.1 (taking into account any offsetting of the decrease in the tax liability of the Member or

Members by any increase in tax liability of another Member or Members) and revise Final Regular Tax Payments, Final CAMT Payments and Final Tax Receipts as necessary to reflect such offsetting increases and decreases in tax liabilities. Any additional amount of Final Regular Tax Payment, Final CAMT Payment or Final Tax Receipt owing as a result of such recomputation shall be paid by the applicable Member to Parent or by Parent to the applicable Member, as applicable, within thirty (30) days of notice of such recomputation.

(iii) In the case of an adjustment giving rise to an increase in consolidated tax liability of the Parent Group, within thirty (30) days after such adjustment is final, Parent shall recompute the Separate Return Tax Liabilities (and, to the extent applicable, the Separate Return CAMT Liabilities) and Full Year Tax Receipts of the Members pursuant to Section 2.1 (taking into account offsetting, if any, of an increase in tax liability of one or more Members by a decrease in the tax liability of another Member or Members) and revise Final Regular Tax Payments, Final CAMT Payments and Final Tax Receipts as necessary to reflect such increases and decreases in tax liabilities. Any additional amount of Final Regular Tax Payment, Final CAMT Payment or Final Tax Receipt owing as a result of such recomputation shall be paid by the applicable Member to Parent or by Parent to the applicable Member, as applicable, within thirty (30) days of notice of such recomputation.

Section 2.3 Books and Records. Parent shall be responsible for maintaining the books and records reflecting the intercompany accounts reflecting amounts owed, collected and paid with respect to taxes pursuant to this Agreement. At Parent's sole discretion in exercise of its rights under Section 1.2(b), Parent may delegate to any Affiliate responsibility for the collection and disbursement of monies as required under this Agreement as well as responsibility for maintaining books and records as required by this Agreement.

Section 2.4 Consolidated, Combined, Unitary State and Local Income Tax Returns. The principles described in this ARTICLE II shall, to the extent reasonably practicable, apply in similar fashion to any State Group (that is not a Continuing FE Corp State Group) and corresponding State Group Return that may be elected or required to be filed, including any group of which Parent is not a member. Each Subsidiary that is required to file a return with respect to a state or local income tax liability that is not a State Group Return shall be solely responsible and obligated to pay the tax liability with respect to such return from its own funds, and the preparation of any such return shall be governed by the FirstEnergy Intercompany Services Agreement and any other agreement that may govern the rights and responsibilities of such Subsidiary. Matters involving any Continuing FE Corp State Group shall be governed by the FE Corp Group Tax Sharing Agreement rather than the provisions of this Agreement.

ARTICLE III
DISPUTES & OTHER ADMINISTRATION

Section 3.1 Responsibility. To the extent that the Subsidiaries have fulfilled their obligations under this Agreement, Parent will be solely responsible for, and will indemnify and hold each Subsidiary harmless with respect to the payment of: (a) the consolidated tax liability for each taxable period for which Parent filed (or should have filed) a Consolidated Tax Return under

this Agreement; and (b) any other tax liability due or payable with respect to any other tax return filed (or that should have been filed) by Parent under this Agreement.

Section 3.2 Tax Controversies and Refund Claims. In accordance with its rights and responsibilities under Section 1.2(a), Parent shall have full responsibility and discretion in managing or controlling, settling or contesting any tax controversy involving an income tax return for which it has filing responsibility under this Agreement. Any costs incurred in managing or controlling, settling or contesting any tax controversy shall be allocated among Parent and the applicable Subsidiaries in accordance with the FirstEnergy Intercompany Services Agreement and governing cost allocation procedures. In accordance with its rights and responsibilities under Section 1.2(b), each Subsidiary shall cooperate fully at such time and to the extent reasonably requested by Parent in the conduct of any audit, dispute, proceeding, suit or action concerning any issues or other matters considered in this Agreement.

Section 3.3 Departing Members.

(a) In the event that any Subsidiary at any time ceases to be a Member (a "**Departing Member**") and, under any applicable statutory provision or regulation, the Departing Member is assigned and deemed to take with it all or a portion of any of the tax attributes of the Parent Group (including but not limited to net operating losses ("**NOLs**"), capital loss carryforwards, and credit carryforwards, hereinafter a "**Final Tax Attribute Allocation**"), then to the extent that the amount of tax attributes so assigned differs from the amount of such attributes previously allocated to such Departing Member under this Agreement, Parent and the Departing Member shall, subject to Section 2.1(c)(iv), appropriately settle such difference. Except in the case of bankruptcy, receivership or a similar case under Section 2.1(c)(iv), such settlement shall consist of payment (i) on a dollar-for-dollar basis for all differences in credits, and, (ii) in the case of NOL differences (or other differences related to other deductions), in a dollar amount computed by reference to the amount of NOL multiplied by the applicable tax rate relating to such NOL. Parent shall determine the Final Tax Attribute Allocation and notify the Departing Member of this determination no later than thirty (30) days after filing the Consolidated Tax Return that includes the event causing the Departing Member to cease to be a Member or within such time period as the parties may otherwise agree in writing. The settlement payment shall be paid by the Departing Member to Parent or by Parent to the Departing Member, as applicable, within thirty (30) days after Parent notifies the Departing Member of the Final Tax Attribute Allocation. The relative amount of attributes of each Member shall be adjusted proportionately to reflect the overall adjustment to the Parent Group's tax attributes resulting from the Final Tax Attribute Allocation and, if paid to Parent, the settlement amounts shall be allocated among the remaining Members in accordance with such proportionate adjustments.

(b) Any Departing Member shall allocate its items of income, deduction, loss and credit between the period that it was a Member of the Parent Group (the "**Short Period**") and the period thereafter based upon a closing of the books methodology allowed under Treasury Regulation section 1.1502-76(b)(2). The difference between (i) such Departing Member's prior Estimated Tax Payments, Estimated CAMT Payments or Estimated Tax Receipts for the Short Period and (ii) such Departing Member's Final Regular Tax Payment, Final CAMT Payment or Final Tax Receipt, if any, shall be appropriately settled within ninety (90) days after Parent informs

the Departing Member that the Consolidated Tax Return has been filed for the taxable period that contains the Short Period.

Section 3.4 Administration and Dispute Resolution. The provisions of this Agreement shall be administered by the officer of Parent responsible for the tax functions of the Parent Group (the Assistant Controller, Tax (including any delegate of such employee designated by notice to each Subsidiary) or such employee of any Affiliate as Parent shall from time to time designate by notice to each Subsidiary) (the "**Agreement Administrator**"). The Agreement Administrator shall be authorized to do all things necessary and proper to effectuate the stated intent of the parties under this Agreement, including the resolution of any disagreements between Members concerning the interpretation and application of the provisions of this Agreement. The determinations of the Agreement Administrator with respect to any interpretation or application of this Agreement shall be conclusive.

Section 3.5 Change of Law. In the event of any amendments to the Code, Treasury Regulations or interpretations thereof (or any equivalent state or local tax laws) which bear upon the matters subject to this Agreement, or any enactment of new law subjecting the income of Parent, any Subsidiary or the Parent Group to new or additional taxes, Parent shall determine whether the provisions of this Agreement (a)(i) may continue to be reasonably applied in light of such amendment or enactment, and (ii) may be reasonably applied in respect of such amendment or enactment, or (b)(i) cannot, in its reasonable determination, be reasonably applied in light of such amendment or enactment, and (ii) must be suspended until modified or superseded as a result of such amendment or enactment.

ARTICLE IV
MISCELLANEOUS

Section 4.1 Effect. The provisions hereof shall fix the rights and obligations of the parties as to the matters covered hereby whether or not such are followed for U.S. federal income tax or other purposes by the Parent Group, including the computation of earnings and profits for U.S. federal income tax purposes.

Section 4.2 Effective Date and Termination. This Agreement shall apply to the taxable year ending on December 31, [2024], and all subsequent taxable years during which a Consolidated Tax Return or any State Group Return is filed, unless the Parent and each Subsidiary agree to terminate or replace this Agreement. Notwithstanding any termination or replacement of this Agreement, this Agreement shall continue in effect with respect to any payments or refunds due for all taxable years prior to such termination or replacement. In the event that a party to this Agreement becomes a Departing Member within the meaning of Section 3.3, the rights and obligations of such Departing Member and each other party to this Agreement shall survive, but only with respect to taxable years including or ending before the date such party becomes a Departing Member.

Section 4.3 Notices. Any and all notices, requests or other communications hereunder shall be given in writing (a) if to Parent, either separately or as agent for the Parent Group, to the Agreement Administrator (see Section 3.4), and (b) if to any Subsidiary separately, to such person as such Subsidiary shall designate by notice to Parent.

Section 4.4 Acquisitions. If, during any taxable year, Parent or any Subsidiary acquires or organizes another corporation that is required to be included in the Consolidated Tax Return, that corporation shall join and be bound by this Agreement as a new Member of the Parent Group. Parent or the acquiring/organizing Subsidiary are obligated to cause the new Member to execute this Agreement.

Section 4.5 Successors. This Agreement shall be binding upon and inure to the benefit of any successor, whether by statutory merger, acquisition of assets, or otherwise, to any of the parties hereto to the same extent as if the successor had been an original party to the Agreement.

Section 4.6 Expenses. Unless otherwise expressly provided in this Agreement, each party shall bear any and all expenses that arise from its respective obligations under this Agreement.

Section 4.7 Amendments and Waiver. No amendment, modification, change or cancellation of this Agreement shall be valid unless the same is in writing and signed by the parties hereto. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the person against whom that waiver is sought to be enforced. The failure of any party at any time to insist upon strict performance of any condition, promise, agreement or understanding set forth herein shall not be construed as a waiver or relinquishment of the right to insist upon strict performance of the same or any other condition, promise, agreement or understanding at a future time.

Section 4.8 Assignments. Neither this Agreement nor any right, interest or obligation hereunder may be assigned by any party hereto and any attempt to do so shall be null and void.

Section 4.9 Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

Section 4.10 Complete Agreement. This Agreement constitutes the entire agreement of the parties concerning the subject matter hereof. Any other agreements, whether or not written, in respect of any tax between or among Parent and each Subsidiary shall be terminated and have no further effect. This Agreement may not be amended except by an agreement in writing signed by the parties hereto.

Section 4.11 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

Section 4.12 Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signature thereto and hereto were upon the same instrument.

Section 4.13 Attorneys' Fees. If any Subsidiary or former Subsidiary hereto commences an action against another party to enforce any of the terms, covenants, conditions or provisions of this Agreement, or because of a default by a party under this Agreement, the prevailing party in any such action shall be entitled to recover its costs, expenses and losses, including attorneys' fees, incurred in connection with the prosecution or defense of such action from losing party.

Section 4.14 No Third Party Rights. Nothing in this Agreement shall be deemed to create any right in any creditor or other person or entity not a party hereto and this Agreement shall not be construed in any respect to be a contract in whole or in part for the benefit of any third party.

Section 4.15 Further Documents. The parties agree to execute any and all documents, and to perform any and all other acts, reasonably necessary to accomplish the purposes of this Agreement.

Section 4.16 Headings and Captions. The headings and captions contained in this Agreement are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof if any question of intent should arise.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written, and this Agreement shall supersede any previous agreement.

FIRSTENERGY TRANSMISSION, LLC

By: _____
Name:
Title:

[redacted]

SCHEDULE A
SUBSIDIARY GROUP MEMBERS

Entity Name	EIN	Officer's Signature
Mid-Atlantic Interstate Transmission LLC	[●]	**Mid-Atlantic Interstate Transmission LLC** By: _____ Name: Title:
American Transmission Systems, Inc.	[●]	**American Transmission Systems, Inc.** By: _____ Name: Title:
Trans-Atlantic Interstate Line Company	[●]	**Trans-Atlantic Interstate Line Company** By: _____ Name: Title:
Potomac Appalachian Transmission LLC	[●]	**Potomac Appalachian Transmission LLC** By: _____ Name: Title:
PATH WV Land Acquisition Company	[●]	**PATH WV Land Acquisition Company** By: _____ Name: Title:
PATH West Virginia Transmission Company LLC	[●]	**PATH West Virginia Transmission Company LLC** By: _____ Name: Title:

[redacted]

PATH Allegheny Land Acquisition Company [●]

PATH Allegheny Land Acquisition Company

By: _____
Name:
Title:

PATH Allegheny Virginia Transmission Corporation [●]

PATH Allegheny Virginia Transmission Corporation

By: _____
Name:
Title:

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-_____ A-2023-_____ A-2023-_____ G-2023-_____

Direct Testimony of Jeffrey Rosenthal

RE:
Brookfield's Experience and Fitness

DIRECT TESTIMONY OF JEFFREY ROSENTHAL

I. INTRODUCTION AND BACKGROUND

Q. Please state your full name and business address.

A. My name is Jeffrey Rosenthal. My business address is 181 Bay Street, Toronto, Ontario, Canada.

Q. By whom are you employed and in what capacity?

A. I am the Vice Chair and Operating Partner in Brookfield Asset Management Ltd.'s ("BAM Ltd") Infrastructure Group. BAM Ltd manages the various investment entities and funding vehicles that are ultimately controlled by Brookfield Corporation (f/k/a Brookfield Asset Management Inc.) (BAM Ltd and Brookfield Corporation are collectively referred to herein as "Brookfield").[1] Brookfield is a leading global alternative asset manager with over $800 billion of managed assets, including extensive investment in the energy sector, regulated utilities, and electric transmission infrastructure.

Q. Please describe your current role and responsibilities as the Vice Chair and Operating Partner at Brookfield.

A. I joined Brookfield in 2007 and began my current role in 2017. In this position, I provide oversight of Brookfield's utility investments as well as risk management, capital expenditure and Environmental, Social, and Governance ("ESG") oversight as the Infrastructure Group's Chief Risk Officer. I also presently serve as a board observer on the

[1] The Infrastructure Group specifically refers to the infrastructure and energy transition investment division of BAM Ltd, which manages the infrastructure investment entities and funding vehicles controlled by Brookfield Corporation.

FirstEnergy Transmission, LLC ("FET") Board of Directors by virtue of Brookfield's existing investment in FET, which I will describe in this testimony.

As Chief Risk Officer, I provide strategic oversight over a number of initiatives and directly interact with the Infrastructure Group's portfolio companies on a global basis. These initiatives include:

- Ensuring health and safety best practices, driving a strong safety culture, utilization of leading indicators, contractor safety, and identification and mitigation of high-risk activities.
- Assessment of our portfolio companies' operating risks (e.g. health and safety, economic, etc.)
- Ensuring compliance with legal and regulatory requirements and strong corporate governance protocols.
- Ensuring that strong cyber security protocols and principles are in place, separation of information technology and operational technology systems, and conduct annual penetration testing and fire drills.
- Driving decarbonization programs and help develop roadmaps to net zero.
- Evaluating our portfolio companies' preparedness for both physical and transition risks as defined by the Task Force on Climate-Related Financial Disclosures.[2]
- Monitoring capital expenditure execution from a scope, schedule and budget perspective.
- Ensuring adequate insurance is in place at our portfolio companies.

In addition to these activities, in my role as an Operating Partner, I sit on the boards of several utility company investments in which Brookfield retains a controlling, co-controlling, or minority interest, including a transmission development and operating

[2] The Task Force on Climate-Related Financial Disclosures, created by the Financial Stability Board ("FSB"), an international body that monitors and makes recommendations about the global financial system, develops recommendations on the types of information that companies should disclose to support investors, lenders, and insurance underwriters in appropriately assessing and pricing a specific set of risks related to climate change.

company that is building over 5000 kilometers of 345 kilovolt ("kV") lines throughout Brazil; a gas distribution company in the United Kingdom ("UK") with over 6 million customers in Southern England, Scotland and Northern Ireland; a gas distribution company in Colombia providing service to approximately 3 million customers in Bogota; and a regulated gas pipeline business in Mexico.

Q. Please briefly describe your professional and educational background.

A. Collectively, I have more than three decades of experience as a professional investor and manager of infrastructure investments in a range of business sectors, including utilities (electric, gas distribution, and water), power and renewables, transportation, and communications infrastructure. Prior to my current position, I served as the Chief Operating Officer of Brookfield's Renewable Power business from 2008 to 2013, where I worked closely with our Canadian, United States ("U.S.") and Brazilian leadership to provide oversight of our hydro and wind generation assets in North and South America. This included approval of annual strategy and five-year budget programs and ensuring new hydro and wind facilities were being developed and executed safely and on scope, schedule and budget. From 2013 to 2017, I oversaw our utility investments for infrastructure. These included electricity transmission and distribution companies in the U.S., Canada, Chile and Colombia, a high voltage direct current interconnection between Connecticut and Long Island, a last mile connections business in the UK and a district energy business in North America. Prior to joining Brookfield, I also served as the President and Chief Executive Officer ("CEO") of Oshawa Power and Utilities in Ontario from 2002 to 2007. As President and CEO of Oshawa Power, I was responsible for overall strategic direction of the local distribution company (just east of Toronto), including the development of two

new business opportunities (a dark fiber business and a campus district energy business). I have a Master of Business Administration degree from the Schulich School of Business at York University and a Bachelor of Applied Science and Engineering degree from the University of Toronto.

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

A. I am testifying on behalf of North American Transmission Company II L.P. ("NATCo II"), a controlled investment vehicle of Brookfield, which has agreed to increase its investment in FET.

Q. What is the purpose of your testimony?

A. My testimony supports the Joint Application of American Transmission Systems, Incorporated ("ATSI"), Trans-Allegheny Interstate Line Company ("TrAILCo"), and Mid-Atlantic Interstate Transmission, LLC ("MAIT") (collectively, the "Joint Applicants") for Certificates of Public Convenience ("CPCs") under Sections 1102(a)(3) and 1103 of the Public Utility Code filed with the PaPUC seeking approval for NATCo II to acquire an additional thirty percent (30%) membership interest in FET and the transfer of certain MAIT Class B Membership Interests from FirstEnergy Corp. ("FirstEnergy") to FET in exchange for Special Purpose Membership Interests in FET ("Transaction").

In this testimony, I will first provide a description of Brookfield's operations and background, its business philosophy, practices, financial strength and, in particular, its focus on infrastructure and regulated utilities investment. I will also discuss Brookfield's first investment in FET in May 2022 and describe why Brookfield is undertaking the acquisition of an additional 30% membership interest in FET. I will also show how the Transaction will be financed and managed by the leadership and financial strength of

Brookfield. My testimony, along with the Joint Application and the other accompanying testimony, demonstrates why the Transaction is in the public interest and should be approved by the PaPUC.

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

A. Yes. A description of my experience is attached to my testimony as Appendix A. I am also sponsoring Highly Confidential Joint Applicants Exhibit JR-1, which contains certain financial information of the Brookfield Super-Core Infrastructure Partners ("BSIP") fund, a perpetual investment fund that invests in high-quality, core infrastructure assets and indirectly owns a majority voting interest in NATCo II.

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

A. Yes.

II. BACKGROUND OF BROOKFIELD

Q. Can you please describe the Brookfield-related entities that will be involved in this transaction?

A. NATCo II is a Delaware limited partnership that was formed for the purpose of effectuating Brookfield's investments in FET. NATCo II currently is 100% controlled by affiliates of Brookfield Corporation and BAM Ltd. NATCo II currently holds a 19.9% interest in FET. Other than its minority ownership interest in FET, NATCo II conducts no other business and has no other assets. Upon closing of the Proposed Transaction, NATCo II will directly own a 49.9% interest in FET.

NATCo II is a direct, wholly owned subsidiary of its limited partner North American Transmission Company I L.P. ("NATCo I"). Brookfield Super-Core

Infrastructure Partners GP LLC ("Brookfield GP") is the general partner of both NATCo I and NATCo II. Additionally, all of the limited partnership interests in NATCo I are currently directly owned by two Delaware limited partnerships, BSIP Aggregator III L.P. and BSIP NATC Sidecar LP (collectively, the "Existing Brookfield LPs"), both of which are also controlled by Brookfield GP. The BSIP fund, which is controlled by the Brookfield GP, is a perpetual investment fund that makes long-term investments in high-quality, core infrastructure assets located principally in North America, Western Europe and Australia.

Brookfield GP is an indirect, wholly owned subsidiary of Brookfield Asset Management ULC, an unlimited liability company formed under the laws of British Columbia, which is owned by Brookfield Corporation (75%) and BAM Ltd (25%).[3] In short, at present, NATCo II is 100% controlled by NATCo I, which is 100% controlled by Brookfield GP, which, in turn, is 100% controlled by Brookfield.

[3] The outstanding Class A shares of each of Brookfield Corporation and BAM Ltd are publicly traded on the Toronto Stock Exchange and New York Stock Exchange under the symbol "BN" and "BAM" respectively. The outstanding Class B shares of Brookfield Corporation and BAM Ltd are held by the "BAM Partnership," a trust constituted under the laws of the Province of Ontario, the corporate trustee of which (the "Trustee") is held, directly or indirectly, by certain longstanding individual stockholders. Two corporations formed under the laws of Bermuda and the Province of Ontario, respectively, each hold 33.3% of the voting interests in the Trustee. The first corporation is wholly owned, directly or indirectly, by Bruce Flatt, a private individual (together with the first corporation, "Flatt"). The second corporation is wholly owned, directly or indirectly, by Jack Cockwell, also a private individual (together with the second corporation, "Cockwell"). No other person or entity owns or controls (directly or indirectly, together with its affiliates) a 10% or greater voting interest in the Trustee or has the right to appoint a non-independent director to any management board of the Trustee. The Trustee votes the Class B shares held by the BAM Partnership with no single entity or individual controlling the BAM Partnership. Aside from the BAM Partnership, the Trustee, Flatt, and Cockwell, no person or entity currently owns or exercises control or direction over, directly or indirectly, a 10% or greater voting interest in Brookfield or has the right to appoint a non-independent director to any management board of Brookfield.

Q. Please describe the history and background of Brookfield.

A. Historically, Brookfield began in 1899 as the São Paulo Tramway, Light and Power Company. At that time, the company was engaged in the construction and management of electricity and transport infrastructure in Brazil, providing electricity and tram services in São Paulo and Rio de Janeiro. In 1959, Edper Investments, a Canada-based company, acquired the Brazilian electric generation and distribution businesses and subsequently named this holding company Brascan Limited. During the following three decades, until the 1990s, Brascan grew through a series of combinations and cross shareholdings with public and private companies. Brascan's investments became a diversified portfolio of businesses ranging from real estate to financial services. Through the late 1990s, Brascan simplified its corporate structure and focused its portfolio on a few main investment strategies and, in 2005, changed its name to Brookfield Asset Management, Inc., or what is now known as Brookfield Corporation, which would go on to form BAM Ltd as the manager of the asset management business.

Brookfield's asset management business is currently one of the largest and fastest growing alternative asset managers globally, with operations spanning more than 30 countries on five continents. Brookfield has 1,200 investment and asset management professionals who employ a disciplined investment approach to create value and deliver strong risk-adjusted returns to clients across a diverse set of public and private fund offerings. The business has grown from its infancy 25 years ago to approximately $800 billion of assets under management today. Brookfield has also formed deep relationships with more than 2,000 clients to invest capital on their behalf, with such clients including, among others, financial institutions, pension plans, insurance companies, foundations,

endowments, sovereign wealth funds and high net worth investors across North America, South America, Europe, Asia-Pacific and the Middle East.

Q. Please generally describe Brookfield's investments and asset portfolio.

A. Brookfield has current asset investments that are valued at approximately $800 billion focused on several key segments, including infrastructure, renewable power and transition, real estate, and private equity. In particular, Brookfield, including its subsidiaries, is one of the world's largest infrastructure investors, owning and operating assets across the utilities, transport, midstream, and data sectors. For example, Brookfield's utilities segment is comprised of the following:

- Regulated Utilities
  - ~83,100 kilometers of operational electricity transmission and distribution lines in Australia, Brazil, and the U.S.
  - ~5,200 kilometers of natural gas pipelines in North America and South America, among others.
  - ~7.8 million connections, predominantly electricity and natural gas in Europe and South America.
- Renewable Power
  - 8.2 gigawatts ("GW") of hydroelectric generation, including 229 facilities on 87 river systems diversified across power markets in the U.S., Canada, Brazil and Columbia
  - 6.9 GW of wind generation across 125 facilities in high-value markets
  - 4.0 GW of utility-scale solar generation across 149 facilities in diverse markets in North and South America, Europe and Asia
  - 2.1 GW of commercial and industrial solar distributed generation assets in the U.S., making it one of the largest portfolios in the country.

Brookfield is also eminently familiar with midstream natural gas operations with significant investment in this sector, including assets such as:

- ~15,000 kilometers of natural gas transmission pipelines in the U.S.
- ~600 billion cubic feet ("Bcf") of natural gas storage in the U.S. and Canada.
- 17 natural gas and natural gas liquids processing plants, approximately 5.7 Bcf per day of gross processing capacity and approximately 3,400 kilometers of gas gathering pipelines in Canada.
- ~3,300 kilometers of long-haul pipelines and approximately 3,900 kilometers of conventional pipelines in Canada.
- One petrochemical processing complex in Canada.

Thus, Brookfield has significant experience with investing in and supporting regulated public utility assets.

Many of Brookfield's utility investments (including its interest in FET) are held in BSIP, its core infrastructure investment fund, which is ultimately controlled by Brookfield. BSIP builds upon the success of Brookfield's infrastructure track record and draws on its long history of managing and operating infrastructure assets. BSIP seeks to invest in high-quality, core infrastructure assets located principally in North America, Western Europe and Australia with a focus on long-term stable cash flows. BSIP seeks to generate stable returns by investing in a diversified portfolio of mature, high-quality assets on a perpetual hold basis, meaning BSIP is an open-ended fund with no finite life. BSIP principally targets sectors in which we believe Brookfield has established operations and significant expertise. Brookfield seeks to leverage its business groups and implement an operations-oriented approach to generate consistent yield and preserve capital post-acquisition.

As an owner-operator of critical infrastructure globally, a strong ESG practice has always been an integral part of Brookfield's investment and asset management approach. Guided by Brookfield's ESG policy, our practices are based on four fundamental principles: (i) mitigating the impact of our portfolio companies' operations on the

environment; (ii) ensuring the well-being and safety of employees; (iii) upholding strong governance practices; and (iv) being good corporate citizens.

Q. Please generally describe the financial strength of Brookfield and BSIP.

A. Brookfield is a leading global alternative asset manager with over $800 billion of managed assets, 200,000 operating employees and 1,200 investment professionals across North America, South America, Europe, the Middle East, and Asia-Pacific. Brookfield's Infrastructure Group has $208 billion in assets under management through various public and private vehicles, one of which is BSIP.

BSIP leverages Brookfield's extensive operating expertise to target lower-risk, essential infrastructure assets. BSIP currently holds interests in 24 operating businesses across a variety of countries, including the U.S., UK, Denmark, Norway, Finland, Sweden, Spain, and Australia. BSIP has an enterprise value of $35 billion. Each of BSIP's investments is in mature core infrastructure assets with stable cash flow profiles and investment grade credit ratings across each investment. Also, accompanying my testimony is Highly Confidential Joint Applicants Exhibit JR-1, which contains additional financial information regarding BSIP.

Q. Can you discuss Brookfield's investments in Pennsylvania?

A. In Pennsylvania, Brookfield has significant investments that support assets and businesses located within the Commonwealth across a range of sectors, including infrastructure, renewable power, real estate, and private equity. As of the end of 2022 and excluding its current and proposed investments in FET, Brookfield's investments in Pennsylvania included the following Pennsylvania-based assets and entities:

- Four hydroelectric generation resources in central Pennsylvania totaling ~750 Megawatts.
- ~11.5 Megawatts of distributed solar generation resources.
- 751 miles of railroad in Pennsylvania.

In addition, as will be discussed further in this testimony, Brookfield, through NATCo II, presently owns a 19.9% membership interest in FET. FET wholly owns and operates ATSI and TrAILCo and has Class A Member Interests in MAIT,[4] all three of which own and operate electric transmission assets throughout the Commonwealth.

Q. What is Brookfield's overall philosophy and approach regarding the operation of regulated utility businesses in which it has a substantial ownership interest?

A. For both controlling and non-controlling investments, Brookfield's approach is to provide oversight and support to the utility businesses in which it invests. Brookfield seeks to maintain the local and regional management teams when it invests in such businesses and to provide them with the tools and capital they need to operate and improve their businesses.

Moreover, as a manager of assets and businesses that provide essential services, Brookfield understands the importance of its role in the communities in which Brookfield's portfolio companies operate. Brookfield's investment philosophy aims to couple sound investment return with responsible and sustainable investing. This includes detailed reporting to investors and stakeholders on ESG performance.

Lastly, Brookfield views itself as an experienced, long-term investor in infrastructure assets that works closely with its portfolio companies to share best practices

[4] FET's Class A Member interests are the controlling/management interests of MAIT.

in areas such as optimal capital deployment, process excellence, portfolio planning and analytics. As BSIP is a perpetual, open-ended fund with no finite life, Brookfield seeks to develop long-term relationships with its BSIP-portfolio companies, as is the case with its investment in FET.

Q. Please identify the regulatory bodies that Brookfield, and/or the regulated utilities in which it has a substantial interest, deals with on a regular basis and describe Brookfield's relationship with those regulatory bodies.

A. Given the broad geographic scope associated with its investments, Brookfield frequently interacts through its regulated utilities and renewable power investments with state and federal agencies and related organizations, such as the Federal Energy Regulatory Commission ("FERC"), PJM Interconnection, L.L.C. ("PJM"), OEB in Canada, the Office of Gas and Electricity Markets and the Office of Water Regulation in the UK, and La Comisión de Regulación de Energía y Gas, the national energy commission in Colombia.

Brookfield, through its regulated utilities, has developed productive relationships with regulators and seeks to ensure that its regulated utility investments are engaging in sound business practices and complying with state and federal laws and requirements. Moreover, Brookfield's management team, including myself, are well-versed in the operation of regulated utilities. Thus, Brookfield has significant experience with topics related to regulated utility operations.

Q. Can you briefly describe Brookfield's approach to how it governs itself and its controlled investment vehicles?

A. Brookfield Corporation's Class A Limited Voting Shares are co-listed on the New York Stock Exchange ("NYSE") and the Toronto Stock Exchange under the symbol "BN."

Likewise, BAM Ltd's Class A Voting Shares are co-listed on the NYSE and the Toronto Stock Exchange under the symbol "BAM." Accordingly, Brookfield Corporation and BAM Ltd operate and control their investment vehicles under a regulatory, financial, and reporting framework and corporate governance principles that are consistent with the applicable requirements of U.S. law, including the Sarbanes-Oxley Act of 2002, as amended, and NYSE requirements. Brookfield Corporation and BAM Ltd also operate in accordance with governance policies and a code of conduct available at https://bn.brookfield.com/corporate-governance/governance-documents.

III. FIRST INVESTMENT OF BROOKFIELD IN FET

Q. As you indicated above, Brookfield currently has a 19.9% membership interest in FET. Can you please explain the circumstances surrounding Brookfield's first investment in FET?

A. In November 2021, Brookfield, through BSIP and NATCo II, agreed to acquire from FirstEnergy a 19.9% equity stake in FET, which owns and operates one of the largest transmission systems in PJM, in exchange for consideration of $2.375 billion. This investment transaction closed on May 31, 2022. In many ways, FET was a perfect addition to the BSIP portfolio as a high-quality electric transmission utility franchise under a stable regulatory framework, with a long-term capital plan, opportunities for incremental growth, and a strong operating track record.

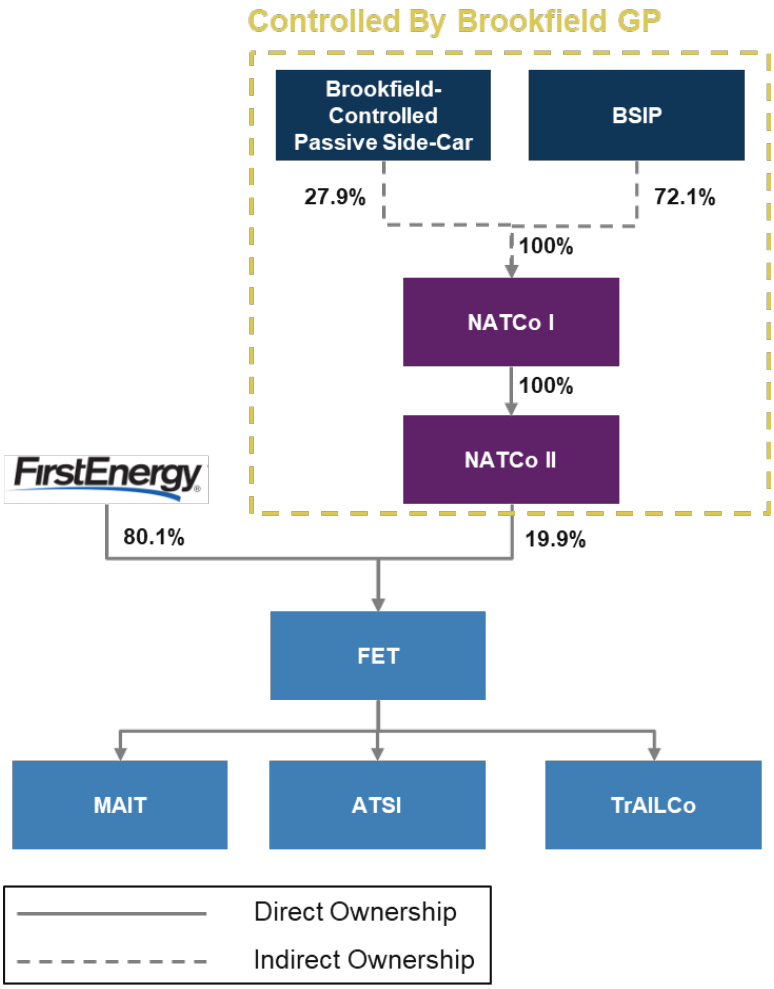
This transaction was also vital to FET and FirstEnergy because, as indicated in the testimony of Steven Staub, it enhanced FirstEnergy's credit profile and provided funding for strategic capital expenditures to support a more resilient electric grid, drive the transition to a low-carbon future and better serve customers' evolving energy needs, with

an emphasis on customer-focused emerging technologies, grid modernization and electric vehicle infrastructure.

Q. Can you please explain how the first acquisition in FET was structured?

A. As part of its first acquisition in FET, Brookfield, through BSIP's wholly controlled NATCo I, established NATCo II as the investment vehicle by which Brookfield obtained its 19.9% membership interest in FET. A depiction of NATCo II's organizational structure after completing the first transaction is provided below[5]:

[5] Note that the Brookfield-Controlled Passive Side Car reflected in the chart is BSIP NATC Sidecar LP, an investment-specific, Brookfield-controlled investment fund with passive limited partners similar to BSIP as discussed above.



As seen above, after the close of the first transaction, FirstEnergy retained an 80.1% controlling membership interest in FET.

Q. What role does Brookfield currently have as a minority interest holder in FET?

A. Under the terms of the existing Third Amended and Restated Limited Liability Company Agreement ("Operating Agreement") of FET, FirstEnergy continues to manage FET and remains the beneficial holder of the largest voting interest. However, the Operating Agreement does provide NATCo II with certain limited rights necessary to protect its economic investment interests. NATCo II currently appoints a Director to the Board of Directors of FET. This Director regularly attends FET board meetings, reviews financial

reports, and acts in the best interest of FET in carrying out her duties as a Director of FET. NATCo II is also entitled to limited consent and consultation rights in certain fundamental matters concerning, inter alia, the issuance of membership interests, certain transfers, sales, or dispositions of FET's assets or the assets of FET's subsidiaries (that is, the Joint Applicants), and the incurrence of indebtedness.

I also presently serve as a board observer on FET's Board of Directors. In this role, I receive all the information provided to the Board of Directors at the same time and in the same manner. However, as a board observer, I do not have voting rights.

Q. Can you please describe the current business relationship between Brookfield and FirstEnergy as it pertains to the membership in and operation of FET?

A. Brookfield and FirstEnergy have a strong and close working relationship and have worked cooperatively to ensure the success of FET and the Joint Applicants. In particular, we have created a capital working group that includes key management members to:

- Review the current and future capital plans through the lens of the Transmission Project Lifecycle Management Process ("PLMP") to track the state of each project in the queue, from project initiation to closeout.
- Review and discuss the development and implementation of strategic initiatives to address key project development risk and hurdles to capture the different transmission investment opportunities and requirements.
- Share best practices and lessons learned from Brookfield's global utility platform, including large-scale greenfield projects.
- Identify efficiencies to reduce operating costs.

FirstEnergy and Brookfield have developed a cooperative relationship, which is part of the reason why Brookfield and FirstEnergy have agreed to increase Brookfield's membership interest in FirstEnergy.

IV. THE PROPOSED TRANSACTION

Q. Can you elaborate on why Brookfield decided to acquire an additional 30% membership interest in FET?

A. FET is an electric transmission utility franchise that presents an attractive investment opportunity for Brookfield, with a high potential for growth supported by modernization of the grid, decarbonization and general electrification of the economy. The investment has attractive characteristics for BSIP, including:

- **High Quality Electric Transmission Utility Franchise:** Electric transmission assets that are fully regulated by the FERC comprising over 12,430 miles of transmission lines serving customers across multiple states in PJM.
- **Compensatory Regulatory Framework:** FERC's regulatory framework for electric transmission assets provides compensatory rates based on forward-looking, formula-based rates that mitigate regulatory lag.
- **Capital Funding:** FET and its PaPUC-regulated transmission subsidiaries, MAIT, ATSI, and TrAILCo, have a long-term capital plan substantially driven by sustaining capital needs and mandatory reliability investments.
- **Strong Operating Track Record:** FET has a strong commitment to operational excellence, safety, and reliability.
- **Alignment in ESG considerations:** FirstEnergy has revamped its corporate social responsibility/ESG standards, which includes a 2050 carbon neutral goal and a revised code of conduct.

Q. How will the transaction be financed?

A. On February 2, 2023, FirstEnergy, along with FET, entered into the FET Purchase and Sale Agreement with Brookfield-controlled entities, including NATCo II, pursuant to which FirstEnergy agreed to sell to NATCo II at closing, and NATCo II agreed to purchase from FirstEnergy, an incremental 30% equity interest in FET for a purchase price of $3.5 billion. The Purchase and Sale Agreement is attached to Steven Staub's testimony as Joint Applicants Exhibit SRS-1. Under the terms of the Purchase and Sale Agreement, the

amount may be payable, in part, by the issuance of a promissory note by North American Transmission FinCo L.P. ("NATFinCo")[6] to FirstEnergy substantially in the form attached as Exhibit B (the "Parent Note") to the Purchase and Sale Agreement. The Parent Note shall have a principal amount on the closing date of equal to the lesser of (i) $1.75 billion minus the equity financing funded to NATCo II or its Affiliates[7] from BSIP or its Co-Investors[8] at or prior to the closing date that is available to be used to pay the purchase price and (ii) any lesser amount as may be determined by NATCo II in its sole discretion. The balance of the purchase price not covered by the Parent Note amount will be paid in cash on or before the closing date of the Transaction.

Q. What additional rights will Brookfield obtain as a result of the Transaction?

A. As a result of the Transaction, NATCo II will increase its current membership interest in FET from 19.9% to 49.9%. Additionally, after the consummation of the transaction, NATCo II will receive additional rights and obligations that will be effectuated by the Fourth Amended and Restated Limited Liability Company Agreement of FirstEnergy Transmission, LLC, attached to Steven Staub's testimony as Joint Applicants Exhibit SRS-

[6] NATFinCo is an indirect subsidiary of Brookfield Corporation and will be a direct or indirect equity holder of NATCo II.

[7] The Purchase and Sale Agreement defines Affiliate as any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, Contract or otherwise, and (i) with respect to Investor, the Guarantors and the Co-Investors, shall (for the avoidance of doubt) be deemed to exclude the Company or any of its Subsidiaries and (ii) with respect to the Company and its Subsidiaries, shall (for the avoidance of doubt) be deemed to exclude Investor, the Guarantors, the Co-Investors, or any of such Persons' respective Affiliates. Purchase and Sale Agreement, Section 10.17.

[8] A "Co-Investor" is an entity that receives limited partner interests in Brookfield-controlled limited partnerships and certain additional limited protective rights as contemplated under the terms of the Purchase and Sale Agreement in exchange for equity financing to complete the Transaction.

2 ("LLCA"). Specifically, under the terms of the LLCA of FET, Brookfield, through NATCo II, will be entitled to the following:

- Per Section 2.2 of the LLCA, NATCo II will appoint two Directors to FET's Board of Directors, with the identity of such individuals subject to FirstEnergy's prior written consent unless such Directors meet certain qualifications as specified in the LLCA. However, FirstEnergy will retain the ability to appoint three members to FET's Board of Directors giving FirstEnergy control of Board decisions and the operations of FET except to the extent NATCo II's approval is expressly required under the LLCA.

- Per Section 2.13 of the LLCA, NATCo II will appoint up to four individuals to serve as observers of the Board of Directors, with the identity of such individuals subject to the prior written consent of FirstEnergy unless such individuals meet certain qualifications as specified in the LLCA. However, the number of observers NATCo II is entitled to appoint decreases if its ownership percentage of FET falls below specified thresholds. Board observers have the right to receive notice of, attend and participate in all meetings of the Board of Directors and Board Committees, but do not have voting rights with respect to any matter brought before the Board. At present, NATCo II is allowed to appoint one board observer in connection with its 19.9% ownership interest in FET.

- NATCo II will retain its negative consent rights over certain fundamental matters set forth in Section 8.1 of the LLCA, such as amending the organizational documents of FET and its subsidiaries and issuing membership interests of FET and its subsidiaries, and certain other matters set forth in Section 8.2 of the LLCA for so long as NATCo II's ownership interest is at least 9.9%, such as materially changing FET's line of business and capital expenditures over a materiality threshold that are not made in connection with certain core assets.

- Per Section 8.4 of the LLCA, for so long as NATCo II's ownership interest is at least 30.0%, NATCo II will obtain additional consent and consultation rights in matters concerning, *inter alia*, the sale or acquisition of equity, assets or operations if such transactions would involve amounts in excess of 1.5% of the Rate Base Amount, the establishment or amendment of the budget and business plan (subject to deadlock resolution procedures) and entry into certain affiliate transactions. All of these negative consent rights contain

exceptions for compliance with applicable law or regulation, and many contain exceptions in the event of an emergency situation.

- Per Section 8.3 of the LLCA, NATCo II will retain its consultation rights with respect to certain matters for so long as its ownership interest is at least 9.9% ("Threshold Consultation Matters"). Consultation Threshold Matters include establishing or materially amending the budget and business plan, refinancing and incurring certain indebtedness, and initiating or settling litigation in excess of a certain threshold. Additionally, for so long as NATCo II's ownership interest is at least 25.0% but less than 30.0%, under Section 8.5 of the LLCA, NATCo II will have a consultation right with respect to matters that would otherwise be consent rights set forth in Section 8.4 of the LLCA were NATCo II's ownership interest at least 30.0%.

Notwithstanding these additional rights and obligations, after the Transaction has closed, FirstEnergy will retain majority ownership and the right to control FET and the day-to-day operations of FET's transmission subsidiaries, except to the extent Brookfield's approval is expressly required under the LLCA.

Q. You indicated that Brookfield may seek additional funding from investors as part of this Transaction. Can you please explain?

A. Generally, investors in BSIP and any investment-specific Brookfield-controlled infrastructure fund will be passive limited partners with no governance rights in either NATCo I or NATCo II, and Brookfield will continue to control NATCo I and NATCo II. More specifically, non-voting limited partnership interests, such as those of investors in the Existing Brookfield LPs, are directly or indirectly held by a diffuse group of passive investors.

However, one investor, Platinum Compass B 2018 RSC Limited ("Platinum Compass"), a direct wholly-owned subsidiary of the Abu Dhabi Investment Authority

("ADIA"),[9] will be a Co-Investor as defined under the Purchase and Sale Agreement and will acquire an indirect interest of approximately 10% in FET.[10] Platinum Compass will not obtain a controlling interest in FET or FET's regulated transmission subsidiaries and will only receive substantially similar rights as an owner of approximately 10% of FET under the LLCA.[11]

Q. Will Brookfield retain majority control over NATCo II?

A. Yes. Following consummation of the Proposed Transaction, limited partnership interests in NATCo II will continue to be directly owned by NATCo I, whose limited partnership interests will be directly owned by the Existing Brookfield LPs and NATFinCo.[12] As with the Existing Brookfield LPs, NATCo I, and NATCo II, the general partner interests in NATFinCo are directly owned and controlled by Brookfield GP, and therefore, indirectly controlled by Brookfield.

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[9] ADIA is a public institution established by the Government of the Emirate of Abu Dhabi in 1976 as an independent investment institution. ADIA manages a global investment portfolio that is diversified across more than two dozen asset classes, including energy infrastructure in the United States.

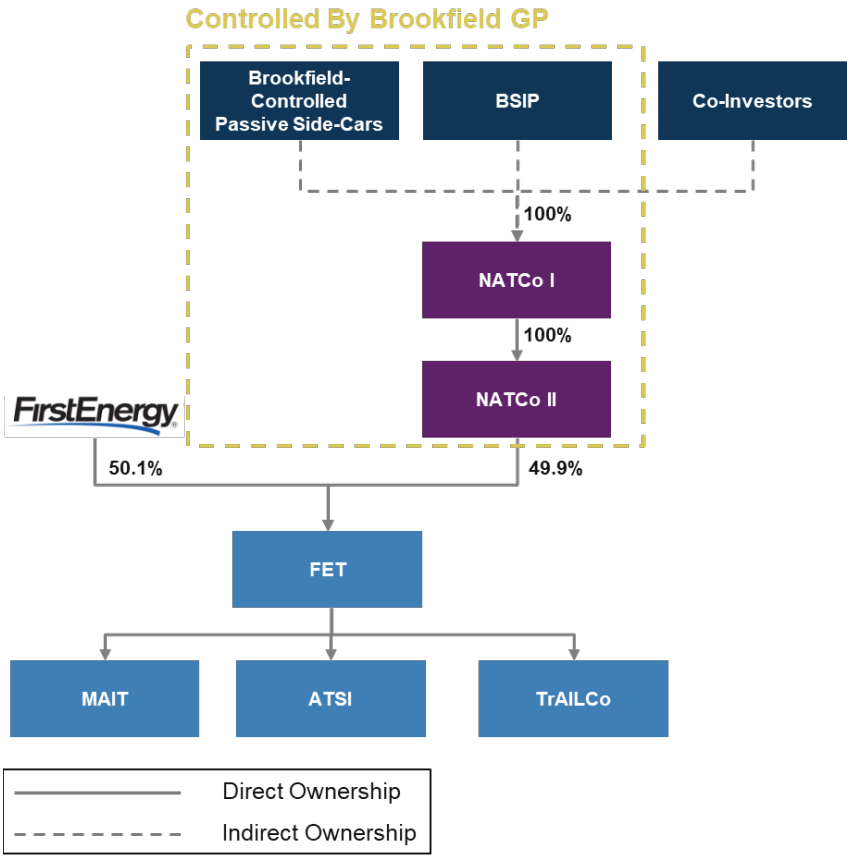
[10] The Purchase and Sale Agreement also provides NATCo II the right, but not the obligation, to use additional Co-Investors as is customary in the asset management industry, with such Co-Investors having similar limited protective rights to those held by Platinum Compass.

[11] As a Co-Investor, Platinum Compass will receive limited partner interests in NATFinCo and limited protective rights, including the right to designate one of NATCo II's four non-voting board observers to the FET board, limited consent and consultation rights regarding the exercise by NATCo II of certain consent rights granted to NATCo II under the LLCA, and, subject to certain confidentiality provisions, access to certain financial information and reports provided by FET to NATCo II under the LLCA.

[12] After closing the Transaction, NATFinCo may be liquidated with its direct investors redeeming their interests in NATFinCo for direct interests in NATCo I. This would have no substantive effect on the governance or control of the investment.

Q. Please provide a depiction of the organizational structure of NATCo II after consummation of the Transaction.

A. Below is a post-Transaction organizational chart of NATCo II:



Q. What is Brookfield's overall objective in the consummation of the Transaction?

A. Brookfield's long-term investment strategy is to make high quality investments in businesses that are led by top-tier management teams, have stable cash flows, and further growth opportunities to benefit all parties involved. The potential investment in FET satisfies all of these objectives. Ultimately, Brookfield seeks to maintain and enhance its ability to protect its investment in FET over the long term through a focus on FET's reliability, customer service, compensatory rates, and operational performance.

Q. Is Brookfield positioned to finance its proportionate share of FET's future equity needs?

A. Yes. On average, BSIP generates approximately $600 million from operations per year and raises approximately $2 billion of new capital commitments per year, from current and new limited partners. In addition, BSIP has access to a $1.4 billion credit facility to address any future equity needs.

V. STANDARD FOR APPROVAL OF THE TRANSACTION

Q. Are you familiar with the legal standard that governs the PaPUC's consideration of equity investments in Pennsylvania utilities?

A. Yes. I have been advised by counsel that Public Utility Code Section 1102(a)(3), 66 Pa.C.S. §1102(a)(3), requires the PaPUC to issue a CPC, upon proper application, to authorize a "public utility or an affiliated interest of a public utility" to acquire from or transfer to [any other entity by any means whatsoever] "the title to, or the possession or use of, any tangible or intangible property used or useful in public service." I understand that the PaPUC has further clarified, under 52 Pa. Code § 69.901, that, regardless of the tier, a CPC is required, pursuant to 66 Pa.C.S. §1102(a)(3), when a new controlling interest (defined as 20% or more) results in "a different entity becoming the beneficial holder of the largest voting interest in the utility or the parent." The PaPUC is required to issue a CPC upon finding that "the granting of such certificate is necessary or proper for the service, accommodation, convenience or safety of public." 66 Pa. C.S § 1103(a).

Q. To the extent these standards apply here, does the Transaction satisfy them?

A. Yes. While the Transaction will not result in a different entity becoming the beneficial holder of the largest voting interest in the utility or parent, assuming the standards apply, they are satisfied here because (1) NATCo II, through BSIP and Brookfield, has the necessary legal, technical, and financial fitness to acquire the additional 30% membership interest, and (2) the Transaction is proper and will result in substantial affirmative public benefits.

Q. Please address fitness.

A. As stated elsewhere in this testimony, NATCo II is and will be legally fit to acquire an additional 30% interest in FET. NATCo II already has a 19.9% interest that has enhanced and improved FET's ability to operate and serve its communities, and the additional 30% interest will build upon and strengthen the cooperative relationship between FirstEnergy and Brookfield. Also, as set forth in the Purchase and Sale Agreement, Brookfield has committed to obtain all necessary regulatory approvals needed to complete the Transaction.

NATCo II also has the requisite technical expertise demonstrating substantial experience with and investment in energy and utility assets. As stated previously, Brookfield is one of the world's largest infrastructure investors, owning and operating assets across the utilities, transport, midstream, and data sectors, and is eminently familiar with the regulatory needs and requirements of operating a regulated public utility business. Further, Brookfield, through NATCo II, will continue to rely on the technical and operational expertise of FirstEnergy and FET.

Lastly, NATCo II is financially fit to undertake this additional acquisition because NATCo II has access to and is supported by BSIP, which, as I previously explained, is a perpetual fund composed of mature core infrastructure assets held on a long-term basis, with an enterprise value of $35 billion, stable cash flow profiles, and investment grade credit ratings across each investment.

Q. What benefits will result from the Transaction?

A. As explained in the direct testimonies of Mark Mroczynski and Steven Staub, the Transaction will improve FirstEnergy's financial strength and its ability to finance the necessary transmission and distribution system investments over the next decade by improving FirstEnergy's balance sheet, broadening FirstEnergy's access to capital markets, both debt and equity, and improving FirstEnergy's financial metrics to a level that is consistent with investment grade credit ratings. As further set forth in the direct testimony of Toby Bishop, this Transaction will also provide significant economic benefits to Pennsylvania through FirstEnergy's enhanced ability to undertake future capital investment with the proceeds from the Transaction.

Also, with Brookfield's significant experience in capital investment both in the infrastructure space and other segments, such as real estate and renewable power, the Joint Applicants will be able to utilize Brookfield's deep knowledge base and experience with sustainable, responsible, and profitable investment strategies, Brookfield's long-standing relationships with engineering companies, major equipment suppliers and field service contractors, and Brookfield's best practices gained from its portfolio companies across key infrastructure segments and other industries. Through the Transaction, Brookfield's collaboration with FET management in portfolio planning, project delivery, and asset

strategy will continue to develop, which will assist FET and the Joint Applicants in optimizing investment practices and enhance the Joint Applicants' ability to leverage cost and delivery improvements.

VI. CONCLUSION

Q. Please summarize your conclusions regarding whether the Transaction should be found to be in the public interest and approved by the PaPUC.

A. My testimony and exhibits, along with those of the other Joint Applicant witnesses, demonstrate that the proposed acquisition of an additional 30% membership interest in FET by NATCo II is in the public interest and results in substantial affirmative public benefits to Joint Applicants and the public. Brookfield is an experienced, well-qualified alternative asset manager that has demonstrated experience investing in well-run utilities and has the necessary resources to provide those utilities with managerial and financial support to be successful and continue to adequately serve their customers.

Q. Does this conclude your direct testimony?

A. Yes, it does. However, I do reserve the right to supplement this direct testimony as deemed necessary or appropriate.

Jeff Rosenthal

Infrastructure

Jeff Rosenthal is an Operating Partner and Vice Chair of Utilities in Brookfield Asset Management Ltd.'s Infrastructure Group. In this role, Mr. Rosenthal provides oversight of Brookfield's regulated utility investments through both Board and advisor roles. In addition, Jeff provides risk management, capital expenditure and environmental, social and governance ("ESG") oversight as the Infrastructure Group's Chief Risk Officer. Previously, he was Chief Operating Officer of Brookfield's Renewable Power business.

Jeff was responsible for Brookfield's investment in electric transmission in the control area of the Electric Reliability Council of Texas ("ERCOT") through its ownership in Wind Energy Transmission Texas, LLC. He also served on the Board and provided direction to Cross Sound Cable Company, LLC, a High-Voltage Direct Current ("HVDC") connection between Connecticut and Long Island. Internationally, Jeff has served on the Boards of Great Lakes Power in Ontario, Transelec S.A. in Chile, Quantum (a 500-kilometer transmission development company) in Brazil, and EBSA, a local electric distribution company in Colombia.

Jeff currently sits on the Boards of SGN and Vanti, gas distribution companies in the United Kingdom and Colombia, respectively, and Los Ramones, a gas transmission company in Mexico. In addition to Quantum, Jeff directly supports Brookfield's recent investments in FirstEnergy Transmission in Ohio and the acquisition of Ausnet, a regulated electric transmission, electric distribution, and gas distribution utility in Australia.

Prior to joining Brookfield in 2007, Mr. Rosenthal was President and Chief Executive Officer of Oshawa Power and Utilities in Ontario.

Mr. Rosenthal has a Master of Business Administration from the Schulich School of Business at York University and a Bachelor of Applied Science and Engineering degree from the University of Toronto.

JOINT APPLICANTS EXHIBIT JR-1

(No Public Version Available)

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-_____ A-2023-_____ A-2023-_____ G-2023-_____

Direct Testimony of Toby Bishop

RE:
Economic Benefits of FirstEnergy's Currently Planned Future Capital Investment in Pennsylvania

DIRECT TESTIMONY OF TOBY BISHOP

I. INTRODUCTION AND BACKGROUND

Q. Please state your name and business address.

A. My name is Toby Bishop. I am a Principal at The Brattle Group ("Brattle"). My business address is One Beacon Street, Suite 2600, Boston, Massachusetts 02108.

Q. Please describe your professional background and experience.

A. I have over 25 years of experience consulting in the North American energy industry. My experience includes numerous engagements assisting clients in the United States and Canada with a wide range of issues, including policy and strategic issues, rate and financial matters, market power, asset valuation, litigation/arbitration support and damages, market assessments, and project development. My experience has included numerous state and federal rate proceedings in both the US and Canada, representing a wide variety of clients, including electric, natural gas, and water utilities, utility customers, and natural gas pipelines and storage providers. I have also assisted various clients throughout the United States and Canada with market-related matters and have prepared numerous assessments of market dynamics that have been filed with the Federal Energy Regulatory Commission, used publicly for development initiatives, and used internally by clients for investment decisions.

Q. On whose behalf are you submitting this testimony?

A. I am submitting this testimony before the Pennsylvania Public Utility Commission ("Commission" or "PaPUC") on behalf of American Transmission Systems, Incorporated

("ATSI"), Mid-Atlantic Interstate Transmission, LLC ("MAIT") and Trans-Allegheny Interstate Line Company ("TrAILCo") (collectively, the "Joint Applicants"), all of which are owned by FirstEnergy Transmission, LLC ("FET"). FET is owned by FirstEnergy Corp. ("FirstEnergy") and North American Transmission Company II, L.P.

Q. Have you previously testified before the Commission or other regulatory agencies?

A. Yes, I have provided expert testimony on a number of occasions before federal, state and provincial regulatory agencies in the United States and Canada, including having previously testified in three prior PaPUC proceedings concerning similar topics addressed by my testimony herein. My qualifications are summarized in Appendix A.

Q. Please describe the purpose of your testimony.

A. FirstEnergy is proposing to sell an incremental 30% equity interest in FET to North American Transmission Company II, L.P. ("NATCo II")[1] (the "Transaction"),[2] and, as discussed in the testimony of Mr. Steven Staub, the proceeds from the Transaction will improve FirstEnergy's financial strength and its ability to finance and continue to deploy the necessary investments in its distribution and transmission systems over the next decade. The purpose of my testimony is to provide an estimate of gross economic benefits to Pennsylvania associated with FirstEnergy's future capital investment plan specifically

[1] As discussed in the direct testimony of Jeffrey Rosenthal (Joint Applicants Statement No. 3), NATCo II is a controlled investment vehicle entity of Brookfield Super-Core Infrastructure Partners GP LLC ("Brookfield GP"), an indirect wholly-owned subsidiary of Brookfield Corporation (f/k/a Brookfield Asset Management Inc.) and Brookfield Asset Management Ltd (BAM Ltd). BAM Ltd manages the various investment entities and funding vehicles that are ultimately controlled by Brookfield Corporation (BAM Ltd and Brookfield Corporation, collectively "Brookfield").

[2] As part of the Transaction, FirstEnergy will also transfer certain MAIT Class B membership interests to FET in exchange for Special Purpose Membership Interests in FET.

related to its electric distribution and transmission systems in the Commonwealth.[3] Specifically, my analysis estimates the gross economic benefits to Pennsylvania associated with the capital investments that FirstEnergy will, as a result of this Transaction, be better positioned to undertake over the next ten years (*i.e.*, 2023 through 2032; "Estimate Period") associated with the electric distribution systems of its utility operating subsidiaries in Pennsylvania (*i.e.*, Pennsylvania Power Company, Pennsylvania Electric Company, West Penn Power Company, and Metropolitan Edison Company; collectively, the "FE PA Utilities"), as well as the electric transmission infrastructure owned by MAIT in Pennsylvania.[4] Over the Estimate Period, FirstEnergy estimates it will invest approximately $14 billion related to various projects associated with its transmission and distribution systems in Pennsylvania ("Capital Program"). These investments cover a broad range of projects, including upgrading aging infrastructure to enhance reliability, modernizing and strengthening the electrical grid, and supporting the integration of electric vehicles, renewable generation, and emerging technologies as the electric industry transforms over the next few decades.

[3] The term gross economic benefits is used because the analysis estimates economic benefits to Pennsylvania associated with the capital investments that FirstEnergy will be better positioned to undertake over the next ten years associated with its electric distribution and transmission infrastructure in Pennsylvania; however, as discussed later herein, there are also other expected economic benefits that would accrue to Pennsylvania associated with FirstEnergy's capital spending that have not been analyzed and nor has the associated rate impact of those future expenditures.

[4] FirstEnergy currently has an application pending before the Commission that includes, among other things, for the merger of the FE PA Utilities with and into a new entity, FirstEnergy Pennsylvania Electric Company ("Consolidation Application").

Q. Have you analyzed the economic impacts associated with FirstEnergy's future transmission investment opportunities in ATSI and/or TrAILCo?

A. No. Because the majority of TrAILCo's assets are located outside of Pennsylvania and the vast majority of ATSI's infrastructure is also located outside of Pennsylvania, I have not evaluated the economic impacts of future investment opportunities in either of these companies.[5]

Q. Are you sponsoring any exhibits?

Yes. I am sponsoring the following exhibits:

- *Joint Applicants Exhibit TB-1*: Summary of FirstEnergy's current total estimated Capital Program over the next decade, by primary category.
- *Joint Applicants Exhibit TB-2*: Summary of FirstEnergy's current total estimated Capital Program, by primary category, assumed to be spent directly in Pennsylvania.

I. SUMMARY AND CONCLUSIONS

Q. What are the key conclusions of your testimony?

A. Based on an analysis of the economic impacts of FirstEnergy's anticipated Capital Program on the Pennsylvania economy, I conclude the following:

- The investments in the Capital Program that FirstEnergy will be better positioned to undertake over the next decade as a result of the Transaction are expected to provide significant economic benefits throughout Pennsylvania.
- The gross economic benefits that the Capital Program spending would produce within the FE PA Utilities' service territories and elsewhere in Pennsylvania are wide-ranging and substantial. Specifically, over the Estimate Period:

[5] FirstEnergy also owns transmission infrastructure in Pennsylvania through West Penn Power Company, and the anticipated future expenditures reflected in the Capital Program include expenditures for both the distribution and transmission infrastructure of West Penn Power Company. While the West Penn Power Company transmission assets would be transferred to Keystone Appalachian Transmission Company pursuant to the Consolidation Application, such future projected transmission expenditures related to that infrastructure would occur in Pennsylvania.

- FirstEnergy's projected expenditures related to the Capital Program are estimated to generate a total of approximately $19.5 billion in economic output in Pennsylvania.
- This economic activity generated by the Capital Program is estimated to create approximately $11.2 billion in gross regional product in Pennsylvania.
- This economic activity also includes approximately $648 million in additional state and municipal tax revenue for local communities in the state.
- Further, the economic activity associated with the Capital Program is also expected to support between approximately 9,500 and 11,200 jobs annually.

II. ECONOMIC IMPACT ANALYSIS

Q. Please briefly describe the Transaction.

A. As described in further detail by each of the Joint Applicants' other witnesses, on February 2, 2023, FirstEnergy and FET entered into an agreement with NATCo II pursuant to which FirstEnergy agreed to sell to NATCo II an incremental 30% equity interest in FET for a purchase price of $3.5 billion. Upon consummation of the Transaction, NATCo II's interest in FET will increase from 19.9% to 49.9% and FirstEnergy will retain the remaining 50.1% ownership interests of FET.

Q. How is the Transaction expected to support FirstEnergy's future investment in Pennsylvania?

A. As discussed in Mr. Staub's testimony, the Transaction will improve FirstEnergy's balance sheet and credit metrics. As a result, FirstEnergy will be better positioned to attract the capital necessary to undertake its planned capital investments in Pennsylvania in order to enhance reliability, modernize the electric grid, accommodate the rapid changes expected in electric utility industry, and finance those future capital investments at a lower cost of debt than it may otherwise have been able to do.

Q. What is FirstEnergy's current Capital Program for Pennsylvania over the Estimate Period?

A. Over the Estimate Period, FirstEnergy anticipates investing approximately $14 billion in the Capital Program, with slightly over half of that investment related to the distribution systems of the FE PA Utilities. As shown in Figure 1, the capital FirstEnergy anticipates investing in the distribution systems in Pennsylvania is focused on enhancing reliability, grid modernization, and supporting additional load. The capital FirstEnergy estimates it will invest in its transmission system in Pennsylvania is largely focused on reliability enhancements, with a smaller proportion associated with system upgrades required by the PJM Interconnection, L.L.C. ("PJM").

Figure 1: FirstEnergy's Total Estimated Capital Program in Pennsylvania, 2023-2032 ($millions)[6]

Distribution		
Reliability	$	6,606
Load	$	409
Grid Modernization	$	597
Subtotal	$	7,611
Transmission	$	6,784
Total	**$**	**14,395**

[6] FirstEnergy's projected Capital Program by year over the Estimate Period is shown in Joint Applicants Exhibit TB-2. Values reflected are in nominal dollars.

Q. Are the capital investment opportunities that FirstEnergy has identified in Pennsylvania over the Estimate Period expected to provide economic stimulus to the Commonwealth?

A. Yes. The significant level of investment associated with the Capital Program proposed by FirstEnergy will drive economic activity within the service territories of the FE PA Utilities and throughout Pennsylvania, including supporting thousands of jobs in the local communities and increasing local and state tax bases. These economic benefits to the local communities served by FirstEnergy and throughout Pennsylvania are in addition to the improvements in safety, reliability and operations that would also result from the proposed Capital Program.

Q. Did you perform an analysis to estimate the economic impacts associated with the investments related to the Capital Program?

A. Yes. I have estimated the economic impacts to Pennsylvania associated with the Company's investments related to the Capital Program using a dynamic macroeconomic forecasting model developed and maintained by Regional Economic Models, Inc. ("REMI").

Q. Could you please provide a brief description of the REMI model?

A. The REMI model generates year-by-year estimates of the total local, state, and national effects of any specific policy initiative such as, in this circumstance, a projected investment plan. The model forecasts the future of a regional economy, and it predicts the effects on that same economy based on estimated changes to inputs into the model (*e.g.*, FirstEnergy's

Capital Program).[7] The model analyzes how dollars injected into one sector of the economy are subsequently spent and re-spent in other sectors, generating what is known as economic multiplier effects that demonstrate how spending and investments flow within an economy. Using actual historical spending patterns of households, businesses and government agencies, and the interrelationships between those spending patterns, the model incorporates projected economic interrelationships to estimate the effect of an economic "event" (*e.g.*, an expenditure leading to the production of goods or services) and analyzes how and where the dollars associated with that event will be spent. The model estimates the economic impact of the event for the specified regional economy in terms of both economic output and employment supported by the economic output.

Q. What is the region that is used for your economic analysis?

A. For this analysis, I have evaluated the gross economic impacts of the expenditures associated with FirstEnergy's proposed Capital Program for Pennsylvania as a whole. Given that FirstEnergy's subsidiaries provide electric service to a significant portion of Pennsylvania, but not to the entire state, the economic benefits estimated reflect benefits to be experienced in the local communities served by FirstEnergy subsidiaries and elsewhere within Pennsylvania.

[7] REMI models have been used throughout the world for a wide range of issues, including economic development, environmental, energy, transportation, and taxation policies and for forecasting, and planning. For further details, see remi.com. The version of the model used here is REMI's PI+ model.

Q. Does the model assume that all of the dollars that are expended related to a specific economic event provide economic benefits within the region being evaluated?

A. No. The model recognizes that not all dollars associated with the Capital Program will be directly spent or indirectly re-spent on goods and services within Pennsylvania. Those dollars, which are termed "leakage," refer to the portion of investment dollars that are estimated to be either placed into savings by households and businesses or spent on goods and services outside of the study region. In subsequent rounds of spending, income generated will also be taxed at the federal level, resulting in another source of leakage. In essence, the model assumes a portion of the dollars injected into the economy will not contribute to the overall economic activity in the region being evaluated as a result of these leakages.[8]

Q. What types of economic impacts does the model capture?

A. For a particular event, the model captures the direct, indirect, and induced economic effects of dollars injected into an economy. The direct effects result from an economic event (*e.g.*, the Capital Program), which will then also lead to indirect and induced effects in the local economy being studied.

Q. What are the direct economic effects?

A. Direct effects are the economic impacts resulting from dollars spent directly in the local economy resulting from an economic event (*e.g.*, a construction project). In this case, the

[8] While outside the scope of this analysis, it is my understanding that there are significant capital investment programs similar to what is being undertaken by FirstEnergy in Pennsylvania elsewhere in FirstEnergy's other service territories. Leakages associated with the investments related to those programs would also provide a benefit to the businesses and households within Pennsylvania just as the leakage dollars associated with its Capital Program provide benefit to both the communities in Pennsylvania not served by FirstEnergy, as well as outside of Pennsylvania.

direct effects refer to the economic activity generated from FirstEnergy's investments in goods and services within Pennsylvania related to the Capital Program. For example, direct economic effects would include FirstEnergy's purchases of materials and equipment to facilitate the Capital Program and the costs associated with the labor required to implement the Capital Program.

Q. What are the indirect economic effects?

A. The indirect effects are defined as the supply chain, inter-industry, or business-to-business impacts resulting from the direct effects of an economic event. In other words, beyond the direct effect of dollars being injected into an economy, there is also an indirect economic effect associated with the incremental economic activity resulting from subsequent spending by businesses in the local economy to produce additional goods and services to meet the demand created by the direct spending (*i.e.*, the economic ripple effect of the direct spending). In this case, the indirect impacts are the economic effects resulting from subsequent rounds of spending by the businesses within the regional economy from whom goods or services are purchased by the businesses that received the direct effects associated with the initial dollars invested by FirstEnergy associated with the Capital Program.

Q. What are the induced economic effects?

A. The induced effects, which are also referred to as income effects, are defined as the economic impacts of household spending resulting from either the direct or indirect impacts in the economy in the study region being evaluated. In other words, the induced effects relate to the spending of wages earned by the individuals employed in jobs supported by the direct and indirect economic effects resulting from an economic event.

Q. What is the capital investment that you have used as a basis to evaluate the economic impact of FirstEnergy's proposed Capital Program?

A. I have started with FirstEnergy's Capital Program, which is organized into four broad categories as follows:

- *Reliability*: FirstEnergy's investments in Pennsylvania to enhance the reliability of its distribution system, which includes investments associated with its replacement programs of poles, circuits, substations, and transformers for the distribution system, as well as investments in distribution communications and controls equipment.

- *Load*: FirstEnergy's investments in Pennsylvania to enhance the capability of the distribution system to meet the additional future electric load requirements, which includes investments in incremental transformers to add capacity, resiliency, and operational flexibility.

- *Grid Modernization:* FirstEnergy's investments in Pennsylvania to enhance the capability of the distribution system to rebuild existing outdated distribution circuits with lower voltage to current voltage levels, as well as investments to optimize and enhance the efficiency of the operation of the distribution system.

- *Transmission:* FirstEnergy's investments related to its transmission systems in Pennsylvania associated with MAIT and West Penn Power, which includes investments that are comprised of PJM, North American Electrical Reliability Corporation, and state required projects, as well as projects to upgrade, rebuild, and replace aging lines and equipment to improve reliability, to add redundancy and system features to react more quickly to changing grid conditions, and to add operating flexibility such as network communication and cyber/physical security to strengthen the system.

Joint Applicants Exhibit TB-1 summarizes the gross amount of projected capital investment relied on for the economic impact analysis.

Q. From these primary categories, did you further differentiate the gross amount of projected capital investments in Pennsylvania?

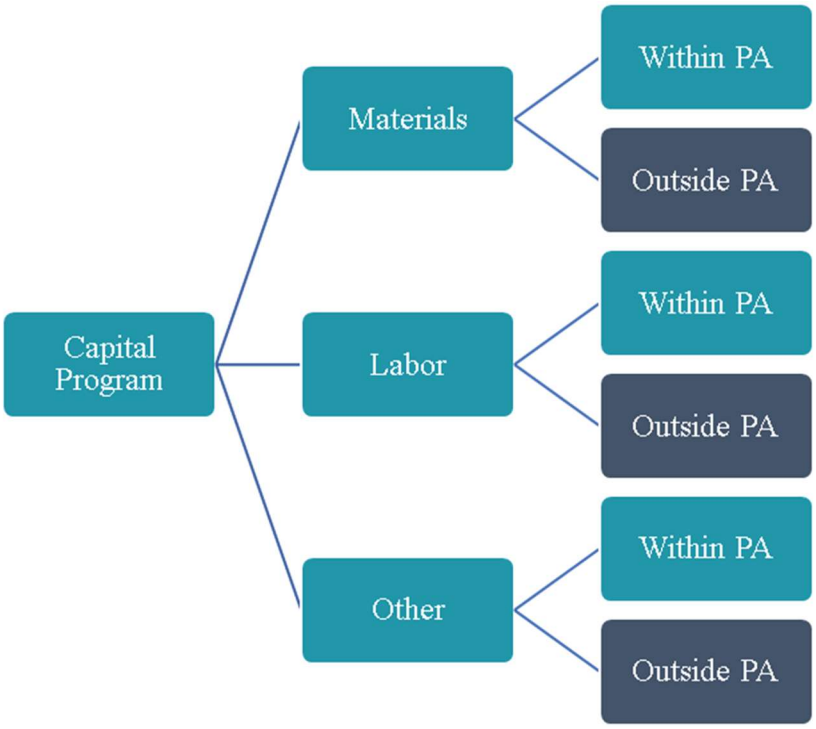
A. Yes. The gross amount of projected investments was further separated into materials/equipment, labor, and overheads/other cost components based on the Company's

estimate of the proportion of those costs based on prior spending on similar types of capital projects. FirstEnergy has provided an estimate of the breakdown of the proportion of its estimated investment, by category, that would be related to materials, labor, and other project costs. In total, approximately 35% of the Capital Program expenditures is assumed to be related to materials and equipment, 40% is related to labor, and the remaining 25% is related to construction overheads and other general project costs.

Q. Will the entirety of the expenditures associated with the Capital Program have an economic impact within Pennsylvania?

A. No. While the distribution and transmission infrastructure associated with the Capital Program, and the resulting improvements in safety, reliability, and operations would be specifically in Pennsylvania, the dollars spent to design and construct that infrastructure will not be related to goods and services entirely sourced in Pennsylvania (*e.g.*, purchases of materials outside of Pennsylvania even though those materials will be installed and operated within Pennsylvania). Since the focus of this analysis is the impact of the capital spending on the Pennsylvania economy, I have adjusted the level of FirstEnergy's Capital Program to reflect only the dollars that are estimated to be spent directly on goods and services in Pennsylvania as opposed to outside of Pennsylvania. Specifically, as shown in Figure 2, I reduced the expenditures over the Estimate Period associated with the Capital Program that are estimated to be spent on goods and/or services outside of Pennsylvania based on discussions with FirstEnergy regarding its prior spending on projects similar to the investment opportunities reflected in the Capital Program.

Figure 2: Allocation of Capital Program for Estimating Economic Impacts in Pennsylvania



Q. What is an example of spending that that would be outside of Pennsylvania?

A. One example would be the cost of materials associated with FirstEnergy's distribution utility pole replacement program. The materials costs related to the pole replacement initiative are largely associated with the cost of wooden utility poles. Based on discussions with FirstEnergy, it is my understanding that while some of the parts and equipment FirstEnergy acquires for its pole replacement initiatives have been sourced from distributors within Pennsylvania, which would reflect an economic stimulus to the Pennsylvania economy, the majority of the poles are acquired outside of Pennsylvania. In contrast, the labor and other expenditures associated with replacing and installing new poles would predominantly reflect local spending within Pennsylvania.

Q. What is assumed for purposes of modeling as to the proportion of the future investments that would be related to spending on goods and service within Pennsylvania versus outside of Pennsylvania?

A. Based on prior investments in its distribution and transmission systems, FirstEnergy estimates the expenditures on materials and equipment will largely be associated with goods and services outside of Pennsylvania, while the expenditures associated with labor, overheads, and other general project matters would largely be on goods and services within Pennsylvania.

Q. Although you are excluding certain of the costs associated with the Capital Program that would be spent outside of Pennsylvania, are there still economic benefits that would result from those expenditures made by FirstEnergy?

A. Yes, there would still be significant economic benefits associated with those expenditures that will occur elsewhere in the United States. For example, the manufacture of the wooden utility poles necessary to be installed within FirstEnergy's service territory will create economic benefits in the locations in those states where the poles are manufactured. Because these economic benefits are outside of Pennsylvania, they have not been accounted for in my analysis; however, the dollars to purchase those poles will help support jobs, tax revenues, and increased economic output in those other communities.[9] This economic activity serves to assist numerous businesses and individuals located outside of Pennsylvania.

[9] Likewise, as noted previously, there will be economic benefits experienced within the FE PA Utilities' service territories associated with economic activity occurring elsewhere in Pennsylvania (*e.g.*, due to other utility investment programs) and outside Pennsylvania; however, the analysis herein does not model or account for such effects.

Q. Does the spending reflected in FirstEnergy's existing Capital Program represent the actual dollars that will be spent in the future related to its distribution and transmission infrastructure in Pennsylvania?

A. No, not necessarily. The Capital Program represents a current estimate of spending in Pennsylvania. However, there are a multitude of factors that will undoubtedly influence the actual level of capital investment and the timing of that investment over the next decade. For example, capital market changes, supply chain issues, labor availability, regulatory changes, and weather-/storm-related events can all influence the amount and timing of future investments. It is my understanding that FirstEnergy's investment plan will continue to consider and adapt to changes within Pennsylvania, and thus the actual amount of investment is likely to change over time as circumstances change.

Likewise, the timing of the capital spending reflected in the model is not intended to mimic when facilities are placed into service for ratemaking purposes. Rather, the model analyzes the economic effects from capital spending on a project and those benefits start to flow through the economic study region regardless of when the project is ultimately placed into service. For example, dollars may be spent on an investment that may take many months or longer to complete before it is placed into service, but the dollars that are spent will have economic impacts regardless of the whether or when the project is completed and placed into service. Therefore, for example, while a portion of FirstEnergy's projected capital spend for a particular period may be considered construction work in progress for rate purposes because it has not been placed into service, the dollars that are projected to be spent in a particular year are included in the economic impact analysis.

Therefore, while FirstEnergy's Capital Program represents its current vision of the projects to which dollars would be allocated, it remains an estimate.

Q. What are the total estimated expenditures associated with the Capital Program that are assumed to be directly spent in Pennsylvania?

A. As noted, FirstEnergy has currently identified various investments over the Estimate Period to enhance the safety, reliability, and operations of its distribution and transmission systems in Pennsylvania that total approximately $14 billion. As summarized in Figure 3, after adjusting that total capital spend for the investments that are projected to be made on goods and services outside of Pennsylvania, a total capital spend of approximately $8 billion is anticipated over the Estimate Period in Pennsylvania. Further detail of the estimated capital spend by year over the Estimate Period in Pennsylvania is reflected in Joint Applicants Exhibit TB-2.

Figure 3: FirstEnergy's Capital Program Assumed to Have an Economic Impact in Pennsylvania ($millions)[10]

Distribution		
Reliability	$	5,417
Load	$	139
Grid Modernization	$	436
Subtotal	$	5,992
Transmission	$	2,239
Total	**$**	**8,230**

[10] FirstEnergy's projected capital investment in Pennsylvania by year over the Estimate Period is shown in Joint Applicants Exhibit TB-2.

Q. What are the estimated economic benefits for Pennsylvania resulting from FirstEnergy's Capital Program?

A. As summarized in Figure 4, FirstEnergy's projected expenditures related to the Capital Program are expected to generate a total of approximately $19.5 billion in economic output over the Estimate Period within Pennsylvania. This economic activity generated by the Capital Program is estimated to create approximately $11.2 billion in gross regional product in Pennsylvania, which includes approximately $648 million in additional state and municipal tax revenue for local communities in the state. Importantly, this economic activity associated with the Capital Program is also expected to support between approximately 9,500 jobs and 11,200 jobs annually over the Estimate Period.

Figure 4: Estimated Economic Activity of Capital Program[11]

Calendar Year	Economic Output	Gross Regional Product	State/Local Tax Revenue	Jobs Supported
	($ million)	*($ million)*	*($ million)*	*('000s)*
2023	$ 1,657.6	$ 936.7	$ 54.2	9.54
2024	$ 1,721.1	$ 974.2	$ 56.3	9.70
2025	$ 1,919.7	$ 1,091.9	$ 63.1	10.59
2026	$ 2,079.2	$ 1,186.4	$ 68.6	11.22
2027	$ 2,051.6	$ 1,175.6	$ 68.0	10.85
2028	$ 2,028.1	$ 1,167.4	$ 67.5	10.52
2029	$ 2,017.4	$ 1,167.2	$ 67.5	10.28
2030	$ 2,012.6	$ 1,170.3	$ 67.7	10.06
2031	$ 1,999.9	$ 1,167.7	$ 67.5	9.81
2032	$ 2,001.5	$ 1,172.5	$ 67.8	9.62
Total	**$ 19,488.6**	**$ 11,210.0**	**$ 648.2**	

Q. To the extent that the estimated future capital investments in FirstEnergy's transmission and distribution infrastructure in Pennsylvania changes, would the

[11] Economic output, gross regional product, and state and local tax revenues are presented in nominal dollars.

expectation be that future capital investment would still create substantial economic benefits?

A. Yes. As discussed, the overall level and timing of FirstEnergy's capital investment is likely to change over the Estimate Period; however, the economic benefits to the Pennsylvania economy associated with a capital investment program of the magnitude that FirstEnergy has currently identified, even if it changes relatively modestly, would remain significant.

Q. Do the estimated impacts on the Pennsylvania economy that you have discussed capture all of the economic impacts likely to be associated with the investments in the Capital Program?

A. No. Although beyond the scope of my analysis, there are likely to be numerous additional economic benefits associated with FirstEnergy's planned capital investments that would accrue to the communities in the FE PA Utilities' service territories that are not captured in my analysis. The scope of my analysis is to estimate the gross economic benefits associated with FirstEnergy's future capital spending in Pennsylvania that will be facilitated and supported by a FirstEnergy that is financially stronger as a result of the Transaction. However, I would expect there to be numerous additional economic benefits resulting from FirstEnergy's future distribution and transmission investments in Pennsylvania that are not captured in my analysis.[12]

For example, the significant investments that FirstEnergy has currently identified for increasing reliability would be expected to reduce the number and duration of customer

[12] Future capital investments in the distribution and transmission infrastructure in Pennsylvania likely would also have an impact on the future rate levels of the FE PA Utilities' customers, and this effect has also not been estimated and would need to be considered in relation to the totality of the economic benefits associated with such future spending.

outages, and thus help minimize the economic losses that are faced by customers due to outages. In addition, reducing outages and enhancing power quality can help attract new businesses to the FE PA Utilities' service territories, creating further economic benefits for the local communities and the state as a whole. While there are variety of factors that are considered when businesses seek to move to a new location and/or expand an existing location, reliability and power quality can be an important factor for energy-intensive businesses (*e.g.*, data centers; manufacturing). Replacing aging transmission and distribution infrastructure may be driven by enhancing reliability and not increasing system capacity; however, such investments can also increase capacity for future load growth and/or reduce the cost of expanding the system in the future. Thus, both FirstEnergy's investments to enhance reliability and the capability to serve load also help to facilitate future business development opportunities to retain and attract businesses in Pennsylvania.

Further, investments to replace and upgrade existing transmission and distribution infrastructure can also help to reduce line losses, which, all else equal, help to reduce the amount of power that the FE PA Utilities are required to generate or purchase to serve customers, and thus lower customers' costs. To the extent that FirstEnergy's investments can result in a reduction of line losses during peak load hours, additional customer savings could result through reduced capacity needs on the grid.

Lastly, FirstEnergy's Capital Program will also help facilitate the energy transition that is occurring throughout the United States. Facilitating this transition through grid modernization, distributed generation, and electric vehicle deployment will benefit the local communities in Pennsylvania served by FirstEnergy by lowering greenhouse gas emissions and mitigating the numerous negative economic effects of climate change,

including the disruption from climate-related events, and helping customers more efficiently consume electricity.

III. CONCLUSION

Q. What are your conclusions regarding the economic impacts in Pennsylvania of FirstEnergy's anticipated capital spending over the Estimate Period?

A. FirstEnergy expects the Transaction will improve its financial strength and its ability to finance and continue to deploy the necessary investments in its distribution and transmission systems over the next decade, thus better positioning FirstEnergy to undertake its Capital Program. FirstEnergy's investment in its distribution and transmission infrastructure in Pennsylvania addressed by the Capital Program is projected to result in wide-ranging and substantial economic benefits to the local communities in Pennsylvania served by FirstEnergy as well as in Pennsylvania as a whole. The existing Capital Program represents a substantial injection of investment dollars into the local economies that will promote economic activity, support jobs, and generate state and local tax revenues, thus providing important economic stimulus to Pennsylvania communities. The majority of these investments are designed to maintain and enhance the safety and reliability of the electric distribution system, as well as modernize the electrical grid used to provide service to customers, and it is likely that such enhancements would lead to further economic benefits above and beyond the benefits that have been estimated in my analysis.

Q. Does this conclude your testimony?

A. Yes.

Toby Bishop

PRINCIPAL

Boston 978.793.3514 Toby.Bishop@brattle.com

Mr. Bishop is an energy industry expert with over 25 years of experience specializing in regulatory economics and civil litigation issues concerning the natural gas and electric industries.

Mr. Bishop has worked with various energy industry clients across the U.S. and Canada, including electric and natural gas utilities, natural gas pipelines and storage providers, and independent energy project developers.

Mr. Bishop's expertise covers strategic, regulatory, financial, and transactional matters for the energy industry. He has worked on federal and state rate case proceedings, valuations of numerous energy assets, utility municipalization efforts, contractual disputes, purchase and sales transactions, regulatory strategy and policy matters, and competitive and market power concerns.

Mr. Bishop has provided expert testimony, affidavits, and other filings in over 50 administrative and civil proceedings, including before the Federal Energy Regulatory Commission (FERC), the Canada Energy Regulator (CER), state and provincial regulatory agencies, and state courts. His testimony and reports have covered market power, utility ratemaking, prudence evaluations, market conditions, infrastructure need, valuation, and regulatory and economic policy.

Prior to joining Brattle, Mr. Bishop was a Senior Vice President at an energy consultancy, and he previously worked at two management consulting firms.

AREAS OF EXPERTISE

- Oil & Gas Litigation and Damages
- Energy Litigation & Regulatory Disputes
- Regulatory Economics, Finance & Rates

EDUCATION

- **Colgate University**
  BA in Economics and Geography (magna cum laude; Phi Beta Kappa)

PROFESSIONAL EXPERIENCE

- **The Brattle Group (2022–Present)**
  Principal
- **Concentric Energy Advisors, Inc. (2002–2022)**
  Senior Vice President
- **Reed Consulting Group/Navigant Consulting, Inc. (1995–2002)**
- **Fleet National Bank (1993–1995)**

SELECTED CONSULTING EXPERIENCE

REGULATORY AND LITIGATION REPRESENTATION/SUPPORT

Extensive experience in the research, analysis, preparation, and defense of expert testimony, reports, affidavits, and other filings in administrative and civil proceedings on a wide range of energy and economic issues. Clients in these matters have included natural gas distribution companies, natural gas pipelines, natural gas storage providers, natural gas producers, electric utilities, and independent energy project developers. Testimony has focused on issues ranging from broad regulatory and economic policy, valuation for damages assessment, and management prudence to virtually all elements of the utility ratemaking process, including cost of service, cost allocation, rate design, and cost of capital. Representative engagements have included:

- Evaluation of potential market power and competitive concerns on over 25 occasions for leading North American energy companies, including the preparation of independent market power analyses and supporting testimony in association with market-based rate applications for underground natural gas storage facilities throughout the US and Canada and utility merger proceedings.
- Assisting clients across the U.S. with all aspects of cost of capital issues, including direct, rebuttal, surrebuttal testimonies, discovery, cross-examination and post-hearing briefs.
- Extensive litigation support to TransCanada PipeLines before the National Energy Board, including major proceedings regarding its Mainline pipeline restructuring, changes in

services, abandonment cost recovery, and its comprehensive settlement to transition to a new tolling regime.

- Extensive litigation support to NOVA Gas Transmission Ltd. in multiple proceedings regarding the development and tolling of new facilities and new services in British Columbia and Alberta.
- Litigation support for multiple petroleum products pipelines concerning tolling disputes.
- Litigation support regarding electric, natural gas and water/wastewater cost of capital issues before various state regulatory commissions and the Federal Energy Regulatory Commission.
- Evaluation of the economic impacts and benefits associated with utility capital spending programs and the reasonableness of related rate requests.
- Litigation support for the Upper Midwest Shipper Group on all aspects of the rate case proceedings concerning Northern Natural (RP19-1353), Natural Gas Pipeline Company of America (RP17-303), and ANR Pipeline (RP16-440).
- Development of a financial model and assist in the transaction structuring for a natural gas storage developer seeking to construct and then sell a storage facility to an LDC in the western half of the US.
- Strategic analysis for a large energy company considering alternatives for its existing pipeline and storage portfolio.
- Litigation support for the WEC Energy Group on all aspects the Great Lakes Gas Transmission RP17-593 rate case proceeding.
- Litigation support, including the drafting of a reply expert report, relating to a $500 million claim associated with the value of Ultra Petroleum Corp. exiting bankruptcy.
- Litigation support, including the drafting of expert reports, on behalf of Mitsubishi Heavy Industries regarding a $7.5 billion claim in an international arbitration proceeding regarding damages associated with the SONGS 2 and 3 nuclear facilities.
- Cost allocation and rate design witness providing ongoing litigation support on behalf of Arizona Public Service in El Paso Natural Gas Company's two most recent FERC rate cases.
- Litigation support before the Alberta Energy Regulatory (formerly Energy Resources Conservation Board), on behalf of CrossAlta Gas Storage regarding public interest issues related to natural gas storage in a case in which an oil producer was seeking to drill through the CrossAlta storage reservoir.

- Preparing multiple rounds of testimony in support of a group of utilities, including Oncor, AEP and MidAmerican Energy, seeking to construct over $5 billion of new transmission in Texas as part of the state's Competitive Renewable Energy Zone process.
- Preparing expert reports and providing litigation support to Boston Edison regarding its damages claims against the Department of Energy relating to spent nuclear fuel for Pilgrim nuclear generating station.
- Assisting ONEOK Partners in the development and implementation of two new off-system storage services for its Guardian Pipeline, including the development of the open season process for these new services, the pro forma tariff, forms of service agreement, precedent agreements between Guardian and its customers, and rate design for the new services.
- Preparation of an expert report on behalf of Merrill Lynch assessing and quantifying damages in its litigation regarding the sale of its energy trading business.
- Providing litigation support to Missouri Gas Energy to defend against proposed gas purchase disallowances for storage utilization, hedging activity and capacity release decisions.
- Providing ongoing regulatory oversight and litigation support to the Northern Distributor Group, a group of 13 local distribution companies (LDCs) in the Midwest served by Northern Natural Gas Company in FERC rate, certificate, and other regulatory matters. Included drafting testimony, comments, interventions and various other regulatory filings to be filed with the FERC.

VALUATION

Significant experience utilizing multiple methodologies to value energy assets for strategic planning, tax, financing and other purposes. Methodologies utilized have included discounted cash flow, comparable sales, replacement, and reproduction cost analyses. Have prepared expert reports, appraisals, review appraisals, testimony, and certifications for use before courts, federal and state regulatory proceedings, taxing authorities, financial institutions, and boards of directors. Representative engagements have included:

- Valuation of numerous electric generation facilities (*e.g.*, coal, natural gas, run-of-river hydroelectric, pumped storage, biomass) throughout the United States.
- Valuation of the electric transmission and distribution property of numerous investor-owned and electric cooperative utilities.

- Preparation of feasibility studies evaluating the costs and benefits of the potential municipalization of existing electric utility systems in Colorado, Washington, Maine, and Kansas.
- Preparation of multiple whitepapers evaluating the issues concerning proposed legislation for state ownership of electric utility systems in Maine.
- Valuation of property of a telecommunications provider in New Hampshire for property tax purposes.
- Valuation of peak shaving and import LNG facilities.
- Valuation of a combined cycle electric generating facility in Florida for purposes of a fairness opinion issued by Concentric's subsidiary, CE Capital Advisors, Inc.
- Valuation of Northern Indiana Public Service Company's generation, transmission, and distribution assets as part of an electric rate proceeding.
- Valuation of certain FirstEnergy generation facilities for the release of a bond indenture.

MARKET ASSESSMENT

Retained by numerous leading domestic and international energy companies to provide assessments of energy markets throughout the United States. Such assessments have included evaluation of electric and natural gas supply issues, development of projected electric and natural gas demand, viability/feasibility of infrastructure projects including numerous analyses regarding underground storage, LNG and electric generation, analysis of gas commodity price trends, assessment of existing and projected natural gas and electric transmission infrastructure, market structure, regulatory issues, and assessment of competitive position. Market assessment engagements typically have been used as integral elements of asset-specific strategic plans, regulatory initiatives or valuation analyses. Many of the projects have been supported by the filing of expert reports with the FERC, the National Energy Board (NEB), and state regulatory agencies. Representative engagements have included:

- Preparation of a report on behalf of Spire Missouri regarding the benefits of the existing STL Pipeline versus other potential near-term and longer-term alternatives should the FERC decide to rescind the certificate for the STL Pipeline.
- Preparation of a report on behalf of the proposed Adelphia Gateway pipeline regarding the potential energy and economic benefits to natural gas and electric consumers in the Greater Philadelphia region.

- Preparation of multiple reports on behalf of the proposed PennEast Pipeline regarding the potential economic benefits of the pipeline to natural gas and electric customers in the Mid-Atlantic region, including rebuttal comments addressing issues raised by opponents of the pipeline.
- Preparing numerous assessments of the natural gas and electric markets in eastern Canada, Atlantic Canada, and the northeastern and mid-Atlantic United States for various energy companies seeking to enter the market and/or expand existing operations in the market.
- Preparing a detailed demand and supply analysis of the opportunity for underground natural gas storage in the Mid-Atlantic and upper Midwest markets.
- Evaluating the opportunity for the development of a new underground storage facility in the southeastern United States. The project included preparing a detailed report for the client that included the future market opportunity that could be achieved from the facility.
- Preparing a detailed demand/supply and risk analysis of an existing natural gas storage project in the eastern US for a commercial bank seeking to finance a partnership buyout of the facility.
- Evaluating the market opportunity for LNG in the northeastern United States for a client seeking to develop an LNG facility import terminal. The project included reviewing future demand/supply in the region and competing supplies.

MERGERS, ACQUISITIONS, AND DIVESTITURES

For numerous leading energy companies, have assisted in the acquisition and divestiture of over $5 billion in energy assets, including providing strategic advice, detailed due diligence, and project management relating to a variety of regulated and non-regulated energy projects. Representative engagements have included:

- The sales of the Point Beach, Palisades, and Duane Arnold nuclear generating facilities.
- The divestitures of the generating fleets of Boston Edison, GPU, and Potomac Electric Power.
- Assisting a large energy company evaluate and value a potential natural gas storage acquisition in the western United States.
- Assisting a large North American pipeline company evaluate its positioning in the market, including a review of issues such as cost of service, cost allocation, rate design, trading points and new service alternatives for its pipelines.

- Confidential buy-side valuation and assessment of a regulated combination electric and natural gas utility in the northeastern US.
- Confidential buy-side valuation and assessment of a regulated combination electric and natural gas utility in New York.

EXPERT TESTIMONY

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Federal Energy Regulatory Commission				
Northern Distributor Group	10/98	Northern Natural Gas Company	Docket No. RP98-203	Cost Allocation
Central New York Oil & Gas Company, LLC	2/06	Central New York Oil & Gas Company, LLC	Docket No. CP06-64-000	Market Power
Central New York Oil & Gas Company, LLC	10/07	Central New York Oil & Gas Company, LLC	Docket No. CP06-64-001	Market Power
Chestnut Ridge Storage, LLC	12/07	Chestnut Ridge Storage, LLC	Docket No. CP08-36	Market Power
Arlington Storage Company, LLC	3/08	Arlington Storage Company LLC	Docket No. CP08-96	Market Power
Worsham-Steed Gas Storage, LP	5/08	Worsham-Steed Gas Storage, LP	Docket No. PR08-23	Market Power
Arizona Public Service Company	5/09	El Paso Natural Gas Company	Docket No. RP08-426	Cost Allocation/ Rate Design
Arizona Public Service Company	7/09	El Paso Natural Gas Company	Docket No. RP08-426	Cost Allocation/ Rate Design
Arizona Public Service Company	8/09	El Paso Natural Gas Company	Docket No. RP08-426	Cost Allocation/ Rate Design
UGI Storage Company	11/09	UGI Storage Company	Docket No. CP10-23	Market Power
Magnum Gas Storage, LLC	11/09	Magnum Gas Storage, LLC	Docket No. CP10-22	Market Power
East Cheyenne Gas Storage, LLC	1/10	East Cheyenne Gas Storage, LLC	Docket No. CP10-34	Market Power
Petal Gas Storage, LLC	1/10	Petal Gas Storage, LLC	Docket No. CP10-50	Market Power
UGI Storage Company	2/10	UGI Storage Company	Docket No. CP10-23	Market Power

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Arizona Public Service Company	3/10	El Paso Natural Gas Company	Docket No. RP08-426	Rate Design
Arlington Storage Company, LLC	3/10	Arlington Storage Company LLC	Docket No. CP10-99	Market Power
Tallulah Gas Storage, LLC	8/10	Tallulah Gas Storage, LLC	Docket No. CP10-494	Market Power
Rager Mountain Storage Co. LLC	10/10	Rager Mountain Storage Co. LLC	Docket No. CP11-5	Market Power
Central New York Oil & Gas Company, LLC	3/11	Central New York Oil & Gas Company, LLC	Docket No. CP10-194	Market Power
Federal Energy Regulatory Commission				
Rager Mountain Storage Co. LLC	3/11	Rager Mountain Storage Co. LLC	Docket No. CP11-5	Market Power
Arizona Public Service Company	6/11	El Paso Natural Gas Company	Docket No. RP10-1398	Cost Allocation/ Rate Design
Arizona Public Service Company	8/11	El Paso Natural Gas Company	Docket No. RP10-1398	Cost Allocation/ Rate Design
UGI Storage Company	8/11	UGI Storage Company	Docket No. CP11-542	Market Power
Central New York Oil & Gas Company, LLC	2/12	Central New York Oil & Gas Company, LLC	Docket No. CP10-194	Market Power
Worsham-Steed Gas Storage LLC	5/12	Worsham-Steed Gas Storage LLC	Docket No. PR07-6	Market Power
Rager Mountain Storage Co. LLC	1/14	Rager Mountain Storage Co. LLC	Docket No. CP13-139	Market Power
PennEast Pipeline Company, LLC	9/15	PennEast Pipeline Company, LLC	Docket No. CP15-558	Mkt. Conditions/Need
Magnum Gas Storage, LLC	11/15	Magnum Gas Storage, LLC	Docket No. CP16-18	Market Power
PennEast Pipeline Company, LLC	4/16	PennEast Pipeline Company, LLC	Docket No. CP15-558	Mkt. Conditions/Need
PennEast Pipeline Company, LLC	10/16	PennEast Pipeline Company, LLC	Docket No. CP15-558	Mkt. Conditions/Need/ Rate of Return
Costco Wholesale Corp.	1/17	Tricon Energy Ltd. and Rockbriar Partners Inc. v. Colonial Pipeline Company	Docket No. OR16-17	Petroleum/Refined Products Pipeline Capacity Prorationing

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Laclede Gas Company	1/17	Spire STL Pipeline, LLC	Docket No. CP17-40	Mkt. Conditions/Need
East Cheyenne Gas Storage, LLC	11/17	East Cheyenne Gas Storage, LLC	Docket No. CP18-11	Market Power
Spire Storage West, LLC	7/18	Spire Storage West, LLC	Docket No. CP18-520	Market Power
Washington 10 Storage Corp.	5/20	Washington 10 Storage Corp.	Docket No. CP20-470	Market Power
Spire Storage West, LLC	10/20	Spire Storage West, LLC	Docket No. CP21-6	Market Power
East Cheyenne Gas Storage, LLC	6/22	East Cheyenne Gas Storage, LLC	Docket No. RP22-872	Market Power
Pennsylvania Public Utility Commission				
UGI Utilities, Inc.	6/20	UGI Utilities, Inc.	Docket No. R-2019-301562	Economic Impacts of New Infrastructure
Columbia Gas of Pennsylvania, Inc.	8/20	Columbia Gas of Pennsylvania, Inc.	Docket No. R-2019-3018835	Economic Impacts of New Infrastructure
Pennsylvania-American Water Co.	9/20	Pennsylvania-American Water Co.	Docket Nos. R-2020-3019369 and R-2020-3019371	Economic Impacts of New Infrastructure
National Energy Board of Canada				
TransCanada Pipelines Ltd.	12/13	TransCanada Pipelines Ltd.	MH-1-2013	Cost Allocation
NOVA Gas Transmission Ltd.	10/17	NOVA Gas Transmission Ltd.	MH-031-2017	Tolling Policy for New Facilities
NOVA Gas Transmission Ltd.	12/17	NOVA Gas Transmission Ltd.	MH-031-2017	Tolling Policy for New Facilities
NOVA Gas Transmission Ltd.	3/19	NOVA Gas Transmission Ltd.	RH-001-2019	Tolling Policy for New Facilities
Canada Energy Regulator				
NOVA Gas Transmission Ltd.	11/19	NOVA Gas Transmission Ltd.	RH-001-2019	Tolling Policy for New Facilities
NOVA Gas Transmission Ltd.	5/21	NOVA Gas Transmission Ltd.	RH-001-2021	Tolling Policy for New Service

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
NOVA Gas Transmission Ltd.	12/21	NOVA Gas Transmission Ltd.	RH-001-2021	Tolling Policy for New Service
Nova Scotia Utility and Review Board				
Nova Scotia Power Inc.	6/19	Nova Scotia Power Inc.	M09273	Contracting Prudence / Market Conditions
British Columbia Utilities Commission				
Unocal Canada Limited	10/06	Unocal Canada Limited	Project No. 3698445	Market Power

Joint Applicants Exhibit
TB-1

FirstEnergy Estimated Capital Investment in Pennsylvania
Distribution & Transmission

Total Investment ($millions)

Project	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
Distribution											
Reliability	$ 525	$ 565	$ 630	$ 646	$ 662	$ 680	$ 698	$ 715	$ 734	$ 751	$ 6,606
Load	$ 0	$ 10	$ 20	$ 52	$ 53	$ 55	$ 53	$ 54	$ 55	$ 57	$ 409
Grid Modernization	$ 0	$ 0	$ 0	$ 79	$ 81	$ 83	$ 85	$ 87	$ 90	$ 92	$ 597
Transmission	$ 663	$ 591	$ 651	$ 641	$ 644	$ 670	$ 704	$ 737	$ 740	$ 744	$ 6,784
TOTAL	**$ 1,188**	**$ 1,166**	**$ 1,301**	**$ 1,418**	**$ 1,441**	**$ 1,488**	**$ 1,539**	**$ 1,594**	**$ 1,619**	**$ 1,643**	**$ 14,395**

Joint Applicants Exhibit
TB-2

FirstEnergy Estimated Capital Investment in Pennsylvania
Distribution & Transmission

Materials/Equipment Sourced in Pennsylvania ($millions)

Project	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
Distribution											
Reliability	$ 5	$ 6	$ 6	$ 6	$ 7	$ 7	$ 7	$ 7	$ 7	$ 8	$ 66
Load	$ 0	$ 1	$ 1	$ 3	$ 3	$ 3	$ 3	$ 3	$ 3	$ 3	$ 25
Grid Modernization	$ 0	$ 0	$ 0	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 6
Transmission	$ 60	$ 53	$ 59	$ 58	$ 58	$ 60	$ 63	$ 66	$ 67	$ 67	$ 611
TOTAL	**$ 65**	**$ 59**	**$ 66**	**$ 68**	**$ 69**	**$ 71**	**$ 74**	**$ 78**	**$ 78**	**$ 79**	**$ 707**

FirstEnergy Estimated Capital Investment in Pennsylvania
Distribution & Transmission

Labor in Pennsylvania ($millions)

Project	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
Distribution											
Reliability	$ 284	$ 305	$ 340	$ 349	$ 358	$ 367	$ 377	$ 386	$ 396	$ 406	$ 3,567
Load	$ 0	$ 2	$ 4	$ 9	$ 10	$ 10	$ 9	$ 10	$ 10	$ 10	$ 74
Grid Modernization	$ 0	$ 0	$ 0	$ 38	$ 39	$ 40	$ 41	$ 42	$ 43	$ 44	$ 287
Transmission	$ 93	$ 83	$ 91	$ 90	$ 90	$ 94	$ 98	$ 103	$ 104	$ 104	$ 950
TOTAL	**$ 376**	**$ 390**	**$ 435**	**$ 486**	**$ 496**	**$ 511**	**$ 526**	**$ 541**	**$ 553**	**$ 564**	**$ 4,877**

FirstEnergy Estimated Capital Investment in Pennsylvania
Distribution & Transmission

Overheads/Other in Pennsylvania ($millions)

Project	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
Distribution											
Reliability	$ 142	$ 153	$ 170	$ 174	$ 179	$ 183	$ 188	$ 193	$ 198	$ 203	$ 1,784
Load	$ 0	$ 1	$ 2	$ 5	$ 5	$ 5	$ 5	$ 5	$ 6	$ 6	$ 41
Grid Modernization	$ 0	$ 0	$ 0	$ 19	$ 19	$ 20	$ 20	$ 21	$ 22	$ 22	$ 143
Transmission	$ 66	$ 59	$ 65	$ 64	$ 64	$ 67	$ 70	$ 74	$ 74	$ 74	$ 678
TOTAL	**$ 208**	**$ 213**	**$ 237**	**$ 263**	**$ 268**	**$ 276**	**$ 284**	**$ 293**	**$ 299**	**$ 305**	**$ 2,646**

FirstEnergy Estimated Capital Investment in Pennsylvania
Distribution & Transmission

Total Spend in Pennsylvania ($millions)

Project	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
Distribution											
Reliability	$ 431	$ 463	$ 516	$ 530	$ 543	$ 557	$ 572	$ 587	$ 601	$ 616	$ 5,417
Load	$ 0	$ 3	$ 7	$ 18	$ 18	$ 19	$ 18	$ 18	$ 19	$ 19	$ 139
Grid Modernization	$ 0	$ 0	$ 0	$ 58	$ 59	$ 61	$ 62	$ 64	$ 65	$ 67	$ 436
Transmission	$ 219	$ 195	$ 215	$ 211	$ 212	$ 221	$ 232	$ 243	$ 244	$ 245	$ 2,239
GRAND TOTAL											**$ 8,230**

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

Rebuttal Testimony of Mark D. Mroczynski

RE:

Operational Benefits Resulting from the Transaction

REBUTTAL TESTIMONY OF MARK D. MROCZYNSKI

I. INTRODUCTION AND BACKGROUND

Q. Please state your name and business address.

A. My name is Mark D. Mroczynski. My business address is 76 South Main Street, Akron, OH 44308.

Q. Have you previously filed testimony in this proceeding?

A. Yes. I filed written direct testimony and exhibits on behalf of American Transmission Systems, Incorporated ("ATSI"), Mid-Atlantic Interstate Transmission, LLC ("MAIT") and Trans-Allegheny Interstate Line Company ("TrAILCo") (collectively, the "Joint Applicants" or "Transmission Subsidiaries"), which have been designated as Joint Applicants Statement No. 1 and Exhibits MDM-1 to MDM-4. My testimony applies equally to all the Joint Applicants, unless otherwise stated.

Q. What is the purpose of rebuttal testimony?

A. The purpose of my rebuttal testimony is to respond to portions of the direct testimony of OCA Statement 1: Lafayette K. Morgan Jr., which was submitted on behalf of the Office of Consumer Advocate ("OCA"). Specifically, I will respond to Mr. Morgan's testimony that: (1) the Pennsylvania Public Utility Commission ("PaPUC" or the "Commission") should not approve the Transaction; (2) if the PaPUC approves the Transaction, it should condition its approval on the Joint Applicants' identification of specific reliability standards/metrics that will be improved as a result of the Transaction, as well as the establishment of improvement benchmarks and time frames to achieve such improvements; (3) the anticipated transmission investment that will result from the Transaction is merely

"aspirational"; and (4) the PaPUC should condition any approval of the Transaction upon a commitment that the Joint Applicants will not withdraw from the operational control of PJM Interconnection, L.L.C. ("PJM").

Q. Are you sponsoring any exhibits to accompany your Rebuttal Testimony?

A. No, I do not have any additional exhibits.

II. REBUTTAL REGARDING THE OPERATIONAL BENEFITS OF THE TRANSACTION

Q. Does OCA witness Mr. Morgan dispute whether the Transaction will result in affirmative benefits to the transmission operations of the Joint Applicants?

A. Yes. As a part of my direct testimony, the Joint Applicants identified specific benefits to their transmission operations that would result from the Transaction.[1] OCA witness Mr. Morgan broadly contends that these benefits are "mere abstractions or aspirational corporate statements or are things that FirstEnergy is already doing."[2]

Q. Based upon his position that the Transaction will not result in affirmative public benefits, does OCA witness Mr. Morgan make any recommendations?

A. As an initial matter, he recommends that the Transaction should be denied. Alternatively, to the extent that the PaPUC approves the Transaction, Mr. Morgan recommends that the PaPUC impose various conditions on the Transaction. Among these conditions, he recommends that the Joint Applicants should be required: (1) to "identify current transmission metrics for Outage Frequency and Misoperations, and then propose an

[1] Joint Applicants St. No. 1 at pp. 13-16.
[2] OCA Statement No. 1 at p. 9.

improved level of metrics that they will attain within certain timeframes"[3]; (2) identify the reliability metrics used by the PaPUC and plan an outline "to reach improved levels of performance within certain timeframes"[4]; (3) report on these metrics to stakeholders[5]; and (4) remain in or join PJM, such that the Joint Applicants' assets remain under the functional control of PJM.[6] I will respond to each of these issues below.

Q. Do you agree with OCA witness Mr. Morgan's testimony that the operational benefits of the Transaction are "mere abstractions or aspirational corporate statements or are things that FirstEnergy is already doing"[7]?

A. No, I do not.

Q. Please explain why not.

A. As stated in Mr. Staub's direct testimony (Joint Applicants Statement No. 2) on page 17, FirstEnergy plans to invest in Pennsylvania's transmission system approximately $6.5 billion over the next decade. The investment will support four main initiatives that focus on improving overall system reliability: 1) regulatory required work, 2) upgrading system conditions, 3) enhancing system performance, and 4) improving operating flexibility. Projects to support the system reliability initiatives are included in FirstEnergy Corp.'s ("FirstEnergy") Energizing the Future Transmission Capital Investment Program and enhance the transmission system's reliability, resiliency, and capacity through upgrading transmission and substation infrastructure, supporting generation deactivation,

[3] OCA Statement No. 1 at p. 17.
[4] OCA Statement No. 1 at p. 17.
[5] OCA Statement No. 1 at p. 18.
[6] OCA Statement No. 1 at p. 18.
[7] OCA Statement No. 1 at p. 9.

cybersecurity enhancements, system condition upgrades, and enhancing operational flexibility, further explained in detail below.

Q. Please provide additional details on the type of transmission projects that will be completed.

A. Regulatory required work is directed by regulatory agencies, such as the North American Electric Reliability Corporation ("NERC") and PJM to address specific, long-term planning criteria violations on the transmission system and enhance system security and resiliency. Examples of this type of work include projects associated with load growth on the transmission system to ensure adequate capacity and integrity on the system. This work may also entail transmission infrastructure and line upgrades requiring larger ampacity conductor to support the load, and/or constructing new substations to support the load growth. Additionally, projects may be needed to support generation deactivation to reinforce the transmission system and maintain the transmission reliability.

In addition, other projects may address applicable reliability standards, cybersecurity enhancements, and planning and protection requirements that may require hardening substation components to prevent cyber-attacks. These projects are examples required to support the system reliability.

Reliability Enhancement and upgrading system condition work includes rebuilding and replacing aging infrastructure such as transmission lines, circuit breakers, transformers, etc. to improve reliability and reduce future maintenance costs. Enhancing system performance will add redundancy and system features that allow the system operators to react more swiftly to changing conditions on the transmission grid. Examples of this work include reconfiguring high load transmission line to minimize the number of customers

impacted by a single operational event, and network lines to improve reliability for the customers connected to the transmission system. Operating flexibility includes expansion of the communication network for system protection and Supervisory Control and Data Acquisition ("SCADA"), digital analytics that provides asset performance monitoring, and upgrading the physical and cyber security protection to harden the transmission system. The Joint Applicants' planned investments, which will be facilitated by the Transaction, will improve the reliability of the transmission system and will in turn improve the customer experience. For these reasons, and those set forth in the Joint Applicants' direct testimony and the rebuttal testimony of Joint Applicants' witnesses Mr. Staub (Joint Applicants Statement No. 2R) and Mr. Rosenthal (Joint Applicants Statement No. 3R), the Transaction should be approved.

Q. Please explain how the distribution system will also benefit as a result of the proposed Transaction.

A. First, and as a general matter, improvements made to the transmission system will facilitate significant positive impacts to the distribution system. A robust and well-maintained transmission system reduces risks of disruptions affecting the distribution system, resulting in improved service quality to customers. Additionally, upgrades to the transmission system can increase load capacity which will allow the distribution system to better accommodate increasing energy demands including serving new distribution substations required to support load growth. A reliable and well-developed transmission system also contributes to overall grid stability and resilience, minimizing the duration and impact of distribution system power outages, while also enhancing the opportunity to perform maintenance and construction activities.

In addition to the operational benefits that flow from investments to transmission systems, this Transaction will facilitate FirstEnergy's plans to invest $7.5 billion in Pennsylvania's distribution system over the next decade through projects that enhance reliability. These projects include line rebuilds, line reconductoring, SCADA enhancements, pole replacements/reinforcements, installation of trip savers, projects designed to reduce customers experiencing multiple interruptions ("CEMI"), and underground conductor replacements. These projects will provide additional operational benefits to directly improve reliability, resilience, efficiency, and sustainability of the distribution system. The operational flexibility granted from these projects allows for, and will continue to allow for, the system to accommodate scheduled and unscheduled outages, further supporting grid stability and resilience. In sum, the Transaction will facilitate capital investments in both transmission and distribution in Pennsylvania over the next decade which will enhance the overall operation of these systems to the benefit of Pennsylvania customers.

Q. Have the Joint Applicants identified any additional benefits related to the anticipated investments that Mr. Morgan does not address in his testimony?

A. Yes. Mr. Morgan ignores the economic benefits detailed in the direct testimony of Mr. Toby Bishop (Joint Applicants Statement No. 4). These are important benefits for the Commission to keep in mind while analyzing the impacts of the Transaction because, as capital is deployed and projects are implemented and completed, significant gross economic benefits will accrue throughout Pennsylvania. Indeed, FirstEnergy's planned investments in Pennsylvania are projected to result in wide-ranging and substantial economic benefits to local Pennsylvania communities. As more fully demonstrated in the direct testimony of Mr. Bishop (Joint Applicants Statement No. 4), the substantial

investment in local economies will promote economic activity, support jobs, and generate state and local tax revenues.

Q. Do you agree with OCA witness Mr. Morgan's testimony that benefits relating to Brookfield's experience are "mere abstractions or aspirational corporate statements or are things that FirstEnergy is already doing"[8]?

A. No, I do not.

Q. Please explain why not.

A. As I explained in my direct testimony (Joint Applicants Statement No. 1), Brookfield brings operational best practices as well as relationships with engineering companies, equipment suppliers, and field service contractors which will help optimize FET's practices through the partnership. The benefits of Brookfield's experience are more fully explained in the direct testimony and rebuttal testimony of Mr. Rosenthal (Joint Applications Statement No. 3 and Joint Applicants Statement No. 3R).

Q. Do you agree with OCA witness Mr. Morgan's recommendation that, "FirstEnergy and FET should be required to identify specific reliability standards/metrics that will be improved as a result of this transaction with time frames for meeting those standards and metrics."?[9]

A. No, I do not.

[8] OCA Statement No. 1 at p. 9.
[9] OCA Statement No. 1 at p. 9; *see also* OCA Statement No. 1 at pp. 17-18.

Q. Please explain why not.

A. Poor transmission system reliability is not the driver behind this Transaction. Rather, the Joint Applicants are focused on utilizing capital investments to maintain and enhance the reliability of the transmission systems. The Joint Applicants are confident that additional investment in the Pennsylvania transmission system will continue to yield reliability improvement. For example, as a result of the investments made on the transmission system in MAIT, performance of the system with respect to transmission-caused customer outages has shown marked improvement. Specifically related to transmission-caused outages, there have been reductions in line outages by 17%, customer minutes of interruption by 88%, and the number of customers interrupted by 30%. The Joint Applicants have clearly identified how the Transaction will facilitate additional investment in the system, as explained above. Therefore, it is not necessary to impose further metrics on the Joint Applicants. Furthermore, transmission reliability standards are developed and enforced by NERC and the Pennsylvania transmission companies are compliant with those standards, in particular with respect to Transmission Outage Frequency ("TOF") and Misoperations.

Q. Please describe the current transmission metrics for Outage Frequency and Misoperations.

A. TOF is a key indicator used to track 100-500kV outages and reported to NERC's Transmission Availability Data Systems. The Joint Applicants report outage data outlining the operational performance of transmission assets, such as transmission lines, substations, transformers, and other critical equipment in accordance with NERC reliability standards. This data is used to assess transmission system reliability and helps identify areas to enhance the reliability of the grid. System Misoperation Rate metrics identify and address

protection system misoperations for Bulk Electric System Elements and are reportable to NERC. FirstEnergy reports data on misoperations and mitigation plans, helping to reduce future misoperations and enhance grid reliability. A reliable transmission system is essential to support a more stable distribution system.

Q. Do you agree with OCA witness Mr. Morgan's recommendation that, "[t]he Commission should impose a condition on any grant of approval that all of the assets involved in this transaction remain under the functional control of PJM..."?[10]

A. No. The Joint Applicants will not withdraw transmission facilities from the operational control of PJM unless Joint Applicants have first applied for and obtained authorization by order of the Commission. I have been informed by counsel that this is consistent with the terms of previous commitments made by the Joint Applicants and approved by the Commission. Therefore, imposing a condition to remain under the functional control of PJM on the grant of approval of this Transaction is unnecessary.

III. CONCLUSION

Q. Does this conclude your rebuttal testimony?

A. Yes.

[10] OCA Statement No. 1 at p. 18.

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

Rebuttal Testimony of Steven R. Staub

RE:

Mr. Morgan's concerns with the benefits and recommended conditions

REBUTTAL TESTIMONY OF STEVEN R. STAUB

I. INTRODUCTION AND BACKGROUND

Q. Please state your name and business address.

A. My name is Steven R. Staub. My business address is 76 South Main Street, Akron, OH 44308.

Q. Have you previously filed testimony in this proceeding?

A. Yes. I filed written direct testimony and exhibits on behalf of American Transmission Systems, Incorporated ("ATSI"), Mid-Atlantic Interstate Transmission, LLC ("MAIT") and Trans-Allegheny Interstate Line Company ("TrAILCo") (collectively, the "Joint Applicants" or "Transmission Subsidiaries"), which have been designated as Joint Applicants Statement No. 2 and Exhibits SRS-1 to SRS-5. My testimony applies equally to all the Joint Applicants, unless otherwise stated.

Q. What is the purpose of your Rebuttal Testimony?

A. The purpose of my Rebuttal Testimony is to respond to portions of the Office of Consumer Advocate's ("OCA") Statement No. 1, the Direct Testimony of Mr. Lafayette K. Morgan. Specifically, I will be responding to certain of Mr. Morgan's concerns with the benefits of the proposed Transaction, as well as respond to certain of Mr. Morgan's recommended conditions should the Transaction be approved.

II. BENEFITS OF THE PROPOSED TRANSACTION

Q. On page 9, lines 15-16 of OCA St. No. 1, Mr. Morgan argues that the Transaction does not "bring anything to the table that FirstEnergy does not or could not provide." Do you agree?

A. No, I do not. As I explained in my Direct Testimony (Joint Applicants St. No. 2), FirstEnergy Corp.'s ("FirstEnergy") goal is to improve its balance sheet and financial metrics to a level commensurate with investment grade credit ratings. FirstEnergy aspires to improve its credit ratings as viewed by the three credit rating agencies, S&P, Fitch, and Moody's, to an investment grade level of BBB, BBB, and Baa2, respectively. I believe that the proposed Transaction is critical to achieving that goal and a necessary step to position FirstEnergy to better serve its customers. A stronger balance sheet, with improved credit metrics, reduces investor risk and improves FirstEnergy's and its subsidiaries' ability to attract credit at a lower cost. The proposed Transaction enables FirstEnergy to raise equity capital needed to lower its holding company debt, reduce interest expense, and support its distribution and transmission capital programs in the most efficient manner.

Q. On page 9, lines 6-8 of OCA St. No. 1, Mr. Morgan states that he is not convinced that FirstEnergy could not raise additional capital on its own without the proposed Transaction. Please respond.

A. FirstEnergy's only other viable option is to raise equity capital through the issuance of additional shares of its common equity. However, the proposed Transaction is a more economically efficient solution to improve financial metrics and customer value, without adversely impacting FirstEnergy's equity investors who supply significant capital necessary to its subsidiaries' provision of safe and reliable electric service. On a price to

earnings basis, this Transaction represents a valuation multiple of approximately 39x earnings based on FirstEnergy Transmission, LLC's ("FET") actual 2022 3Q last-twelve-months ("LTM") non-GAAP earnings of $302 million. On the other hand, the option of issuing common equity would have resulted in a valuation multiple of approximately 17x earnings (based on FirstEnergy's stock price of ~$41/share at the time of the Transaction announcement and FirstEnergy's 2022 non-GAAP earnings of $2.41/share). Therefore, the latter approach is inferior to the proposed Transaction. Said differently, the proposed Transaction is equivalent to FirstEnergy issuing equity at over $93/share, which would not be possible based on its stock price of $41/share at the time of announcement of the proposed Transaction.

Q. On Page 3, lines 23-25 of OCA St. No. 1, Mr. Morgan states that the Joint Applicants have not identified nor quantified any specific tangible benefits, metrics or targets/goals that can be monitored and measured to judge the success of the additional equity investment in FET. Do you agree?

A. No, I do not. As I already stated, the goal is to improve FirstEnergy's financial credit profile which will ultimately have downstream benefits to its distribution and transmission subsidiaries. A credit rating is an indicator of debtor's ability to pay back debt. Companies with greater levels of equity financing are in a better position to handle their debt burden. Another key metric that credit analysts consider when assessing the creditworthiness of a company is the ratio of funds from operations ("FFO") to total debt. This Transaction will enable FirstEnergy to increase this ratio by using a portion of the proceeds to reduce debt, which, in turn, will reduce interest expense and increase FFO. I expect this ratio to improve from a current ratio of approximately 10-11% to a ratio of approximately 14-15% post-

transaction, an improvement consistent with investment-grade metrics. As I explained in my Direct Testimony, the improvement in the holding company's credit rating results in improved credit ratings of its subsidiaries as well.[1] It is widely recognized that investors, when evaluating the coupon for new debt offering, consider the credit rating of the issuing entity. Investors use such ratings to determine the risk premium (credit spread) on top of the risk-free rate (applicable United States Treasury borrowing rate) to ultimately determine the coupon rate for a debt offering. Thus, the better the issuing entity's credit rating, the lower the coupon rate (*i.e.*, interest rate on the loan). This directly benefits the customers of regulated utilities, including the Joint Applicants, since interest expense is a cost-of-service component that is recovered through jurisdictional rates. In addition to the benefits of the Transaction associated with FirstEnergy's improved financial credit profile outlined above, there will also be significant operational benefits to both the transmission and distribution systems which are further explained in the direct and rebuttal testimony of Mr. Mark Mroczynski (Joint Applicants Statement No. 1 and Joint Applicants Statement No. 1R) as well as substantial economic benefits to Pennsylvania as a whole, which are further demonstrated in the direct testimony of Mr. Toby Bishop (Joint Applicants Statement No. 4).

Q. Can you identify the specific dollar amount of benefit(s) to FirstEnergy's Pennsylvania customers from the proposed Transaction?

A. It is not practical to accurately determine the dollar amount of benefit given the uncertainties in the marketplace. However, it is reasonable to expect that improvements to FirstEnergy's credit profile will bring significant benefits to Pennsylvania customers as

[1] *See* Joint Applicants St. No. 2, p. 15.

FirstEnergy makes over $14 billion of expected investments in its Pennsylvania footprint over the next decade. While it is difficult to predict future market conditions, I can use a hypothetical scenario to demonstrate the potential benefits that can result from lower financing costs. For example, if approximately $7 billion, or 50%, of the total expected investment in Pennsylvania is financed with long-term debt, even a small reduction in the coupon of only 10 basis points would produce $7 million of annual interest savings to Pennsylvania customers. It is important to note that this does not represent all of the anticipated savings associated with the Transaction. For example, as quantified and discussed in the direct testimony of Toby Bishop (Joint Applicants Statement No. 4), the $14 Billion of expected investments will promote substantial local economic activity, support job development, and generate tax revenue. Therefore, it is imperative that FirstEnergy take the necessary steps to maximize its ability to raise future debt capital on competitive terms.

Q. On Page 15, lines 7-10, Mr. Morgan asserts that the infusion of equity into FirstEnergy will create a more equity rich capital structure that will be costlier to ratepayers as opposed to traditional, low cost and long-term debt options. Do you agree?

A. I agree that equity financing is generally a costlier option over debt financing. However, FirstEnergy's main objective from the Transaction is not to make the capital structure of its subsidiaries, such as the ones subject to the Pennsylvania Public Utility Commission's ("Commission") jurisdiction, more equity rich. Rather, FirstEnergy intends to use the proceeds from the Transaction to reduce a portion of its holding company debt, which will be timed with existing debt maturities and changing market conditions. This would

improve FirstEnergy's equity-to-total-capitalization ratio and other key credit metrics on a consolidated basis, rather than at any of its operating companies, consistent with investment grade credit profile to which FirstEnergy aspires. A portion of the proceeds will also be available to FirstEnergy's Pennsylvania regulated subsidiaries as short-term debt via FirstEnergy's regulated money pool, which does not increase the regulated subsidiaries' equity ratio. This would enable FirstEnergy to support a $1.3 billion distribution capital program in Pennsylvania during the 2024-2025 period without the need for long-term debt capital at those subsidiaries over the same period.[2] However, on a long-term basis, the Pennsylvania operating companies will finance their growing plant-in-service with a combination of equity from earnings and incremental long-term debt in proportion consistent with regulatory requirements and investment grade credit metrics while proportionately reducing their short-term borrowings from the money pool. As these companies repay short-term debt to the money pool, FirstEnergy will have the flexibility to further reduce holding company debt or potentially reduce the size of future issuances.

II. RECOMMENDATIONS

Q. On page 4, lines 3-10 of OCA St. No. 1, Mr. Morgan makes several recommendations for conditions he believes the Commission should require should the proposed Transaction be approved. Please provide those conditions.

A. Mr. Morgan recommends a series of conditions should the Commission approve the proposed Transaction. Those conditions are:

1. Ringfencing measures must be put in place;
2. Books and Records of NATCO must be open and available;
3. Reliability commitments to attain certain measurable results must be included;
4. Ratepayers must be held harmless from any costs of the proposed transaction;

[2] *See* Joint Applicants St. no. 2, p. 14.

5. The transmission assets must remain within PJM Interconnection, LLC; and
6. A reasonable minimum timeframe for holding these assets must be included.

Q. Do you have any objections to Mr. Morgan's recommended conditions should the proposed Transaction be approved?

A. I do not have any objection to Condition No. 4. As to Mr. Morgan's recommended conditions regarding ringfencing (Condition No. 1), the availability of NATCo II's books and records (Condition No. 2), and limitations on asset transferability (Condition No. 6), Joint Applicants witness Mr. Jeffrey Rosenthal is addressing those in detail in Joint Applicants Statement No. 3-R. In conjunction with Mr. Rosenthal's rebuttal testimony regarding ringfencing (Condition No. 1), the Joint Applicants currently have strong ring-fencing measures in place. As part of the Transaction, we plan to strengthen those ring-fencing measures by further insulating FET and the Joint Applicants including, for example, establishing a stand-alone credit facility for FET. As to Mr. Morgan's recommended conditions regarding reliability commitments, standards, and metrics (Condition No. 3), and the retention of transmission assets within PJM (Condition No. 5), Joint Applicants witness Mr. Mark D. Mroczynski is addressing those in Joint Applicants Statement No. 1-R.

VI. CONCLUSION

Q. Does this conclude your Rebuttal Testimony?

A. Yes.

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

Rebuttal Testimony of Jeffrey Rosenthal

RE:
Brookfield's Experience and Fitness

REBUTTAL TESTIMONY
OF
JEFFREY ROSENTHAL

I. INTRODUCTION AND BACKGROUND

Q. Please state your full name and business address.

A. My name is Jeffrey Rosenthal. My business address is 181 Bay Street, Toronto, Ontario, Canada.

Q. Have you previously filed testimony in this proceeding?

A. Yes. I filed written direct testimony, an appendix, and an exhibit on behalf of American Transmission Systems, Incorporated ("ATSI"), Trans-Allegheny Interstate Line Company ("TrAILCo"), and Mid-Atlantic Interstate Transmission, LLC ("MAIT") (collectively, the "Joint Applicants"), which have been designated as Joint Applicants Statement No. 3, Appendix A, and Exhibit JR-1, respectively.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to respond to portions of the direct testimony of Lafayette Morgan, who submitted testimony on behalf of the Office of Consumer Advocate ("OCA").[1]

Q. Are you sponsoring any exhibits to accompany your rebuttal testimony?

A. Yes, I am sponsoring Joint Applicants Exhibit JR-2.

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[1] OCA St. No. 1.

Q. Can you please summarize OCA witness Morgan's position?

A. In his direct testimony, Mr. Morgan indicates that North American Transmission Company II L.P. ("NATCo II"), while qualified to be an equity partner of FirstEnergy Transmission, LLC ("FET"), does not provide anything to FET and the Joint Applicants that is not already provided by FirstEnergy Corp. ("FirstEnergy"). He also questions NATCo II's commitment to being a long-term owner of FET. Mr. Morgan opines that the Commission should not approve the Transaction.[2] He also recommends that if the Transaction is approved, the Pennsylvania Public Utility Commission ("PaPUC") should require, among other things, that (1) NATCo II retain its 49.9% ownership interest in FET for a period of ten years, (2) the books and records of North American Transmission Company I L.P. ("NATCo I") and NATCo II be made available to the PaPUC and other stakeholders, upon request, and (3) ring-fencing protections be imposed to protect ratepayers.

Q. Can you summarize your response to OCA witness Morgan?

A. As I will discuss in my rebuttal testimony, NATCo II, which is ultimately controlled by Brookfield Corporation ("Brookfield"), has been and will continue to be a valuable partner to FirstEnergy, FET, and the Joint Applicants. The Joint Applicants and FET will likewise benefit from the $3.5 billion capital infusion because of this Transaction, which will allow FirstEnergy to reduce its debt, improve its credit ratings, and fund future distribution and

[2] "Transaction" refers to (1) the Purchase and Sale Agreement dated February 2, 2023 (the "PSA") between FirstEnergy, NATCo II, Brookfield Super-Core Infrastructure Partners L.P., Brookfield Super-Core Infrastructure Partners (NUS) L.P., and Brookfield Super-Core Infrastructure Partners (ER) SCSp, pursuant to which FirstEnergy agreed to sell to NATCo II at the closing an incremental thirty 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").

transmission investments. As such, contrary to OCA witness Morgan's assertions, this Transaction benefits the public and should be approved by the PaPUC.

I also disagree with OCA witness Morgan's alternative recommendations if the PaPUC were to approve the Transaction. NATCo II is committed to being a long-term owner of FET, and Brookfield has developed strong relationships with the regulators of its portfolio companies as a cooperative and productive owner-operator of infrastructure assets. Moreover, as discussed below, Mr. Morgan's alternative recommendations are unnecessary because, among other things, the Pennsylvania Public Utility Code sufficiently addresses the OCA's concerns.

II. BENEFITS OF NATCO II OWNERSHIP

Q. In his direct testimony, OCA Witness Morgan states that "Brookfield – while qualified to be an equity partner, does not bring anything to the table that FirstEnergy already does not or could not provide." OCA St. 1 at 9:14-16. What is your response?

A. I disagree with Mr. Morgan's opinion. Brookfield, which ultimately controls NATCo II, brings with it a wealth of knowledge in operational planning, procurement, and project management, access to a reliable source of capital through capital calls to NATCo II, experience with broader capital markets, and extensive relationships with engineering companies, major equipment suppliers and field service contractors that the Joint Applicants can utilize to obtain services and goods in a cost-effective manner.

As I stated in my Direct Testimony, Brookfield is an experienced, long-term owner-operator of infrastructure assets. As an owner-operator, Brookfield works closely with its

portfolio companies, such as FET, to share best practices in areas such as optimal capital deployment, process excellence, portfolio planning and analytics, and accessing capital markets. More specifically:

1. We have a long and diverse experience of being a value-added partner through the lifecycle of transmission projects that extend from project identification through design, permitting, construction, commissioning and operations. Our active involvement in every stage of projects helps to ensure project optimization, efficient deployment of capital, and the safe execution of work;

2. Our experience with high voltage transmission is geographically diverse, working with both incumbents and start-ups in Texas, Long Island, Canada, Chile, Colombia, Brazil and Australia;

3. We actively engage with our partners to evaluate current programs of work, whether they are capital or operational in nature, and utilize our knowledge of best practices to streamline processes, improve procurement, develop long-term plans and vision and augment current performance metrics with additional key performance indicators that proven to help better manage assets;

4. We have also designed and built system controls incorporating the latest technologies and we can bring these and other innovations to FET;

5. As an active, experienced partner, we set up very regular operational meetings to review performance and we invite subject matter experts from our network to discuss best practices in various activities (*e.g.,* outage management, project design, project execution) with FET as part of a continuous improvement initiative; and

6. We invite professionals from all of our portfolio companies to meet on a quarterly basis to share experiences and best practices related to safety, information technology/cyber, and technical initiatives.

Indeed, NATCo II has already been a cooperative partner with FirstEnergy, establishing a working group with FirstEnergy personnel to, among other things, review capital plans, share best practices and lessons learned from Brookfield's global utility platform, including a large-scale greenfield project, and identify efficiencies to reduce operating costs.

Certainly, FET, the Joint Applicants, and, by extension, customers, benefit from the partnership between FirstEnergy and Brookfield.

Additionally, FET and the Joint Applicants have and will continue to directly benefit from Brookfield's ability to access capital markets, combined with Brookfield's expertise in capital deployment. In fact, over the past two years, Brookfield's infrastructure platform has executed over $60 billion in financings across its infrastructure portfolio. Similarly, FET and the Joint Applicants will benefit from Brookfield's expertise in portfolio planning and analytics. Brookfield has been directly involved in building over 5,000 miles of transmission over the past 10 years and has experience with both high voltage alternating current ("HVAC") and high voltage direct current ("HVDC") installations. Brookfield is strongly committed to ensuring that its portfolio companies complete projects safely on scope, schedule, and budget. Although Brookfield is not involved in the day-to-day operations of FET, Brookfield's focus and commitment will be consistent in NATCo II's investment in FET. Such expertise will also be crucial moving forward where FirstEnergy anticipates investing approximately $6.5 billion over the next decade on transmission infrastructure in Pennsylvania.

Thus, while FirstEnergy will retain control of the day-to-day operations at FET, FirstEnergy, FET, and the Joint Applicants have and will continue to benefit from Brookfield's operational knowledge and best practices.

Q. Can you explain how the Transaction will benefit FirstEnergy, FET, and the Joint Applicants?

A. Yes, the Transaction will expand FET's ability to benefit from NATCo II as a funding source, promote collaboration between FirstEnergy and NATCo II on FET, and represent a significant capital infusion for FirstEnergy.

Article V of the Fourth Amended and Restated Limited Liability Company Agreement of FET ("Fourth LLCA[3]") requires NATCo II to contribute its proportionate share of any capital funding request in accordance with Article V from the FET Board of Directors. In other words, by holding a greater proportion of FET ownership, NATCo II will be responsible for a greater proportionate share of FET capital calls after the Transaction closes. This provides FET greater access to an additional equity source from which FET can fund core assets or general business operations.

Moreover, as a 49.9% owner of FET, NATCo II will receive incremental consent rights as set forth in the LLCA and will also be entitled to select two Directors on the FET Board of Directors. These enhanced rights will ensure closer collaboration between NATCo II and FirstEnergy on FET's business operations. Thus, the Joint Applicants will benefit from closer collaboration between Brookfield, FirstEnergy, and FET, with FirstEnergy continuing to retain significant flexibility to make day-to-day and broader business decisions for FET and the Joint Applicants.

Additionally, as the other FirstEnergy witnesses have testified, the Transaction represents a significant capital infusion for FirstEnergy. This will allow FirstEnergy to

[3] Joint Applicants Exhibit SRS-2.

reduce its debt and improve its credit ratings, which will benefit ratepayers through better lending terms. The additional equity will also help FirstEnergy fund future capital improvements for both its distribution and transmission business.

For these reasons, Brookfield's partnership with FirstEnergy is beneficial to FET, the Joint Applicants, and the public that it serves. The Transaction will only enhance this partnership and these benefits.

III. LONG-TERM COMMITMENT

Q. OCA witness Morgan states that Brookfield has not demonstrated sufficient commitment to fund future capital requirements of FET. OCA St. 1 at 10:21-11:8. OCA witness Morgan reasons that the three-year lock up period is not sufficient and the PaPUC should impose a condition for a minimum ten-year period where Brookfield's interest in FET cannot drop below the proposed 49.9% ownership interest. OCA St. 1 at 11:9 – 12:4; *see also* OCA St.1 at 14:7-9. What is your response?

A. I agree with Mr. Morgan's statement that Brookfield is well positioned to be a long-term investor in FET, and Brookfield, through NATCo II, has every intention of being invested for the long-term. However, there are several reasons why I disagree with Mr. Morgan's recommendation that the PaPUC condition approval of the Transaction on NATCo II's retention of its ownership interest for a period of 10 years.

From a business perspective, it is not prudent or reasonable to bind a corporate entity to a 10-year ownership commitment. As with any investment, there are a number of unexpected circumstances which could materially affect NATCo II's relationship with FET if they arose and could require NATCo II to divest a portion of or all its ownership interests

in FET. However unlikely or inconsistent with our past experiences with FET, these circumstances could include:

1. FirstEnergy selling its ownership in FET to a new majority owner and operator that NATCo II does not have the same level of trust in, that treats NATCo II poorly in contrast to the positive and collaborative working relationship between FirstEnergy and NATCo II, or that takes FET in a different direction than the one FirstEnergy has conveyed to NATCo II. In fact, a new owner may be less incentivized to be fair to and collaborative with NATCo II if it knows NATCo II is locked into ownership for 10 years regardless of its treatment;

2. FirstEnergy could seek to exercise its majority owner and operator rights in a way that is materially misaligned with NATCo II's expectations and substantially deviates from FET's current business operations;

3. Unexpected regulatory changes;

4. Unexpected catastrophic or emergency events; or

5. Unexpected and adverse changes in tax law.

It simply is not prudent for NATCo II, or FirstEnergy for that matter, to bind itself to such long-term ownership without the flexibility necessary to address unforeseen circumstances.

Rather, as set forth in Section 6.1 of the Fourth LLCA, NATCo II and FirstEnergy have negotiated a three-year lock-up period ("Lock-Up Period") that ensures ownership stability, but that also provides future flexibility to adapt to changing circumstances, as necessary. During the Lock-Up Period, neither NATCo II nor FirstEnergy may transfer its membership interests without the prior written consent of the other member. After the Lock-Up Period expires, FirstEnergy continues to have the right of first offer on any potential transfer of NATCo II's membership interests as set forth in Section 6.3 of the Fourth LLCA ("Right of First Offer"). The Right of First Offer requires that NATCo II offer FirstEnergy its membership interests prior to selling those interests to any person

other than FirstEnergy. The Fourth LLCA thus already provides an elevated level of protection to FirstEnergy, FET, and the Joint Applicants.

It is also important to consider that the Transaction is unique in that FirstEnergy will continue to be the beneficial holder of the largest voting interest of FET before and after the Transaction closes. Thus, even if NATCo II were to divest itself of a portion or all of its economic interests in FET in the future, FirstEnergy would still be in control of FET.

Lastly, even if the 10-year minimum hold period that Mr. Morgan recommends was a workable or wise requirement for a regulatory agency to impose, my understanding from legal counsel is that the law does not authorize the PaPUC to impose it. Regulated utilities themselves are under no such restriction that would so substantially interfere with their managerial discretion. Rather, as is the case here, the Commission would have authority to review any sale of the membership interests of FET to the extent it implicates the PaPUC's authority under the Public Utility Code. Such a transaction would also be subject to review by the Federal Energy Regulatory Commission ("FERC") to the extent it implicates FERC's authority under Section 203 of the Federal Power Act. Mr. Morgan's recommendation for a mandatory hold period that, in a sense, would require the PaPUC to prejudge future circumstances, should not be adopted.

Q. Has NATCo II demonstrated its commitment to be a long-term owner of FET?

A. Yes. NATCo II has demonstrated its commitment to be an equity partner in FET perpetually into the future with no foreseeable time horizon for an exit from the investment. As I stated in my direct testimony, NATCo II is an investment vehicle controlled by the

Brookfield Super-Core Infrastructure Partners ("BSIP") fund. Whereas closed-end private funds have a fixed target fund term that eventually requires them to divest assets, BSIP was instead created by Brookfield as a perpetual fund, without any set fund term, to invest in high-quality, core infrastructure assets. Since its inception almost five years ago, BSIP has not divested any of its investments.

Beyond BSIP, Brookfield also has a strong record of long-term investment in infrastructure assets through vehicles that are not limited by fund life. For example, Brookfield Infrastructure Partners L.P. ("BIP"), a publicly listed infrastructure investment vehicle ultimately controlled by Brookfield Corporation, and its affiliates have held a controlling interest in BUUK Infrastructure on a long-term basis. BUUK Infrastructure is a leading independent provider that constructs, owns, and operates last mile distribution networks in 6 essential public utilities (Gas, Electricity, Fiber, Water, Wastewater and District Energy) in the UK. Brookfield initially acquired the seed of this business in 2009 through BIP, which, like BSIP, has a perpetual investment horizon. This was followed by an acquisition of the business's largest competitor in 2012 to significantly expand the platform. Thus, BIP has already held this investment for approximately 14 years.

BSIP's intention is to be a long-term investment partner in FET, as opposed to a short-term holder that intends to "buy and flip" for a quick profit. BSIP investors are financial institutions, pension plans, insurance companies, foundations, endowments, sovereign wealth funds and high net worth investors across North America, South America, Europe, Asia-Pacific and the Middle East looking for a stable, steady, and fair return on their investment to be held for a significant period of time in a perpetual fund. The existing investment in FET has proved to accomplish these objectives for BSIP investors, which

contributed to BSIP's interest in increasing NATCo II's investment in FET. That objective has not changed: NATCo II intends to be a long-term investor in FET.

Q. OCA Witness Morgan states that the Fourth LLCA provides varying levels of rights to NATCo II depending on its ownership percentage in FET and concludes that this should raise concerns about long-term ownership of these assets. OCA St. 1 at 13:23 – 14:5. What is your response?

A. I strongly disagree. The provisions that Mr. Morgan refers to are merely prudent up-front agreements as to the parties' respective rights in the event ownership percentages change; they certainly do not signal NATCo II's intent to divest its ownership interest in FET.

Moreover, the varying levels of rights are the result of modifying the existing LLCA to accommodate the additional rights of NATCo II as a 49.9% owner. Specifically, as a 19.9% owner, NATCo II currently has the consent rights set forth under Sections 8.1 and 8.2 of the Third Amended and Restated Limited Liability Company Agreement of FET ("Third LLCA") and the consultation rights set forth under Section 8.3 of the Third LLCA, which has been attached to my rebuttal testimony as Exhibit JR-2.

In connection with obtaining an incremental 30% equity interest in FET, NATCo II will obtain additional consent rights as set forth in Section 8.4 and elsewhere in the Fourth LLCA. Additionally, as a 49.9% owner, NATCo II will continue to retain certain rights it currently has as a 19.9% owner of FET. Specifically, this includes the consent rights under Section 8.1 of the Fourth LLCA and the consultation rights set forth in Section 8.3(a), (c), and (e) of the Fourth LLCA, both of which are substantially similar to Sections 8.1 and 8.3 of the Third LLCA.

Thus, the contingencies in the FET LLCA are also partly a consequence of amending the Third LLCA to provide NATCo II with its incremental rights in the Fourth LLCA due to NATCo II's increasing ownership. The varying levels of rights do not implicate NATCo II's long-term intentions, and, thus, do not raise any legitimate concerns for the reasons I discussed above.

IV. BOOKS AND RECORDS

Q. Do you agree with OCA witness Morgan's recommendation that the PaPUC should ensure that all of NATCo II and NATCo I's books and records are available to be reviewed and examined by the PaPUC and other stakeholders as situations may require? OCA St. 1 at 14:9-12.

A. I do not agree with this recommendation because I do not believe it is necessary. Since the Joint Applicants are regulated utilities, counsel informs me that the PaPUC already has access to the books and records of the Joint Applicants to aid in any inspection or inquiry by the PaPUC. I have also been informed by FirstEnergy that the PaPUC has access to the books and records of FET to the extent the information is jurisdictional and relevant to the operations of the Joint Applicants. Therefore, all the information needed to identify, review, or audit the transactions of the regulated utilities is already available to the PaPUC and will remain so after the Transaction. Thus, transparency into the activities, business conduct, and books and records of FET and the Joint Applicants will remain unchanged after consummation of the Transaction.

Moreover, NATCo II is an investment vehicle that conducts no other business and has no other assets except for those related to its investment in FET. Given that information

concerning any transactions between FET and NATCo II will already be reflected in FET's books and records and any other information in NATCo II's books and records will relate solely to NATCo II's internal operations and transactions with upstream entities, this information will either add nothing new to or bear no relevance to the operations of FET or the Joint Applicants.

Information recorded in the books and records of NATCo I would be even further removed and thus even less relevant to the operations of FET because NATCo I simply owns equity in NATCo II and would have no direct dealings with FET and certainly no direct dealings with the Joint Applicants. Thus, NATCo I's books and records would not include any financial information relevant to any PaPUC investigation or inquiry into the Joint Applicants' regulated operations.

I would add that to the extent NATCo II or NATCo I have any influence over the operations, finances, or decisions of FET that affect the Joint Applicants, the information will be contained in FET's books and records, to which the PaPUC already has access.

Notwithstanding these concerns, NATCo II would cooperate with any lawful PaPUC inquiry and provide any material and relevant documents in any future proceeding where necessary and as appropriate under the law and subject to traditional objections to such requests, such as on the basis of lack of relevance. Brookfield takes pride in the cooperative relationships it maintains with the regulators of its portfolio companies and looks forward to such a relationship with the PaPUC. However, there is no reason to condition approval of the Transaction on disclosing NATCo I and NATCo II's private internal financial information.

V. RING-FENCING PROTECTIONS

Q. OCA Witness Morgan states that FirstEnergy should be shielded from the various business activities carried on by Brookfield and any of its subsidiaries and the PaPUC should impose ring-fencing measures to protect ratepayers and recommends several additional measures. OCA St. 1 at 15:17-26. What is your response?

A. As an initial point, Counsel informs me that the PaPUC does not have authority to impose some of Mr. Morgan's recommendations on an unregulated entity such as FET or NATCo II. Moreover, with respect to the scope of any ring-fencing measures, Brookfield has strong corporate governance practices, procedures, and policies in place. Each Brookfield-controlled fund has its own third-party limited partners and fiduciary duties to them. Brookfield, as an asset manager with control across various funds, has compliance and conflict of interest obligations to manage each fund for the benefit of the investors in that fund. Thus, it would not be appropriate to extend any ring-fencing commitments beyond BSIP, as Brookfield is obligated to manage other funds for the benefit of the investors in those funds.

Q. For his first ring-fencing recommendation, OCA Witness Morgan recommends that all transactions between FET and its utility subsidiaries and NATCo II and its corporate affiliates should be conducted pursuant to the terms of a PaPUC approved affiliated agreement to avoid cross subsidization. OCA St. 1 at 15:17-19. What is your response?

A. NATCo II and Brookfield are committed to complying with all regulatory and legal requirements of the Public Utility Code, including Chapter 21. Thus, this should resolve Mr. Morgan's concern.

Q. Can you please respond to Mr. Morgan's second recommendation that FET and its utility subsidiaries should maintain the capability to issue their own long-term debt separate from NATCo II and its corporate affiliates? OCA St. 1 at 15:20-21.

A. It is my understanding that FET and the Joint Applicants will be able to continue issuing their own long-term debt after the closing of the Transaction. The issuance of long-term debt by FET and Joint Applicants is expected to be separate and apart from NATCo II, FirstEnergy and FirstEnergy's other corporate affiliates. However, there may be instances where NATCo II and its corporate affiliates or FirstEnergy and its corporate affiliates may need to guarantee the debt of FET, such as where a guarantee may enable FET to obtain debt financing at the lowest cost. The ability to guarantee the debt of FET on this basis would also benefit FET and thus the Joint Applicants' customers, in the form of reduced borrowing costs. Thus, NATCo II and its corporate affiliates should not be foreclosed from guaranteeing the debt of FET where extenuating and unexpected circumstances might require.

Q. Can you please respond to Mr. Morgan's third recommendation that NATCo II and its corporate affiliates should not be allowed to lend to FET and its utility subsidiaries (or vice versa) for a term in excess of one year? OCA St. 1 at 15:22-23.

A. FET is obligated to pay its own liabilities, expenses and losses from its own assets. If in the event FET requires a capital contribution to meet budgeted operations or to maintain core assets, however, Article V of the LLCA sets forth the procedures for FET to call capital from NATCo II and FirstEnergy in their capacity as members of FET. Thus, long-term lending from NATCo II to FET of greater than a year should not be necessary and would not be expected.

NATCo II and its corporate affiliates, however, should not be foreclosed from providing long-term loans to FET. As counsel informs me, the Commission does not have the authority to impose such a restriction as to FET. Moreover, such a restriction as to FET would also be unnecessary given that the Public Utility Code provides sufficient oversight over long-term loans issued to the Joint Applicants. Specifically, while NATCo II does not anticipate lending to the Joint Applicants on a long-term basis, Counsel has informed me that a long-term loan from an affiliated interest holder to the Joint Applicants would be subject to review and approval by the PaPUC under Chapters 19 and 21 of the Public Utility Code. Furthermore, any loan issued to FET by NATCo II would be based on an arm's length negotiation at commercially reasonable terms. Thus, Mr. Morgan's concerns are unwarranted.

Q. OCA Witness Morgan also recommends that NATCo II and its corporate affiliates may not pledge or encumber the assets of FET and its utility subsidiaries or the provision of loan guarantees for the benefit of NATCo II and its corporate affiliates. OCA St. 1 at 15:17-19. What is your response?

A. I agree. NATCo II does not have the authority to unilaterally cause the encumbrance of FET's underlying assets for the disproportionate benefit of NATCo II and will not do so. However, FET should not be constrained from encumbering its own assets for the benefit of FET and, indirectly, the benefit of its members, FirstEnergy and NATCo II. For the avoidance of doubt, the Fourth LLCA also permits a member of FET to encumber its membership interests in FET in connection with debt financing, the proceeds of which are used by the member to finance its purchase of the membership interests, but this encumbrance of structurally subordinated equity interests is not an encumbrance of FET's underlying assets.

VI. CONCLUSION

Q. Does this conclude your rebuttal testimony?

A. Yes, it does. However, I do reserve the right to supplement this rebuttal testimony as deemed necessary or appropriate.

JOINT APPLICANTS
EXHIBIT JR-2

FORM

OF

THIRD AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

OF

FIRSTENERGY TRANSMISSION, LLC

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THIRD AMENDED & RESTATED LIMITED LIABILITY COMPANY AGREEMENT

This THIRD AMENDED & RESTATED LIMITED LIABILITY COMPANY AGREEMENT (this "Agreement") of FirstEnergy Transmission, LLC (the "Company") is made and entered into as of May 31, 2022 (the "Effective Date"), by and among the Company, FirstEnergy Corp., an Ohio corporation (the "FE Member"), and North American Transmission Company II L.P. (formerly known as North American Transmission Company II LLC), a Delaware limited liability company (the "Investor Member"). The Company, the FE Member and the Investor Member are each sometimes referred to herein as a "Party" and, together, as the "Parties".

RECITALS

1. Immediately prior to the execution and delivery hereof, the FE Member was the owner of 100% of the Membership Interests.

2. On November 6, 2021, the Company, the FE Member, the Investor Member and, solely for the purposes of Sections 5.5, 5.6(c) and 8.1(a) and Article X thereof, the Guarantors (as defined therein) entered into the PSA, pursuant to which the Company has, concurrently with the execution and delivery of this Agreement, issued to the Investor Member Membership Interests constituting a 19.9% Percentage Interest.

3. Upon the execution and delivery hereof, and in connection with the closing of the transactions contemplated by the PSA, the FE Member will be the owner of Membership Interests constituting an 80.1% Percentage Interest, and the Parties collectively will be the owners of 100% of the Membership Interests.

4. The Parties desire to, and by the execution and delivery of this Agreement hereby do, amend and restate in its entirety the Second Amended and Restated Limited Liability Company Agreement of the Company, dated as of May 9, 2014, in order to provide for, among other things, the admission of the Investor Member as a Member, the rights and responsibilities of the Parties with respect to the governance, financing and operation of the Company, and certain other matters relating to the business arrangements between the Parties with respect to the Company.

Therefore, in consideration of the mutual covenants and agreements contained in this Agreement and other good and valid consideration the receipt of which is hereby acknowledged by each Party, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I
GENERAL MATTERS

Section 1.1 Formation. The FE Member formed the Company as a limited liability company pursuant to the Act.

Section 1.2 Name. The name of the Company is "FirstEnergy Transmission, LLC".

Section 1.3 Purpose.

(a) The purpose of the Company is to engage in all lawful business for which limited liability companies may be formed under the Act and the Laws of the State of Delaware in furtherance of the following activities (the "Company Business"):

(i) making direct or indirect investments in, or directly or indirectly developing, constructing, commercializing, operating, maintaining or owning, electric transmission assets and facilities (including ownership of the Company's Subsidiaries);

(ii) undertaking any business activities presently conducted by the Company;

(iii) other activities that are eligible to earn recovery through cost-based transmission rates approved by FERC; and

(iv) engaging in such other activities as the Board deems necessary, convenient or incidental to the conduct, promotion or attainment of the activities described in the foregoing sub-clauses (i), (ii) and (iii).

(b) The Company shall not engage in any activity or conduct inconsistent with the Company Business or any reasonable extensions thereof.

Section 1.4 Registered Office. The address of the registered office of the Company in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 1.5 Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 1.6 Members.

(a) Each of the FE Member and the Investor Member is hereby or was heretofore admitted to the Company as a Member, and hereby continues as such. Unless admitted to the Company as a Member as provided in this Agreement, no Person shall be, in fact or for any other purpose, a Member.

(b) No Member shall have any right to withdraw from the Company except as expressly set forth herein. No Membership Interest is redeemable or repurchasable by the Company at the option of a Member. Except as expressly set forth in this Agreement, no event affecting a Member (including dissolution, bankruptcy or insolvency) shall affect its obligations under this Agreement or affect the Company.

(c) The Members' names, addresses and Percentage Interests are set forth on the Schedule of Members attached to this Agreement as Schedule 1.

(d) No Member, acting in its capacity as a Member, shall be entitled to vote on any matter relating to the Company other than as specifically required by the Act or as expressly set forth in this Agreement.

(e) Except as otherwise expressly set forth in this Agreement, any matter requiring the action, consent, vote or other approval of the Members hereunder shall require action, consent, vote or approval of the Members owning at least a majority of the Membership Interests.

(f) A Member shall automatically cease to be a Member upon Transfer of all of such Member's Membership Interests made pursuant to and in accordance with the terms of this Agreement. Immediately upon any such permissible Transfer, the Company shall cause such Member to be removed from Schedule 1 to this Agreement and to be substituted by the transferee or transferees in such Transfer, and, except as otherwise expressly provided for herein, such transferee or transferees shall be deemed to be a "Party" for all purposes hereunder and all references to the FE Member or the Investor Member, as the case may be, shall be deemed to be references to such transferee or transferees (notwithstanding, in the case that more than one Person is a transferee of such Membership Interests, that such defined terms as used herein are singular in number).

Section 1.7 Powers. The Company shall have the power and authority to do any and all acts necessary or convenient to or in furtherance of the purposes described in Section 1.3, including all power and authority, statutory or otherwise, possessed by, or which may be conferred upon, limited liability companies under the Laws of the State of Delaware.

Section 1.8 Limited Liability Company Agreement. This Agreement shall constitute the "limited liability company agreement" of the Company for the purposes of the Act. The rights, powers, duties, obligations and liabilities of the Members shall be determined pursuant to the Act and this Agreement. To the extent that the rights, powers, duties, obligations and liabilities of any Member are different by reason of any provision of this Agreement than they would be under the Act in the absence of such provision, this Agreement shall control to the fullest extent permitted by the Act and other applicable Law.

Section 1.9 Issuance of Additional Membership Interests. Except for (a) the issuance of any Excluded Membership Interests or (b) the issuance of Membership Interests made pursuant to and in accordance with Section 5.1(c) or Article VII, the Company shall not issue any new Membership Interests, or any securities convertible into Membership Interests or other equity interests of the Company, to any Third Party or to the Members other than in accordance with their respective Percentage Interests or pursuant to and in accordance with Section 5.1(c) or Article VII.

ARTICLE II
MANAGEMENT

Section 2.1 Directors. Subject to the provisions of the Act and any limitations in this Agreement as to action required to be authorized or approved by the Members, the business and affairs of the Company shall be managed and all its powers shall be exercised by or under the direction of a board of directors (the "Board" and each duly appointed and continuing member thereof from time to time, a "Director"), and no Member, by virtue of having the status of a Member, shall have any management power over the business and affairs of the Company or any actual or apparent authority to enter into Contracts on behalf of, or to otherwise bind, the Company. Without prejudice to such general powers, but subject to the same limitations, the Board shall be empowered to conduct, manage and control the business and affairs of the Company and to make

such rules and regulations therefor not inconsistent with applicable Law or this Agreement, as the Board shall deem to be in the best interest of the Company. Each Director is hereby designated as a "manager" of the Company within the meaning of Section 18-101 of the Act.

Section 2.2 Number of Directors; Proportional Appointment Rights.

(a) The authorized number of Directors constituting the Board shall be five Directors, subject to any increase effected pursuant to Section 2.2(e) (the "Total Number of Directors").

(b) The Investor Member shall, as of the Effective Date, be entitled to appoint one Director, and the Investor Member shall retain the right to appoint at least one Director for so long as it holds at least a 9.9% Percentage Interest. In the event that the Investor Member's Percentage Interest is reduced below 9.9%, the Investor Member shall cease to be entitled to appoint any Investor Directors. Directors appointed by the Investor Member are referred to herein as "Investor Directors". From and after the Effective Date, the Investor Member shall be entitled to appoint such number of Investor Directors so that the total number of Investor Directors on the Board is equal to the product of the Investor Member's Percentage Interest (at any applicable time) multiplied by the Total Number of Directors, in each case rounded up to the next whole number; provided, however, that the appointment of any particular proposed Investor Director shall be subject to the FE Member's prior written consent of the identity of such individual prior to his or her appointment to the Board (such consent not to be unreasonably withheld, delayed or conditioned); provided, further, that the FE Member shall not have any such consent right over the appointment of any proposed Investor Director that is a Qualified Designee.

(c) In the event that the Investor Member's Percentage Interest decreases such that the Investor Member would be entitled to appoint a number of Investor Directors that is less than the number of Investor Directors then serving on the Board, the Investor Member will, concurrently with such decrease, designate (in the Investor Member's sole discretion) one or more Investor Directors for removal from the Board, such that the number of Investor Directors serving on the Board is equal to the number of Investor Directors that the Investor Member is entitled to appoint at such time pursuant to Section 2.2(b), such removal or removals being effective immediately upon such designation. If the Investor Member fails to so designate Investor Directors concurrently with such decrease in the Investor Member's Percentage Interest, then the FE Member may designate (in the FE Member's sole discretion) for removal the number of Investor Directors required to be removed from the Board pursuant to the immediately foregoing sentence, such removal or removals being effective immediately upon such designation.

(d) The FE Member shall be entitled to appoint all of the remaining Total Number of Directors that the Investor Member is not entitled to appoint pursuant to Section 2.2(b). Directors appointed by the FE Member are referred to herein as "FE Directors". The FE Member shall further be entitled to designate an FE Director to serve as the chairperson of the Board.

(e) In the event that the Investor Member's Percentage Interest increases such that the Investor Member would be entitled to appoint a number of Investor Directors that is greater

than the number of Investor Directors then serving on the Board, the FE Member will, concurrently with such increase, elect (such election to be made in the FE Member's sole discretion) to either (i) designate (in the FE Member's sole discretion) one or more FE Directors for removal from the Board, such that the number of directorships available for Investor Directors is equal to the number of Investor Directors that the Investor Member is entitled to appoint at such time pursuant to Section 2.2(b), such removal or removals being effective immediately upon such designation, or (ii) increase the Total Number of Directors to create a number of new vacancies on the Board such that the number of directorships available for Investor Directors is equal to the number of Investor Directors that the Investor Member is entitled to appoint at such time pursuant to Section 2.2(b). If the FE Member fails to so act concurrently with such increase in the Investor Member's Percentage Interest, then the Investor Member may designate (in the Investor Member's sole discretion) for removal the number of FE Directors required to be removed from the Board had the FE Member elected the actions set forth in clause (i) of the immediately foregoing sentence, such removal or removals being effective immediately upon such designation.

(f) For so long as the Investor Member is entitled to appoint an Investor Director, the Investor Member shall be further entitled to identify an individual (the "Designated Alternate") who is authorized to attend meetings of the Board (or meetings of Board committees) in lieu of the Investor Director in the event that the Investor Director is unable to attend such meeting. The Designated Alternate will be entitled to exercise the powers of the Investor Director at such meetings, and will be subject to all of the responsibilities of an Investor Director hereunder at such meeting as if they were the Investor Director. The appointment of such Designated Alternate shall be subject to the same approval right of the FE Member applicable to Investor Directors under Section 2.2(b). If the Designated Alternate is serving in lieu of the Investor Director at any Board or committee meeting, the Investor Member shall provide notice to the FE Member of this fact prior to the commencement of such meeting (which notice may be in the form of written notice, including by way of an email to the FE Directors, or an oral announcement by the Designated Alternate of such fact at the commencement of such meeting), and such notice shall be recorded in the minutes of such meeting. For the avoidance of doubt, (i) the Investor Director and the Designated Alternate may not both function as a Director at any meeting of the Board (or committee thereof), and (ii) any references to approval or notice by the Investor Director in this Agreement will be deemed to refer to the Investor Director, and not the Designated Alternate, except in respect of the voting on matters presented at the meeting at which the Designated Alternate is attending. In the event that the Designated Alternate is also a Board Observer, at any Board or committee meeting in which he or she is serving as the Investor Director pursuant to this Section 2.2(f), he or she shall be deemed to be serving only as an Investor Director and not as a Board Observer at such meeting.

Section 2.3 Removal of Directors. Any one or more Directors may be removed at any time, with or without cause, by the Member that appointed such Director, and except as provided in Section 2.2(c) and Section 2.2(e), may not be removed by any other means. If a Director is convicted by a court or equivalent tribunal of any felony (or equivalent crime in the applicable jurisdiction), or of any misdemeanor (or equivalent crime in the applicable jurisdiction) that involves financial dishonesty or moral turpitude, then the Member that appointed such Director shall, unless consented to by the other Member, promptly remove such Director. Delivery of a written notice to the Company by a Member designating for removal a Director appointed by such

Member shall conclusively and with immediate effect constitute the removal of such Director, without the necessity of further action by the Company, the Board, or by the applicable removed Director. Each Director duly appointed by a Member pursuant to and in accordance with the provisions of Section 2.2 shall hold office until his or her resignation, death, permanent disability, removal pursuant to and in accordance with Section 2.2 or with this Section 2.3, or until a successor Director is duly appointed by the Member that appointed (and continues to be entitled to appoint) such Director.

Section 2.4 Vacancies. A vacancy shall be deemed to exist in case of the resignation, death, permanent disability or removal of any Director, or pursuant to an increase in the Total Number of Directors pursuant to and in accordance with the provisions of Section 2.2(e). The Member entitled to appoint a Director to the vacant directorship may appoint or elect a Director thereto to take office (a) immediately, (b) effective upon the departure of the vacating Director, in the case of a resignation, or (c) at such other later time as may be determined by such Member.

Section 2.5 Acts of the Board. Except as otherwise expressly set forth in this Agreement (including Sections 8.1 and 8.2), a vote of a majority of the Directors present at a duly called and noticed meeting of the Board at which a quorum is present shall be required to authorize or approve any action of the Board. Every act of or decision taken or made by the Directors pursuant to the vote required by this Section 2.5 shall be conclusively regarded as an act of the Board.

Section 2.6 Compensation of Directors. The Board shall have the authority to fix the compensation of Directors for their service to the Company, if any. The Board shall also have the authority (but not the obligation) to reimburse Directors for expenses incurred for attendance at meetings of the Board or otherwise in connection with their respective service on the Board. Nothing herein shall be construed to preclude any Director from serving the Company in any other capacity and receiving compensation therefor. If approved by the Board, the Board Observer may be entitled to reimbursement for expenses incurred for attendance at meetings of the Board to the same extent as if he or she were a Director.

Section 2.7 Meetings of Directors; Notice. Except as provided pursuant to Section 2.10, meetings of the Board, both regular and special, for any purpose or purposes may be called at any time by the Board or by any Director, by providing at least seven calendar days' written notice to each Director unless the chairperson of the Board determines, acting reasonably, that there is a significant and time sensitive matter that requires shorter notice to be given, in which case a meeting of the Board may be called by giving at least 48 hours' written notice to each Director. Each notice shall state the purpose(s) of and agenda for the meeting and include all required information, including dial-in numbers or other applicable access information, in order to participate in the meeting by telephonic means, over the internet or by means of any other customary electronic communications equipment. Unless otherwise agreed by unanimous consent of the Board, no proposal shall be put to a vote of the Board unless it has been listed on the agenda for such meeting. Notice of the time and place of meetings shall be delivered personally or by telephone to each Director, or sent by e-mail to any e-mail address of the Director in the records of the Company. Any notice given personally or by telephone shall be communicated to the applicable Director. A Director may waive the notice requirement set forth in this Section 2.7 by any means reasonable in the circumstances, including by communication to one or more other

Directors, and the presence of a Director at a meeting or the approval by a Director of the minutes thereof shall conclusively constitute a waiver by such Director of such notice requirement.

Section 2.8 Quorum.

(a) Except as otherwise expressly set forth herein, the presence (whether physical, telephonic, over the internet or by means of other customary electronic communications equipment) of a majority of the number of Directors then serving on the Board (without regard to the Total Number of Directors), including at least one Investor Director, at a meeting of the Board shall constitute a quorum of the Board for the transaction of all business thereat; provided, that if quorum fails at an attempted meeting that is called with proper notice due to the failure of the Investor Director(s) to attend, then at the next attempted meeting only a majority of the number of Directors then serving on the Board (without regard to the Total Number of Directors or the attendance of the Investor Director(s)) must be present in person, by telephone or other electronic means or by proxy in order to constitute a quorum for the transaction of business for purposes of considering only those matters that were included on the agenda for the attempted meeting immediately preceding such meeting.

(b) If a quorum is not present at any meeting of the Board, the Directors present at such meeting may adjourn the meeting, without notice other than announcement at the meeting, and the Board or Director that called for the meeting shall attempt to reschedule such meeting until a quorum is present.

Section 2.9 Place and Method of Meetings.

(a) Meetings of the Board may be held at any place, whether within or outside the State of Delaware or the State of Ohio, and meetings may be held, in whole or in part, by telephonic means, over the internet or by means of any other customary electronic communications equipment. The place at which (or, if applicable, the electronic communication methods by which) a meeting will be held may be specified in the applicable notice of the meeting; provided, that in the absence of such specification, or in the event that any Director objects to the place or electronic communication methods (if any) specified in the applicable notice, then the applicable meeting shall be held solely in physical presence at the principal executive office of the Company, it being understood that a Director may participate in the applicable meeting in accordance with Section 2.9(b).

(b) The Directors may participate in meetings of the Board by telephonic means, over the internet or by means of any other customary electronic communications equipment, and, to the fullest extent permitted by applicable Law, shall be deemed to be present at such meeting for all purposes, including for purposes of determining quorum and of voting.

Section 2.10 Action by the Board Without a Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if a number of Directors the vote of whom would be minimally necessary to approve such action at a meeting of the Board shall individually or collectively consent in writing to such action; provided, however, that, if (i) one or more Investor Directors are serving on the Board at the time of such written action, (ii) the subject matter of such written action had not previously been addressed during a duly called and noticed meeting of the

Board at which quorum was present, and (iii) no Investor Director joins such written action, then, in such case, the written action shall not be effective until 48 hours after the Secretary of the Company has notified all then-serving Investor Directors of such action, it being understood that, during such 48-hour period, any Investor Director shall be entitled to call a special meeting of the Board (to be held within such period and solely telephonically, over the internet or by means of other customary electronic communications equipment) for purposes of discussing with the Board the subject matter of such written action (without regard, for purpose of such discussion, to whether a quorum is present to constitute a duly convened meeting of the Board). Notwithstanding the foregoing, no action set forth in Section 8.1 or Section 8.2 that requires the consent of the Investor Member shall be effected by written action entered into pursuant to this Section 2.10 without the Investor Member's consent. Any written actions of the Board may be in counterparts and transmitted by e-mail and shall be filed with the minutes of the proceedings of the Board. Such written actions shall have the same force and effect as a vote of the Board.

Section 2.11 Duties of Directors. Each member of the Board shall have fiduciary duties identical to those of directors of a business corporation organized under the General Corporation Law of the State of Delaware; provided, however, that the Members acknowledge and agree that the enforcement or exercise by the Investor Member of any of its rights under Section 8.1 or Section 8.2 shall in no event constitute a violation of the fiduciary duties of the Investor Director or the Investor Member, which are hereby disclaimed in all respects with respect thereto. The provisions of this Agreement, to the extent that they expand or restrict the duties and liabilities of the Board, otherwise existing at law or in equity, are agreed by the Members to replace such other duties and liabilities of the Board.

Section 2.12 Committees. The Board may create one or more committees of the Board, delegate responsibilities, duties and powers to such one or more committees, and appoint Directors to serve thereon; provided, that, for so long as the Investor Member is entitled to appoint at least one Investor Director, at least one Investor Director shall be entitled to be a member of any such committee(s). Each Director appointed to serve on any such committee shall serve at the pleasure of the Board, or otherwise in accordance with the terms of the resolution designating the applicable committee. Section 2.4, Section 2.7, Section 2.8, Section 2.9 and Section 2.10 shall each apply to any committee of the Board with the same terms applicable to the Board, *mutatis mutandis*.

Section 2.13 Investor Member Board Observer. The Investor Member shall be entitled to appoint one Person (which shall be an individual) to serve as an observer of the Board (the "Board Observer") for so long as the Investor Member's Percentage Interest is greater than 5%, which individual shall be a Representative of the Investor Member and the identity of whom shall be subject to the prior written consent of the FE Member (such consent not to be unreasonably withheld, delayed or conditioned); provided, that the FE Member shall not have any such consent right over the appointment of any proposed Board Observer that is a Qualified Designee. The Board Observer shall have the right to receive notice of, attend and participate in all meetings of the Board (and any committee thereof) and to receive all information provided to Directors at the same time and in the same manner as provided to such Directors; provided, however, that the Company and the Board will be entitled to withhold access to any portion of the information and to exclude the Board Observer from any portion of any meeting of the Board (or any committee thereof) if the Company or the Board determines in good faith in reliance upon the advice of counsel that access to such information or attendance at such meeting (i) is reasonably necessary

to preserve an attorney-client privilege of the Company or the Board or (ii) otherwise implicates any conflict of interest between the Investor Member and a particular matter or transaction under consideration by the Board; provided, however, that the Investor Member shall be notified of any intent to exclude the Board Observer in reliance on clause (ii) above in advance of any meeting from which the Board Observer is to be excluded; provided, further, that, any Board Observer that is excluded shall only be excluded for such portion of the meeting during which such matter or transaction is being discussed. For the avoidance of doubt, the Board Observer shall not have any voting rights with respect to any matter brought before the Board and shall not be counted in any manner with respect to whether a quorum is present at a meeting of the Board, and (without limiting the Company's obligations to provide the Board Observer with notice of meetings of the Board and any committee thereof as set forth in this Section 2.13) no defect in the provision of notice to the Board Observer of any meeting of the Board shall be construed to constitute a defect in the provision of notice to Directors. In the event that the Board Observer is also the Designated Alternate and, in such capacity, he or she is serving at a Board or committee meeting as the Investor Director pursuant to Section 2.2(f), the Investor Member shall not be entitled to appoint an additional individual to serve as a replacement Board Observer to exercise the rights and duties of a Board Observer for that meeting. The Board Observer shall be bound by the same confidentiality obligations as the Directors as set forth in Section 9.4. The Investor Member may cause the Board Observer to resign or appoint a replacement Board Observer from time to time by giving written notice to the Company. In the event that the Investor Member's Percentage Interest becomes less than 5%, the Investor Member's rights under this Section 2.13 shall immediately cease. For the avoidance of doubt, the sole purpose of this Section 2.13 is to provide observation rights (subject to the limitations and conditions set forth in this Section 2.13) to an individual Representative of the Investor Member, and in no event will any Board Observer be construed to be a third-party beneficiary of this Agreement, an agent of the Company of any kind or for any purpose, or have any other claim against the Company or the Members in relation to any matter whatsoever.

Section 2.14 Related Party Matters.

(a) Subject to the final sentence of this Section 2.14(a), all transactions (including corporate allocations) between any member of the FE Outside Group, on the one hand, and the Company Group, on the other hand (such transactions, "Affiliate Transactions"), shall be (i) entered into and carried out in a manner that, except as may be required by any applicable Law or Order, is (A) consistent with past practices and the corporate allocation and affiliate transaction policies of the FE Outside Group and the Company Group in effect at such time and (B) on terms and conditions that are commercially reasonable with respect to the subject matter thereof (it being understood that transactions undertaken pursuant to the corporate allocation policies and intercompany service agreements of the FE Outside Group as of such time to the extent that they are non-discriminatory against the Company and its Subsidiaries and are generally consistent with the corporate allocation policies and intercompany service agreements of comparable publicly traded utilities, shall be deemed to be commercially reasonable), and (ii) entered into and carried out in accordance with the requirements of any applicable Law or Order (including, for the avoidance of doubt, on such terms and conditions as may be required to obtain the approval of the applicable Governmental Body in respect of such transaction). Notwithstanding anything to the contrary in this Agreement, except as required by applicable Law, the FE Member shall ensure during the term of this Agreement that any methodologies used to allocate costs to the Company Group (A) are and will be

consistently applied to other members of the FE Outside Group in a manner that does not have a disproportionate adverse impact on the Company or any of its Subsidiaries as compared to any member of the FE Outside Group and (B) would not result in any fines or penalties that are imposed on any member of the FE Outside Group being allocated to the Company or any of its Subsidiaries.

(b) The Investor Member acknowledges and agrees that (i) the Company Group and the FE Outside Group has prior to the Effective Date engaged in Affiliate Transactions, and will, pursuant to and in accordance with the provisions of Section 2.14(a), from and after the Effective Date engage in Affiliate Transactions, subject to the Investor Member's approval rights under Sections 8.1 and 8.2 (if applicable to any such Affiliate Transactions), (ii) all services provided by any member of the FE Outside Group to any member of the Company Group as of the Effective Date, including services provided pursuant to (A) that certain Service Agreement among FirstEnergy Service Company, certain other members of the FE Outside Group and the Company, dated February 25, 2011, (B) that certain Service Agreement among certain members of the FE Outside Group and certain Subsidiaries of the Company, dated January 31, 2017, and (C) that certain Revised Amended and Restated Mutual Assistance Agreement among certain members of the FE Outside Group and certain Subsidiaries of the Company, dated January 31, 2017, will continue in the ordinary course of business, and (iii) the promissory note issued by the Company, dated May 9, 2022, payable to the FE Member, shall remain outstanding and be payable by the Company to the FE Member, and shall in fact be so paid upon maturity, in each case in accordance with its terms.

(c) To ensure corporate separateness from the FE Member and other members of the FE Outside Group, the Company, together with its Directors and officers, shall take or refrain from taking, as the case may be, and cause the Company's Subsidiaries to take or refrain from taking, as the case may be, the following actions (in each case, in a manner and to the extent consistent with the Company Group's and the FE Outside Group's respective past practices and to the extent consistent with applicable Law and Orders):

(i) at all times hold itself out to the public and other Persons as a legal entity separate from the FE Member and the other members of the FE Outside Group;

(ii) correct any known material misunderstanding regarding its identity as an entity separate from any FE Outside Group member;

(iii) observe appropriate organizational procedures and formalities;

(iv) maintain accurate books, financial records and accounts, including checking and other bank accounts and custodian and other securities safekeeping accounts, that are separate and distinct from those of the FE Member and the other members of the FE Outside Group;

(v) maintain its books, financial records and accounts in a manner such that it would not be difficult or costly to segregate, ascertain or otherwise identify the Company Group's assets and liabilities from those of the FE Outside Group;

(vi) not enter into any pledge, encumbrance or guaranty, or otherwise become intentionally liable for, or pledge or encumber its assets to secure the liability, debts or obligations of the FE Member or any other member of the FE Outside Group;

(vii) not hold out its credit as being available to satisfy the debts or obligations of the FE Member or any other member of the FE Outside Group;

(viii) (A) pay its own liabilities, expenses and losses only from its own assets, and (B) compensate all Advisors and other agents from its own funds for services provided to it by such Advisors and other agents;

(ix) cause its Representatives to (A) hold themselves out to Third Parties as being the Representatives, as the case may be, of the Company or the applicable member of the Company Group (it being understood that the Company Group need not have its own dedicated employees), and (B) refrain from holding themselves out as Representatives of any member of the FE Outside Group (in connection with any duties performed for, or otherwise in relation to, any member of the Company Group);

(x) maintain separate annual financial statements for the Company Group, showing the Company Group's (or its respective members') assets and liabilities separate and distinct from those of any member of the FE Outside Group (it being understood that nothing herein shall prohibit the consolidation of such financial statements with the "affiliated group" (as defined in Section 1504(a) of the Code) of which the FE Member is the common parent); and

(xi) pay or bear the cost of the preparation of its financial statements, and have such financial statements audited by an independent certified public accounting firm.

(d) In the event the Company and/or the FE Member becomes aware of any material breach or material default (it being understood that, for purposes of this clause (d), a breach or default will be deemed to be "material" if (x) the reasonably expected amount of damages that would be sustained by the Company and its Affiliates as a result of such breach or default, or series of related breaches or defaults, would exceed $30,000,000 in the aggregate or (y) the breach or default would otherwise be material to the Company and its Subsidiaries, taken as a whole) by any member of the Company Group or FE Outside Group under any Affiliate Transaction (an "Affiliate Transaction Default"), the Company and/or the FE Member, as applicable, shall promptly, but in any event within 10 Business Days after becoming aware of such Affiliate Transaction Default, send a written notice (a "Default Notice") to the Company and the Investor Member setting forth in reasonable detail the nature of such Affiliate Transaction Default and the reasonable estimate of the current and future anticipated losses associated with such Affiliate Transaction Default (to the extent feasible to make a reasonable estimate at such time). After delivery of such Default Notice to the Investor Member, the Company (and, if the Company did not provide the Default Notice, the FE Member) shall promptly provide the Investor Member with any additional information reasonably requested by the Investor Member relating to such Affiliate Transaction Default. The defaulting party under such Affiliate Transaction shall have (i) 10 Business Days following the expiration of the applicable cure period in respect of such Affiliate Transaction, to fully cure any monetary Affiliate

Transaction Default, and (ii) 60 days following the expiration of the applicable cure period in respect of such Affiliate Transaction, to fully cure any non-monetary Affiliate Transaction Default, subject to and consistent with applicable Law and Orders. In the event that any material alleged Affiliate Transaction Default is not timely cured in accordance with the preceding sentence, the Investor Member shall have the sole right to cause the Company and its Subsidiaries to take, or refrain from taking, any actions in connection with the enforcement of or compliance with the rights or obligations of the Company or any of its Subsidiaries under the terms of the applicable Affiliate Transaction, including the commencement of any litigation, proceeding or other action on behalf of the Company or any of its Subsidiaries against the applicable member(s) of the FE Outside Group.

ARTICLE III
OFFICERS

Section 3.1 Appointment and Tenure.

(a) The Board may, from time to time, designate officers of the Company to carry out the day-to-day business of the Company.

(b) The officers of the Company shall be comprised of one or more individuals designated from time to time by the Board. Each officer shall hold his or her office for such term and shall have such authority and exercise such powers and perform such duties as shall be determined from time to time by the Board. Any number of offices may be held by the same individual. The salaries or other compensation, if any, of the officers shall be fixed from time to time by the Directors.

(c) The officers of the Company may consist of a president, a secretary and a treasurer. The Board may also designate one or more vice presidents, assistant secretaries and assistant treasurers. The Board may designate such other officers and assistant officers and agents as the Board may deem necessary or appropriate.

Section 3.2 Removal. Any officer may be removed as such at any time by the Board, either with or without cause, in its discretion.

Section 3.3 President. The president, if one is designated, shall be the chief executive officer of the Company, shall have general and active management of the day-to-day business and affairs of the Company as authorized from time to time by the Board, and shall be authorized and directed to implement all actions, resolutions, initiatives and business plans adopted by the Board.

Section 3.4 Vice Presidents. The vice presidents, if any are designated, in the order of their election, unless otherwise determined by the Board, shall, in the absence or disability of the president, perform the duties and have the authority and exercise the powers of the president. They shall perform such other duties and have such other authority and powers as the Board may from time to time prescribe.

Section 3.5 Secretary; Assistant Secretaries. The secretary, if one is designated, shall perform such duties and have such powers as the Board may from time to time prescribe. The assistant secretaries, if any are designated, and unless otherwise determined by the Board, shall, in the

absence or disability of the secretary, perform the duties and exercise the powers of the Secretary. They shall perform such other duties and have such other powers as the Board may from time to time prescribe.

Section 3.6 Treasurer; Assistant Treasurers. The treasurer, if one is designated, shall have custody of the Company's funds and securities and shall keep full and accurate accounts and records of receipts, disbursements and other transactions in books belonging to the Company, and shall deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated from time to time by the Board. The treasurer shall disburse the funds of the Company as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render the president and the Board, when so directed, an account of all of his or her transactions as treasurer and of the financial condition of the Company. The treasurer shall perform such other duties and have such other powers as the Board may from time to time prescribe. If required by the Board, the treasurer shall give the Company a bond of such type, character and amount as the Board may require. The assistant treasurers, if any are designated, unless otherwise determined by the Board, shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. They shall perform such other duties and have such other powers as the Board may from time to time prescribe.

ARTICLE IV
DEFAULT; DISSOLUTION

Section 4.1 Events of Default. The following shall constitute events of default (each, an "Event of Default") by the applicable Member under this Agreement:

(a) any material breach of this Agreement by such Member;

(b) any failure by such Member to make any Additional Funding Requirement pursuant to and in accordance with a Capital Request Notice issued pursuant to Section 5.1 if such Member indicated it would do so in its Response To Capital Call but then failed to do so within the time period specified in Section 5.1;

(c) any purported Transfer by such Member made other than pursuant to and in accordance with the terms and conditions of this Agreement; and

(d) the filing of a petition seeking relief, or the consent to the entry of a decree or Order for relief in an involuntary case, under the bankruptcy, rearrangement, reorganization or other debtor relief Laws of the United States or any state or any other competent jurisdiction or a general assignment for the benefit of its creditors by such Member or by any of its controlling Affiliates.

Section 4.2 Default Notice. If an Event of Default occurs, then any Member (other than the Member subject to the Event of Default (the "Defaulting Member")) may deliver to the Company and to the Defaulting Member a notice of the occurrence of such Event of Default, setting forth the circumstances of such Event of Default. The provisions of this Agreement applicable to a "Defaulting Member" shall apply to such Defaulting Member from and after the delivery of such notice until the Event of Default and the material effects thereof have been cured (if capable of being so cured).

Section 4.3 Dissolution.

(a) Subject to obtaining the requisite authorization, approval or consent of any Governmental Body, the Company shall dissolve, and its affairs shall be wound up, upon either (i) the approval by the Board and the written consent of all of the Members or (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act (each, an "Event of Dissolution").

(b) Upon the occurrence of an Event of Dissolution, the Company will continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets and satisfying the claims of its creditors and the Members. No Member, acting in its capacity as such, will take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Company's business and affairs. All covenants contained and obligations provided for in this Agreement will continue to be fully binding upon the Members until such time as the property of the Company has been distributed pursuant to Section 5.3 and the certificate of formation of the Company has been canceled pursuant to the Act.

(c) After the occurrence of an Event of Dissolution, and after all of the Company's debts, liabilities and obligations have been paid and discharged or adequate reserves have been made therefor and all of the remaining assets of the Company have been distributed to the Members, the Company shall make necessary resolutions and filings to dissolve the Company under the Act.

ARTICLE V
CAPITAL CONTRIBUTIONS; DISTRIBUTIONS

Section 5.1 Capital Contributions.

(a) Subject to Sections 8.1 and 8.2, if the Board determines that it is in the best interests of the Company to obtain additional equity capital for purposes of (i) developing, acquiring or maintaining Qualifying Core Assets or funding ordinary course operations of the Company Business, (ii) satisfying the Company's obligations to Third Parties (including in respect of the Indebtedness of the Company Group), (iii) complying with applicable Law or Order or (iv) funding any Emergency Expenditures (any such determination by the Board, an "Additional Funding Requirement"), then the Board may direct the Company to submit to the Members a written capital funding request notice (a "Capital Request Notice"), which Capital Request Notice shall set forth (A) the anticipated amount of, and the reason for, such Additional Funding Requirement, (B) each Member's requested share of such Additional Funding Requirement, which with respect to each Member shall equal such Member's Percentage Interest *multiplied by* the aggregate amount of the Additional Funding Requirement (such share, the "Pro Rata Request Amount") and (C) the funding date for such Additional Funding Requirement (the "Capital Request Funding Date"), which Capital Request Funding Date shall not be earlier than 30 days following the date on which such Capital Request Notice is delivered to the Members. Subject to the express provisions of this Article V, each Member may, but shall not be obligated to, contribute its Pro Rata Request Amount as called for in the applicable Capital Request Notice. Upon the receipt of a Capital Request Notice, each Member shall, within 15 days of such receipt, provide written notice to the Company and the other

Members as to the extent to which such Member intends to fund its Pro Rata Request Amount, whether in whole, in part or not at all (a "Response To Capital Call"). If one Member indicates in its Response To Capital Call that it does not intend to fund its Pro Rata Request Amount in full, and any other Member had, prior thereto, submitted a Response To Capital Call indicating that it intends to fund a greater percentage of its Pro Rata Request Amount, then such other Member will be entitled to amend its Response To Capital Call to reduce its percentage funding to an amount representing a percentage of its Pro Rata Request Amount not less than the lower percentage indicated in the other Member's Response To Capital Call. For the avoidance of doubt, no Member shall have any obligation to fund any Additional Funding Requirement pursuant to this Section 5.1 unless such Member indicates that it will do so in its Response To Capital Call.

(b) If any Member refuses or fails to make all or any portion of its Pro Rata Request Amount pursuant to this Section 5.1 on or prior to the applicable Capital Request Funding Date (such Member, the "Non-Contributing Member", and the unfunded amount, the "Unfunded Amount"), then the Company shall provide written notice thereof to the Members (the "Contribution Unfunded Amount Notice"), and:

(i) Excess Contribution. To the extent that the Non-Contributing Member contributes a portion (but less than all) of its Pro Rata Request Amount, and another Member (the "Over-Contributing Member") has contributed a greater percentage of its Pro Rata Request Amount than the Non-Contributing Member, the Over-Contributing Member shall have the right to elect (which election shall be made by written notice to the Company and the other Members no later than 10 Business Days following the date of the Contribution Unfunded Amount Notice) to (A) receive a special distribution of the amount of such excess (the "Excess Contribution"), such that the Excess Contribution is returned to the Over-Contributing Member (and the Company shall cause such special distribution to be made as promptly as practicable), (B) have the portion of such Excess Contribution that would have been the Non-Contributing Member's share thereof treated as a loan to the Company (consistent with the methodology in clause (ii)(A), below), or (C) have the portion of such Excess Contribution that would have been the Non-Contributing Member's share thereof treated as a contribution to capital (consistent with the methodology in clause (ii)(B) below).

(ii) Top-Up Right. A Member that has paid its full Pro Rata Request Amount (the "Contributing Member") shall have the right (but not the obligation) to elect (which election shall be made by written notice to the Company and the other Members no later than 10 Business Days following the receipt of the Contribution Unfunded Amount Notice) to contribute any portion of the Unfunded Amount in accordance with this Section 5.1(b) either (A) as a loan to the Company, or (B) as a capital contribution to the Company (or as any combination thereof as the Contributing Member elects) in accordance with the following procedures:

(A) Loan. The Contributing Member may elect to advance all or a portion of the Unfunded Amount to the Company on behalf of the Non-Contributing Member, which advance shall be treated as a loan by the Contributing Member to the Company (an "Unfunded Amount Loan") at

an interest rate equal to the highest interest rate payable on any subordinated third-party debt of any member of the Company Group then outstanding. Subject to the terms of this Agreement, each Unfunded Amount Loan shall be repaid out of any subsequent distributions made pursuant to Section 5.2 to which the Non-Contributing Member would otherwise be entitled under this Agreement, and such payments shall be applied first to the payment of accrued but unpaid interest on each such Unfunded Amount Loan and then to the payment of the outstanding principal, until such Unfunded Amount Loan is paid in full.

(B) Capital Contribution. The Contributing Member may elect to contribute an amount equal to all or a portion of the Unfunded Amount to the Company. If the Contributing Member elects to contribute to the Company all or a portion of the Unfunded Amount, then, on or after the earlier of the date that the Non-Contributing Member indicates it will not cure the failure to fund its full Pro Rata Request Amount and the thirtieth (30^{th}) day following the date of the Contribution Unfunded Amount Notice, the Company shall issue to the Contributing Member the amount of additional Membership Interests that can be purchased for such funded amount at a price per Membership Interest equal to 90% of the Fair Market Value of the Company (measured as of the date that such contribution is to be made) per Membership Interest, and the Contributing Member's and the Non-Contributing Member's respective Percentage Interests will be adjusted accordingly.

(C) Cure Right. Notwithstanding anything to the contrary in this Section 5.1, on or before the thirtieth (30^{th}) day following the date of the Contribution Unfunded Amount Notice, a Non-Contributing Member may make a contribution to the Company equal to the sum of the Unfunded Amount plus, if the Contributing Member already made an Unfunded Amount Loan in respect of such Unfunded Amount, any interest accrued on the Unfunded Amount Loan, following which (1) the Unfunded Amount advanced by the Contributing Member to the Company together with any such interest shall be paid to the Contributing Member, and (2) the former Non-Contributing Member shall be deemed to have cured its failure to pay the Pro Rata Request Amount prior to the Capital Request Funding Date with respect to the applicable Capital Request Notice.

(c) If the Non-Contributing Member refuses or fails to make its full Pro Rata Request Amount pursuant to this Section 5.1 on or prior to the applicable Capital Request Funding Date and the Contributing Member has not fully funded the Unfunded Amount in accordance with Section 5.1(b), then on or after the thirtieth (30^{th}) day following the date of the applicable Contribution Unfunded Amount Notice, the Board may authorize the Company to seek additional equity funds on commercially reasonable terms from a Third Party in an amount up to the difference between the total Additional Funding Requirement requested and the total funds received by the Company from the Non-Contributing Member and the Contributing Member (including any additional funds that the Contributing Member may have contributed

pursuant to Section 5.1(b)), and to issue Membership Interests to Third Parties in connection therewith pursuant to this Section 5.1(c). If the Board determines to seek additional equity funds from and issue Membership Interests to a Third Party pursuant to this Section 5.1(c), then the Company must consummate such issuance within 180 days following the Capital Request Funding Date. If such issuance is not consummated within such 180-day period, then the Company's right to so issue Membership Interests to a Third Party in connection with the applicable Additional Funding Requirement shall be lapsed, and the Company shall not thereafter issue any Membership Interests to a Third Party in connection with such Additional Funding Requirement; provided that, if a definitive agreement providing for such issuance is executed prior to the expiration of such 180-day period but the issuance has not been consummated at the expiration of such period solely as a result of a failure to receive the requisite authorization, approval or consent of any Governmental Body in respect of such issuance, then such period shall be extended solely to the extent necessary to permit the receipt of all such authorizations, approvals or consents which are in process but have not been received from the relevant Governmental Body as of such original expiration date and the consummation of the issuance provided for in such definitive agreement; provided, further, that the Company shall have used its reasonable best efforts in seeking such authorizations, approvals and consents. Upon the completion of such issuance of Membership Interests pursuant to this Section 5.1(c), the Company shall give written notice to the Members of such issuance, which notice shall specify (i) the total number of new Membership Interests issued, (ii) the price per Membership Interest at which the Company issued the Membership Interests, and (iii) any other material terms of the issuance. Upon the issuance of new Membership Interests pursuant to this Section 5.1(c), the Contributing Member's and Non-Contributing Member's respective Percentage Interests will be adjusted accordingly.

(d) In the event that the Investor Member refuses or fails to fund all or any portion of its share of an Additional Funding Requirement pursuant to this Section 5.1 on or prior to the applicable Capital Request Funding Date in respect of two Additional Funding Requirements, subject to Section 5.1(b)(ii)(C), from and after the occurrence of the second such failure or refusal by the Investor Member, the FE Member may (but is not required to), at its option at any time, acquire all (but not less than all) of the Membership Interests held by the Investor Member (the "Call Right") by giving written notice (the "Call Notice") to the Investor Member of its election to exercise the Call Right; provided, that, the Investor Member shall have 60 days following the Call Notice to cure the most recent such failure to fund. The purchase price payable by the FE Member in connection with the exercise of the Call Right shall be equal to the product of (i) 90% of the Fair Market Value of the Company (measured as of the date of the delivery of the Call Notice to the Investor Member) multiplied (ii) by a fraction, (A) the numerator of which is the number of Membership Interests that the Investor Member owns at such time and (B) the denominator of which is the total number of Membership Interests then outstanding (the amount equal to such product, the "Call Exercise Price"). If the Call Right is exercised by the FE Member, each of the Parties shall take all actions as may be reasonably necessary to consummate the transactions contemplated by this Section 5.1(d) as promptly as practicable, but in any event not later than 30 days after, or, if the Investor Member indicates its intent to cure its funding failure prior to such 30th day, 60 days after, the delivery of the Call Notice (such period, the "Call Consummation Period"), including entering into agreements and delivering certificates and instruments and consents as may be deemed necessary. If the Investor Member fails to take all actions necessary to consummate the Transfer of the

Membership Interests held by it in accordance with this Section 5.1(d) prior to the expiration of the Call Consummation Period, then the Investor Member shall be deemed to be in material breach of this Agreement for purposes of Article IV and for all other purposes hereunder, and shall be deemed to have granted (and hereby grants, contingent only on the occurrence of such failure) an irrevocable appointment of any Person nominated for the purpose by the FE Member to be the Investor Member's agent and attorney to execute all necessary documentation and instruments on its behalf to Transfer the Investor Member's Membership Interest to the Company as the holder thereof, in each case consistent with the provisions of this Section 5.1(d). At the consummation of any purchase and sale pursuant to this Section 5.1(d), the Investor Member shall sell to the FE Member all of the Membership Interests owned by the Investor Member in exchange for the Call Exercise Price. Contemporaneously with its receipt from the FE Member of the Call Exercise Price, the Investor Member shall Transfer to the FE Member all of the Membership Interests owned by the Investor Member, free and clear of all Liens. The Members and the Company acknowledge and agree that they shall cooperate reasonably to obtain any necessary authorization, approval or consent of any Governmental Body to consummate the transactions contemplated by this Section 5.1(d).

Section 5.2 Distributions Generally; Support Payments.

(a) Except as otherwise provided herein and subject to Section 5.2(b), Section 5.2(c) and the Act, no later than 60 days after the end of each fiscal quarter, the Company shall make distributions in cash of all its Available Cash in respect of such fiscal quarter. The Company may make such other more frequent distributions (including interim distributions) at such times and in such amounts as the Board may determine.

(b) Except as otherwise provided herein, all distributions shall be paid to the Members only in cash and in the same proportion as their respective Percentage Interest; provided that, in the case of distributions to be paid in respect of any period during which the Percentage Interest of the Members changed, such distributions shall be prorated to reflect the Percentage Interest of the Members on each day of such measurement period, and the Company and the Members shall take such action as necessary to effectuate such proration.

(c) Notwithstanding the terms of this Section 5.2 and any other provision of this Agreement, (i) the Company shall not make any distribution to any Member on account of its Membership Interests to the extent such distribution would violate the Act, other applicable Law or an Order, and (ii) a Member may direct the payment of part or all of any distribution to another Person by providing written notice of such direction to the Company.

Section 5.3 Distributions upon the Occurrence of an Event of Dissolution. Upon the occurrence of an Event of Dissolution, the Board will proceed, subject to the provisions herein, to wind up the affairs of the Company, liquidate and distribute the remaining assets of the Company (provided, however, that all distributions shall be paid to the Members only in cash) and apply the proceeds of such liquidation in the order of priority in accordance with Section 18-804 of the Act or as may otherwise be agreed to by the Members.

Section 5.4 Withdrawal of Capital; Interest. Except as expressly provided in this Agreement, (a) no Member may withdraw capital or receive any distributions from the Company and (b) no interest shall be paid by the Company on any capital contribution or distribution.

ARTICLE VI
TRANSFERS OF MEMBERSHIP INTERESTS

Section 6.1 General Restriction.

(a) No Member shall Transfer any of its Membership Interests except pursuant to and in accordance with this Article VI. Any purported Transfer by any Member of its Membership Interests in violation of this Section 6.1(a), or without compliance in all respects with the provisions of this Article VI pertaining to such purported Transfer, shall be invalid and void *ab initio*, and such purported Transfer by such Member shall constitute a material breach of this Agreement for purposes of Article IV.

(b) Subject to Section 6.2, neither the Investor Member nor the FE Member may Transfer any of its Membership Interests to any Person prior to the date that is the third anniversary of the Effective Date (the "Lock-Up Period"), other than with the prior written consent of the FE Member or the Investor Member, as applicable. After the expiration of the Lock-up Period, each of the Investor Member and the FE Member, as applicable, may Transfer its Membership Interests in accordance with this Article VI. Notwithstanding the foregoing, each of the Members may at any time Transfer Membership Interests in compliance with Section 6.5.

Section 6.2 Transfers to Permitted Transferees; Liens by Members.

(a) Notwithstanding Section 6.1, each of the Members may Transfer at any time all or any portion of the Membership Interests held by it to any one of its Permitted Transferees; provided that, in connection with any such Transfer, (a) such Permitted Transferee shall, in writing, assume all of the rights and obligations of the transferring Member as a Member under this Agreement and as a Party hereto with respect to the Transferred Membership Interests and (b) effective provision shall be made whereby such Permitted Transferee shall be required, prior to the time when it shall cease to be a Permitted Transferee of the transferring Member, to Transfer such Membership Interests to the transferring Member or to another Person that would be a Permitted Transferee of the transferring Member as of such applicable time. In the event that a Member (including, as the case may be, a Permitted Transferee) intends to Transfer its Membership Interests to a Permitted Transferee, such transferring Member or the Permitted Transferee, as applicable, shall notify the other Member and the Company of the intended Transfer at least 20 Business Days prior to the intended Transfer.

(b) Each Member shall be permitted to directly or indirectly Encumber its Membership Interests or any equity interests in such Member in connection with any debt financing, the proceeds of which have been or will be used by such Member to finance its purchase of such Membership Interests (whether in respect of an issuance of new Membership Interests by the Company or the purchase of existing Membership Interests from a Member or the refinancing of any such debt financing in the future), and neither such Lien nor any commencement or consummation of foreclosure proceedings or exercise of foreclosure remedies by a secured

party on, or the subsequent direct or indirect sale of, a Member's Membership Interests Encumbered in connection with any such debt financing shall, in either case, be considered a "Transfer" for any purpose under this Agreement; provided, that (i) such Member shall be obligated to promptly notify the other Member and the Company in writing following the commencement of any such foreclosure remedies or proceedings, (ii) in the event of the consummation of such a foreclosure, such Member will automatically cease to be deemed the owner of the Membership Interests so foreclosed and will cease to have any rights in respect thereof (with the financing source foreclosing on such Membership Interests succeeding to the rights and responsibilities of the Member hereunder), and (iii) the consummation of any such foreclosure will be subject to the receipt of any required authorization, approval or consent of all applicable Governmental Bodies.

Section 6.3 Right of First Offer.

(a) Prior to any Transfer by a Member (each, a "Transferring Member") of Membership Interests constituting fifty percent (50%) or less of the outstanding Membership Interests, other than to a Permitted Transferee of such Transferring Member, the Transferring Member must first offer to sell to the other Member (the "Non-Transferring Member") all of its Membership Interests that it desires to sell (such Membership Interests to be offered for sale to the Non-Transferring Member pursuant to this Section 6.3, the "Subject Membership Interests"), in each case, in accordance with the procedures set forth in the provisions of this Section 6.3.

(i) The Transferring Member shall first deliver to the Non-Transferring Member a written notice (a "Sale Notice") setting forth the cash price and all of the other material terms and conditions at which the Transferring Member is willing to sell the Subject Membership Interests to the Non-Transferring Member, which notice shall constitute an offer to the Non-Transferring Member to effect such purchase and sale on the terms set forth therein. Any such Sale Notice shall be firm, not subject to withdrawal and prepared and delivered in good faith. Within 30 days following its receipt of a Sale Notice, the Non-Transferring Member may accept the Transferring Member's offer and purchase the Subject Membership Interests at the cash price and upon the other material terms and conditions set forth in the Sale Notice, in which event the closing of the purchase and sale of the Subject Membership Interests will take place as promptly as practicable. The Sale Notice shall contain representations and warranties by the Transferring Member to the Non-Transferring Member that (A) the Transferring Member has full right, title and interest in and to the Subject Membership Interests, (B) the Transferring Member has all the necessary power and authority and has taken all necessary action to Transfer the Subject Membership Interests to the Non-Transferring Member as contemplated by this Section 6.3, and (C) the Subject Membership Interests are free and clear of any and all Liens other than those arising as a result of or under the terms of this Agreement and those arising under securities Laws of general applicability pertaining to limitations on the transfer of unregistered securities.

(ii) If the Non-Transferring Member does not accept the Transferring Member's offer within such 30-day period, then the Transferring Member will, for a period of 120 days commencing on the earlier of (A) the expiration of such 30-day period and (B) the delivery of a written notice by the Non-Transferring Member to the Transferring Member rejecting

the offer set forth in the Sale Notice (if any) (such 120-day period, the "Sale Period"), be entitled to sell the Subject Membership Interests to any one Third Party at the same or higher price and upon other terms and conditions (excluding price) that are not more favorable to the acquiror than those specified in the Sale Notice, subject to the other terms of this Section 6.3. If such sale to any Third Party is not completed prior to the expiration of the Sale Period, then the process initiated by the delivery of the Sale Notice shall be lapsed, and the Transferring Member will be required to repeat the process set forth in this Section 6.3 before entering into any agreement with respect to, or consummating, any sale of Membership Interests to any Third Party; provided that if a definitive agreement providing for the consummation of such sale is executed within the Sale Period but such sale has not been consummated at the expiration of the Sale Period solely as a result of a failure to receive the requisite authorization, approval or consent of any Governmental Body in respect of such sale, then the Sale Period shall be extended solely to the extent necessary to permit the receipt of all such authorizations, approvals or consents which are in process but have not been received from the relevant Governmental Body as of the original expiration date of the Sale Period and the consummation of the sale provided for in such definitive agreement; provided, further, that the Transferring Member shall have used its reasonable best efforts in seeking such authorizations, approvals and consents.

(b) The Investor Member and its Permitted Transferees (if any) shall not be permitted to Transfer any of their Membership Interests to a Prohibited Competitor without the prior written consent of the FE Member. Within 10 Business Days after January 1, 2023 (and each year thereafter during the 10-Business Day period beginning on January 1 of the applicable year), the FE Member shall have the right to update the list of Prohibited Competitors set forth on Schedule 2 (i) to replace no more than three of the Prohibited Competitors with other Competitors designated by the FE Member, and (ii) in addition to any replacements pursuant to clause (i), to add up to two additional Prohibited Competitors designated by the FE Member to such list. Notwithstanding anything to the contrary set forth in this Agreement, this Section 6.3(b) and Schedule 2 (together with the definition of "Prohibited Competitor") shall automatically terminate and have no further force and effect in the event that the FE Member and its Permitted Transferees, individually or collectively, no longer control the Company.

(c) No Transfer of Membership Interests by the Investor Member to any Third Party pursuant to Section 6.3(a)(ii) may be effected if it would, or would reasonably be expected to in the reasonable and good faith determination of the FE Member in consultation with the Board, (i) adversely affect in any material respect any member of the Company Group or the FE Outside Group, including with respect to their businesses, financial condition, operating results, prospects or relationships with Third Parties or with any Governmental Body, or (ii) create a material risk of an adverse Tax or regulatory consequence on any member of the Company Group or the FE Outside Group, in any such case in the foregoing clauses (i) and (ii), as a result of the identity of the Third Party transferee, any action taken or reasonably expected to be taken by any Governmental Body with respect to such Transfer, any Tax consequence or change in Tax status of any Person caused or reasonably expected to be caused by such Transfer, any terms or conditions of such Transfer, any requirement that the Membership Interests be registered under any applicable securities Laws in connection with or as a result of such Transfer, or any other similar matter. For purposes of this Section 6.3 and

Section 6.4, "control" means (x) the ownership of at least a majority of the issued and outstanding Membership Interests of the Company, or (y) the ability to elect, directly or indirectly, a majority of the Directors of the Company in accordance with this Agreement.

(d) Prior to the consummation of any Transfer pursuant to Section 6.3(a)(ii), the Transferring Member shall have delivered to the Board and to the Non-Transferring Member evidence reasonably satisfactory to the Board (with the Directors appointed by the Transferring Member abstaining from any such determination) and to the Non-Transferring Member that (i) the transferee is financially capable of carrying out the obligations and promptly paying all liabilities of the Transferring Member pursuant to this Agreement with respect to the Subject Membership Interests, and (ii) the Transfer complies with the provisions of Section 6.3(b) (if applicable) and Section 6.3(c).

Section 6.4 Tag-Along Rights.

(a) Other than with respect to a Transfer proposed and made in accordance with Section 6.5, in the event that the FE Member proposes to effect a Transfer to a Third Party transferee (the "Tag-Along Buyer") of a number of its Membership Interests (i) constituting more than 5% of the total Membership Interests then outstanding (but which would not result in the Tag-Along Buyer acquiring control of the Company) or (ii) that would result in the Tag-Along Buyer acquiring control of the Company (in either case, a "Tag-Along Sale"), then the FE Member shall give the Investor Member written notice (a "Tag-Along Notice") of such proposed Transfer at least 30 days prior to the consummation of such Tag-Along Sale, setting forth (w) the number of Membership Interests ("Tag-Along Offered Membership Interests") proposed to be Transferred to the Tag-Along Buyer and the purchase price, (x) the identity of the Tag-Along Buyer, (y) any other material terms and conditions of the proposed Transfer, and (z) the intended dates on which the FE Member will enter into a definitive agreement in respect of such proposed Transfer and consummate such proposed Transfer.

(b) Upon delivery of a Tag-Along Notice, the Investor Member shall have the right, (i) in the case of a Tag-Along Sale described under Section 6.4(a)(i), to sell up to its Tag Portion, and (ii) in the case of a Tag-Along Sale described under Section 6.4(a)(ii), to sell all of the Membership Interests of the Company held by the Investor Member, in either case at the same price per Membership Interest, for the same form of consideration and pursuant to the same terms and conditions (including time of payment) as set forth in the Tag-Along Notice (or, if different, as such are applicable at the time of the entry into a definitive agreement in respect of, or at the time of the consummation of, the Tag-Along Sale). If the Investor Member wishes to participate in the Tag-Along Sale, then the Investor Member shall provide written notice to the FE Member no less than 30 days after the date of the Tag-Along Notice, indicating such election. Such notice shall set forth the number of its Membership Interests that the Investor Member elects to include in the Tag-Along Sale (which number shall not exceed its Tag Portion solely in the case of a Tag-Along Sale described under Section 6.4(a)(i)), and such notice shall constitute the Investor Member's binding agreement to sell such Membership Interests on the terms and subject to the conditions applicable to the Tag-Along Sale.

(c) Any Transfer of the Investor Member's Membership Interests in a Tag-Along Sale shall be on the same terms and conditions as the Transfer of the FE Member's Membership Interests

in such Tag-Along Sale, except as otherwise provided in this Section 6.4(c). The Investor Member shall be required to make customary representations and warranties in connection with the Transfer of the Investor Member's Membership Interests, including as to its ownership and authority to Transfer, free and clear of all Liens, the Investor Member's Membership Interests and shall indemnify and hold harmless, to the fullest extent permitted by applicable Law, the Tag-Along Buyer against all losses of whatever nature arising out of, in connection with or related to any breach of any representation or warranty made by, or agreements, understandings or covenants of the Investor Member, as the case may be, under the terms of the agreements relating to such Transfer of Investor Member's Membership Interests, in each case not to exceed the equivalent obligations to indemnify and hold harmless the Tag-Along Buyer provided by the FE Member; provided, that (i) liability for misrepresentation or indemnity shall (as between the FE Member and the Investor Member) be expressly stated to be several but not joint and the FE Member and the Investor Member shall not be liable for any breach of covenants or representations or warranties as to the Membership Interests of any other Member and shall not, in any event, be liable for more than its *pro rata* share (based on the proceeds to be received) of any liability for misrepresentation or indemnity, (ii) the Investor Member shall benefit from any releases of sellers or other provisions in the transaction documentation of general applicability to sellers to the same extent as the FE Member, (iii) the Investor Member shall not be obligated to agree to any non-customary administrative covenants (such as any non-compete covenants that would restrict its or its Affiliates' business activities), and (iv) the Investor Member shall not be obligated to provide indemnification obligations that exceed its proceeds from the Tag-Along Sale.

(d) Notwithstanding the foregoing, and for the avoidance of doubt, the Investor Member shall not be entitled to Transfer its Membership Interests pursuant to this Section 6.4 in the event that, notwithstanding delivery of a written notice of election to participate in such Tag-Along Sale pursuant to this Section 6.4, the Investor Member fails to consummate the Transfer of its Membership Interests (on the terms and conditions required by this Section 6.4) in the applicable Tag-Along Sale.

(e) For the avoidance of doubt, (i) the terms of this Section 6.4 apply to any Transfers of any Membership Interests by a Permitted Transferee of the FE Member that would otherwise constitute a Tag-Along Sale, and (ii) the rights conferred to the Investor Member under this Section 6.4 do not apply in the event of a Change in Control of the FE Member.

Section 6.5 Drag-Along Rights.

(a) In the event that the FE Member intends to effect a sale of all of the Membership Interests owned by the FE Member and such Membership Interests constitute at least a majority of the issued and outstanding Membership Interests of the Company (a "Drag-Along Sale"), then the FE Member shall have the option (but not the obligation) to require the Investor Member to Transfer all of its Membership Interests to the Third Party buyer (the "Drag-Along Buyer") (or to such other Party as the Drag-Along Buyer directs) in accordance with the provisions of this Section 6.5 (such right of the FE Member, the "Drag-Along Right").

(b) If the FE Member elects to exercise the Drag-Along Right pursuant to Section 6.5(a), then the FE Member shall send a written notice to the Investor Member (a "Drag-Along

Notice") specifying (i) that the Investor Member is required to Transfer all of its Membership Interests pursuant to this Section 6.5, (ii) the amount and form of consideration payable for the Investor Member's Membership Interests, (iii) the name of the Third Party to which the Investor Member's Membership Interests are to be Transferred (or which is otherwise entitled to direct the disposition thereof at the consummation of the Drag-Along Sale), (iv) any other material terms and conditions of the proposed Transfer, and (v) the intended dates on which the FE Member will enter into a definitive agreement in respect of such proposed Transfer and consummate such proposed Transfer.

(c) In the event that the FE Member elects to exercise the Drag-Along Right, then the Investor Member hereby agrees with respect to all Membership Interests it holds:

(i) in the event such transaction requires the approval of Members, to vote (in person, by proxy or by action by written consent, as applicable) all of its Membership Interests in favor of such Drag-Along Sale;

(ii) to execute and deliver all related documentation and take such other action reasonably necessary to enter into definitive agreements in respect of and to consummate the proposed Drag-Along Sale in accordance with, and subject to the terms of, this Section 6.5; and

(iii) not to deposit its Membership Interests in a voting trust or subject any Membership Interests to any arrangement or agreement with respect to the voting of such Membership Interests, unless specifically requested to do so by the Drag-Along Buyer in connection with a Drag-Along Sale.

(d) Subject to Section 6.5(e), any Transfer of the Investor Member's Membership Interests in a Drag-Along Sale shall be on the same terms and conditions as the proposed Transfer of the FE Member's Membership Interests in the Drag-Along Sale. Upon the request of the FE Member, the Investor Member shall be required to make customary representations and warranties in connection with the Transfer of the Investor Member's Membership Interests, including as to its ownership and authority to Transfer, free and clear of all Liens, its Membership Interests, and shall indemnify and hold harmless, to the fullest extent permitted by applicable Law, the Drag-Along Buyer against all losses of whatever nature arising out of, in connection with or related to any breach of any representation or warranty made by, or agreements, understandings or covenants of the Investor Member as the case may be, under the terms of the agreements relating to such Transfer of the Investor Member's Membership Interests, in each case not to exceed the equivalent obligations to indemnify and hold harmless the Tag-Along Buyer provided by the FE Member; provided, that (i) liability for misrepresentation or indemnity shall (as between the FE Member and the Investor Member) be expressly stated to be several but not joint and the FE Member and the Investor Member shall not be liable for any breach of covenants or representations or warranties as to the Membership Interests of any other Member and shall not, in any event, be liable for more than its *pro rata* share (based on the proceeds to be received) of any liability for misrepresentation or indemnity, (ii) the Investor Member shall benefit from any releases of sellers or other provisions in the transaction documentation of general applicability to sellers to the same

extent as the FE Member and (iii) the Investor Member shall not be obligated to provide indemnification obligations that exceed its proceeds from the Drag-Along Sale.

(e) Any Transfer required to be made by the Investor Member pursuant to this Section 6.5 shall be for consideration consisting solely of cash. Without the consent of the Investor Member, the Investor Member shall not be required in connection with such Drag-Along Sale to agree to any material non-customary administrative covenants (such as any non-compete covenants that would restrict its or its Affiliates' business activities).

(f) At the consummation of the Drag-Along Sale, the Investor Member shall Transfer all of its Membership Interests to the Drag-Along Buyer (or its designee), and the Drag-Along Buyer shall pay the consideration due for the Investor Member's Membership Interest. If the Investor Member has failed, as of immediately prior to the time that the consummation of the Drag-Along Sale would otherwise have occurred, to have taken all actions necessary in accordance with this Agreement to consummate the Transfer of the Membership Interests held by it, then the Investor Member shall be deemed to be in material breach of this Agreement for purposes of Article IV and for all other purposes hereunder, and shall be deemed to have granted (and hereby grants, contingent only on the occurrence of such failure) an irrevocable appointment of any Person nominated for the purpose by the FE Member to be the Investor Member's agent and attorney to execute all necessary documentation and instruments on its behalf to Transfer the Investor Member's Membership Interest to the Drag-Along Buyer (or as it may direct) as the holder thereof, in each case consistent with the terms set forth in this Section 6.5.

(g) The FE Member shall have a period of 180 days commencing on the delivery of the Drag-Along Notice (such 180-day period, the "Drag Sale Period") to consummate the Drag-Along Sale. If the Drag-Along Sale is not completed prior to the expiration of the Drag Sale Period, then the process initiated by the delivery of the Drag-Along Notice shall be lapsed, and the FE Member will be required to repeat the process set forth in this Section 6.5 to pursue any Drag-Along Sale; provided that if a definitive agreement providing for the consummation of such Drag-Along Sale is executed within the Drag Sale Period but such Drag-Along Sale has not been consummated at the expiration of the Drag Sale Period solely as a result of a failure to receive the requisite authorization, approval or consent of any Governmental Body in respect of such Drag-Along Sale, then the Drag Sale Period shall be extended solely to the extent necessary to permit the receipt of all such authorizations, approvals or consents which are in process but have not been received from the relevant Governmental Body as of the original expiration date of the Drag Sale Period and the consummation of the Drag-Along Sale provided for in such definitive agreement; provided, further, that the FE Member shall have used efforts in seeking such authorizations, approvals and consents consistent with its obligations under such definitive agreement(s) in respect thereof.

(h) Notwithstanding the foregoing, the FE Member may not exercise the Drag-Along Right or consummate any Drag-Along Sale without the prior written consent of the Investor Member unless the applicable Drag-Along Sale would result in the Investor Member achieving at least an IRR of 9%; provided, that any shortfall in the Investor Member achieving an IRR of 9% may be paid by the FE Member to the Investor Member in immediately available funds at the

closing of the Drag-Along Sale, in which case the prior written consent of the Investor Member shall not be required to exercise the Drag-Along Right or consummate such Drag-Along Sale

(i) For the avoidance of doubt, the rights conferred to the FE Member under this Section 6.5 do not apply in the event of a Change in Control of the FE Member.

Section 6.6 Cooperation. The Members and the Company acknowledge and agree that each of them shall cooperate reasonably to obtain the requisite authorization, approval or consent of any Governmental Body necessary to consummate any Transfers contemplated or permitted by this Article VI. The Members shall have the right in connection with any Transfer of Membership Interests permitted by this Agreement (or in connection with the investigation or consideration of any such potential Transfer) to require the Company to reasonably cooperate with potential purchasers in such prospective Transfer (at the sole cost and expense of the applicable Member or such potential purchasers) by taking such actions reasonably requested by the applicable Member or such potential purchasers, including (a) preparing or assisting in the preparation of due diligence materials, (b) providing access to the Company's and each of its Subsidiaries' books, records, properties and other materials (subject, in each case, to the execution of customary confidentiality and non-disclosure agreements) to potential purchasers, and (c) making the directors, officers, employees (if any) and other Representatives of the Company and its Subsidiaries available to potential purchasers for presentations and due diligence interviews; provided that no such cooperation by the Company shall be required (i) until the relevant potential purchaser executes and delivers to the Company a customary confidentiality agreement, (ii) to the extent such cooperation would unreasonably interfere with the normal business operations of the Company or any of its Subsidiaries, and (iii) to the extent the provision of any information would (A) conflict with, or constitute a violation of, any applicable Law or Order or cause a loss of attorney-client privilege of the Company or any of its Subsidiaries, (B) in the FE Member's reasonable determination, require the disclosure of any information that is proprietary, confidential or sensitive to the FE Member or to any other member of the FE Outside Group, or (C) require the disclosure of any information relating to any joint, combined, consolidated or unitary Tax Return that includes the FE Member or any other member of the FE Outside Group or any supporting work papers or other documentation related thereto.

Section 6.7 Contracts Inhibiting Transfer. The Company shall not, and shall cause its Subsidiaries not to, enter into any Contract (or modify the terms of any existing Contract of the Company or any of its Subsidiaries so as to provide) that includes a provision that, by its terms, is triggered by a Transfer of the Investor Member's Membership Interests and that the consequence of such triggering event under such Contract would have an effect that is materially adverse to the Company and its Subsidiaries, taken as a whole.

ARTICLE VII
PREEMPTIVE RIGHTS

Section 7.1 Preemptive Rights. The Company hereby grants to each Member the right to purchase such Member's Preemptive Right Share of all (or any part) of any New Securities that the Company may from time to time issue after the date of this Agreement (the "Preemptive Right"). In the event the Company proposes to undertake an issuance of New Securities (in a single transaction or a series of related transactions), the Company shall give to each Member

written notice of its intention to issue New Securities (the "Preemptive Right Participation Notice"), describing the amount and type of New Securities, the cash purchase price and the general terms upon which it proposes to issue such New Securities. Each Member shall have 10 Business Days from the date of receipt of any such Preemptive Right Participation Notice (the "Preemptive Right Notice Period") to agree in writing to purchase for cash up to such Member's Preemptive Right Share of such New Securities for the price and upon the terms and conditions specified in the Preemptive Right Participation Notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased (not to exceed such Member's Preemptive Right Share). If any Member fails to so respond in writing within the Preemptive Right Notice Period, then such Member shall forfeit the right hereunder to purchase its Preemptive Right Share of such New Securities. Subject to obtaining the requisite authorization, approval or consent of any Governmental Body, the closing of any purchase by any Member pursuant to this Section 7.1 shall be consummated concurrently with the consummation of the issuance or sale described in the Preemptive Right Participation Notice. The Company shall be free to complete the proposed issuance or sale of New Securities described in the Preemptive Right Participation Notice with respect to any New Securities not elected to be purchased pursuant to this Section 7.1 in accordance with the terms and conditions set forth in the Preemptive Right Participation Notice (except that the amount of New Securities to be issued or sold by the Company may be reduced).

ARTICLE VIII
PROTECTIVE PROVISIONS

Section 8.1 Investor Member No Threshold Matters. Notwithstanding anything to the contrary in this Agreement, the Company shall not cause or permit, in each case, without the prior written consent of the Investor Member (except that no such written consent shall be required to the extent that such matter is necessary to comply with applicable Law or Order); provided, that the Investor Member may not unreasonably withhold its consent to the matters under clause (h) below (it being acknowledged and agreed that it shall be deemed unreasonable for the Investor Member to withhold its consent to any matter under clause (h) below solely on the basis of the pricing or other terms thereof if such pricing or other terms are provided for by, and are otherwise in accordance with, applicable Law):

(a) the issuance of any equity interests by any of the Company's Subsidiaries to any Person that is not the Company or one of its Subsidiaries;

(b) the taking of any action that would reasonably be expected to result in the Company not being classified as a corporation for U.S. federal income Tax purposes (or for the purposes of any applicable state and local Taxes, to the extent material);

(c) any non-*pro rata* repurchase or redemption of any equity interests issued by the Company;

(d) the transfer, sale or other disposition, whether by way of asset sale, stock sale, merger or otherwise, of all or substantially all of the assets of the Company and the Company's Subsidiaries, taken as a whole on a consolidated basis (it being understood, for the avoidance of doubt, that this Section 8.1(d) shall not be deemed to restrict a transfer, sale or other disposition of the equity of the Company);

(e) any amendment or modification to any Organizational Document of any Subsidiary of the Company, other than (i) ministerial amendments thereto or (ii) amendments thereto that would not reasonably be expected to have a material and adverse impact on the Investor Member;

(f) any election that would cause the Company to be treated as a "real estate investment trust" (within the meaning of Section 856 of the Code);

(g) (i) any amendment or modification to the Intercompany Income Tax Allocation Agreement in effect as of the date hereof, among the FE Member, the Company and the other parties thereto (or any replacement agreement thereof entered into among the FE Member, the Company and certain other Subsidiaries of the FE Member for the purpose of allocating consolidated tax liabilities, the "Tax Allocation Agreement"), or (ii) the entry by the Company into any Tax sharing or allocation agreement other than the Tax Allocation Agreement, other than, in the case of either clauses (i) or (ii), any amendment, modification or new agreement that (A) would not reasonably be expected to adversely affect the Company or any of its Subsidiaries, or (B) in the case of amendments or modifications to the Tax Allocation Agreement or such new agreements, would not affect the Company or any of its Subsidiaries in a manner that is less favorable to the Company and its Subsidiaries than it is to the other Subsidiaries of the FE Member that are parties to the Tax Allocation Agreement; provided that, for the avoidance of doubt, the foregoing shall not apply to any amendment or modification that is related or attributable solely to adding or removing members other than the Company or any of its Subsidiaries from the Tax Allocation Agreement;

(h) the entry into, amendment or termination of, or waiver of any material right under, any Affiliate Transaction (which shall not be deemed to include any corporate allocations involving the Company or any of its Subsidiaries that are made in compliance with Section 2.14, other than those corporate allocations that relate to operating electric transmission assets and facilities (non-corporate support services) that are specific to the Company or its Subsidiaries) other than Affiliate Transactions that satisfy each of the following requirements: (i) any and all such Affiliate Transactions are entered into on terms that are no less favorable in the aggregate to the Company (or the relevant Subsidiary thereof party thereto) than reasonably would be obtainable from an unaffiliated third party (it being agreed that any pricing or other terms required by applicable Law shall be deemed to constitute an arm's length term for purposes of this clause (i)); and (ii) any and all such Affiliate Transactions involve revenues or expenditures of less than $10,000,000 per Contract, transaction or series of related transactions individually and less than $30,000,000 in the aggregate for any fiscal year for all such Affiliate Transactions (it being acknowledged and agreed that no prior written consent of the Investor Member will be required with respect to any amendments to any Affiliate Transaction made in the ordinary course of business unless and only to the extent such amendment would adversely affect the Company or its relevant Subsidiary party thereto in any material respect); provided, that with respect to any Affiliate Transaction contemplated by Section 8.2(c) or Section 8.1(g), Section 8.2(c) or Section 8.1(g) shall control over this Section 8.1(h); or

(i) the entry into any binding agreement or arrangement by the Company or any of its Subsidiaries to effect any of the foregoing actions.

Section 8.2 Investor Member Threshold Matters. Notwithstanding anything to the contrary in this Agreement, the Company shall not cause or permit, in each case, without the prior written consent of the Investor Member, for so long as the Investor Member holds at least a 9.9% Percentage Interest (unless such matter is necessary (i) to comply with applicable Law or Order, or (ii) with respect to clauses (c), (d), (e) or (g) or, to the extent related to the foregoing, (l), in response to an Emergency Situation):

(a) any material change to any line or scope of the existing business of the Company or any of its Subsidiaries;

(b) the conversion of the Company or any of its Subsidiaries from its current legal business entity form to any other business entity form (*e.g.*, the conversion of the Company from a Delaware limited liability company to a Delaware corporation);

(c) without limiting the requirements of Section 2.14, the direct or indirect acquisition by the Company or any of the Company's Subsidiaries (whether by merger or consolidation, acquisition of assets or stock or by formation of a joint venture or otherwise), or any request for capital in connection therewith, (i) of any equity interests of any member of the FE Outside Group, or (ii) of any business, assets or operations of any member of the FE Outside Group, in either case having a Fair Market Value in excess of 2.5% of the Rate Base Amount in the aggregate in any calendar year, other than Qualifying Core Assets;

(d) the transfer, sale or other disposition, whether by way of asset sale, stock sale, merger or otherwise, of any business, assets or operations of one or more of the Company's Subsidiaries having a Fair Market Value in excess of 2.5% of the Rate Base Amount in the aggregate in any single transaction or series of related transactions, other than Qualifying Core Assets;

(e) other than in connection with capital expenditures (which are addressed in subparagraph (f) below), any acquisition of assets, including equity securities, or any request for capital in connection therewith, by the Company or any of its Subsidiaries from a Third Party the aggregate purchase price of which exceeds 2.5% of the Rate Base Amount in any calendar year, other than Qualifying Core Assets;

(f) any capital expenditure by the Company or its Subsidiaries, or any request for capital in connection therewith, that exceeds in the aggregate 1.0% of the Rate Base Amount in any calendar year and that is not (i) made in connection with obtaining, constructing or otherwise acquiring a Qualifying Core Asset, or (ii) reasonably necessary to fund any Emergency Expenditures;

(g) the incurrence of Indebtedness (other than the refinancing of existing Indebtedness on commercially reasonable terms reflecting then-current credit market conditions) by the Company or any of its Subsidiaries that would reasonably be expected to result in the Company's Debt-to-Capital Ratio equaling or exceeding (i) prior to the fifth (5^{th}) anniversary of the Effective Date, sixty five percent (65%), and (ii) thereafter, seventy percent (70%);

provided, that the Company shall notify the Investor Member at least thirty (30) days prior to the Company or any of its Subsidiaries incurring any Indebtedness in excess of the annual budget;

(h) the filing of a petition seeking relief, or the consent to the entry of a decree or order for relief in an involuntary case, under the bankruptcy, rearrangement, reorganization or other debtor relief Laws of the United States or any state or any other competent jurisdiction or a general assignment for the benefit of its creditors by the Company or any of its Subsidiaries (other than AET PATH);

(i) the listing of any equity interests of the Company (or a successor to the Company, including by merger, conversion or other reorganization) on any stock exchange;

(j) the entrance into any joint venture, partnership or similar agreement, unless the aggregate amount of cash, property or other assets anticipated to be contributed by the Company or its applicable Subsidiary to such joint venture or partnership is less than 2.5% of the Rate Base Amount, or such joint venture, partnership or similar interests (or the cash, property or other assets so contributed to such joint venture or partnership) would continue to qualify as Qualifying Core Assets;

(k) material decisions relating to the conduct (including the settlement) of any litigation, administrative, or criminal proceeding to which the Company or any of its Subsidiaries is a party where (i) it is reasonably expected that the liability of the Company and its Subsidiaries would exceed $30,000,000 in the aggregate and (ii) such proceeding would reasonably be expected to have an adverse effect on the Investor Member or any of its Affiliates (other than in its or (if applicable, their) capacity as an investor in the Company); provided, that, for the avoidance of doubt, the foregoing shall not be applicable to any ordinary course regulatory proceedings (including rate cases) that do not involve claims of criminal conduct or intentional violations of applicable Law; or

(l) the entry into any binding agreement or arrangement by the Company or any of its Subsidiaries to effect any of the foregoing actions.

Section 8.3 Consultation Matters. For so long as (x) the Investor Member's Percentage Interest is at least 9.9% and (y) the Investor Member is not a Defaulting Member, the Company (and, as applicable, the Board) shall use its reasonable best efforts to consult in good faith with the Investor Member (which consultation shall be deemed to include the participation of Investor Directors in the meetings of the Board with respect to such matters, and, to the extent requested by the Investor Member, reasonable discussions between Representatives of the Company, of the Investor Member and of the FE Member) prior to the Company undertaking, or causing or permitting any of its Subsidiaries to undertake, any of the following matters (except as would be impracticable in respect of a particular action that the Board reasonably believes to be necessary or appropriate to comply with applicable Law, Order or in response to an Emergency Situation):

(a) establishing or materially amending the annual budget and business plan of the Company and its Subsidiaries;

(b) without limiting the Investor Member's rights under Section 8.2(g), incurring long-term Indebtedness of the Company or any of its Subsidiaries if such incurrence would be subject to the authorization or approval of any of the Public Utilities Commission of Ohio, the Pennsylvania Public Utility Commission or the United States Federal Energy Regulatory Commission, except for (i) any refinancing of Indebtedness using similar instruments on substantially similar or more favorable terms relative to the existing Indebtedness being so refinanced and (ii) any such incurrence of Indebtedness made in the ordinary course of business consistent with the Company's or the applicable Subsidiary's established target regulatory capital structure consistent with the Company's or the applicable Subsidiary's historical practices;

(c) without limiting the Investor Member's rights under Section 8.2(l), initiating, settling or compromising any arbitration, lawsuit, proceeding or regulatory process (i) with a settlement or compromise amount in excess of 2.5% of the Rate Base Amount, or (ii) that has material non-monetary penalties or obligations on the Company and/or any of its Subsidiaries;

(d) the appointment or replacement of any member of the Transmission Leadership Team; and

(e) any material Tax election by or with respect to the Company or any Subsidiary or any material amendment or modification of the Tax Allocation Agreement, in each case, that would reasonably be expected to have a material impact on the Investor Member.

Section 8.4 Actions by the Investor Director on behalf of the Investor Member. Where any action requires the consent of the Investor Member pursuant to Section 8.1 or Section 8.2, the Investor Director shall, unless the Investor Member indicates in writing to the FE Member otherwise, have the authority to provide such consent on behalf of the Investor Member at any meeting of the Board called to discuss such matters, and the Company, the other Members and the other Directors shall be entitled to rely on such action of the Investor Director as an action of the Investor Member with such action being binding upon the Investor Member.

Section 8.5 Certain Excluded Matters. For the avoidance of doubt, and notwithstanding Section 8.1, Section 8.2 and Section 8.3, in no event will the Investor Member have any consent or consultation rights in respect of the dissolution, liquidation or winding up (or similar actions taken having the same effect) of AET PATH or any of its Subsidiaries or the business and affairs of any of such Persons.

Section 8.6 Acknowledgement of Purpose of Provisions. It is hereby acknowledged and agreed by the Parties that the rights of the Investor Member set forth in this Article VIII are protection mechanisms for the Investor Member acting in its capacity as an investor in the Company and are not for purposes of, and should not be construed or otherwise interpreted as, providing the Investor Member or any of its Representatives or Affiliates with the ability to take any action that would constitute exercising substantial influence or control over the Company or any of its Subsidiaries or would otherwise provide the Investor Member or any of its Representatives or Affiliates with any right to direct the operation of the business of the Company or any of its Subsidiaries.

ARTICLE IX
OTHER COVENANTS AND AGREEMENTS

Section 9.1 Books and Records.

(a) The Company shall keep and maintain, or cause to be kept and maintained, books and records of accounts, taxes, financial information and all matters pertaining to the Company and its Subsidiaries at the principal offices and place of business of the Company in a commercially reasonable manner consistent with the manner in which similar books and records are kept and maintained by other members of the FE Outside Group. Each Member (other than any Defaulting Member) and its duly authorized Representatives shall have the right to, at reasonable times during normal business hours, upon reasonable notice, under supervision of the Company's personnel and in such a manner as to not unreasonably interfere with the normal operations of any member of the Company Group, (i) visit and inspect the books and records of the Company Group, and, at its expense, make copies of and take extracts from any books and records of the Company Group and (ii) meet and consult with officers, other managers of the Company Group and Representatives of the Company Group regarding their businesses and activities; provided that, in the case of the Investor Member, any Person gaining access to such information regarding the Company Group pursuant to this Section 9.1 shall agree to hold in strict confidence, not make any disclosure of, and not use for purposes other than good faith administration of the Investor Member's continuing investment, all information regarding any member of the Company Group that is not otherwise publicly available.

(b) Notwithstanding the foregoing, the Company shall not be obligated to provide to the Investor Member any record or information (i) relating to the negotiation and consummation of the transactions contemplated by this Agreement and the PSA, including confidential communications with Representatives or Advisors, including legal counsel, representing the Company or any of its Affiliates, (ii) that is subject to an attorney-client or other legal privilege, (iii) that, in the FE Member's reasonable determination, are proprietary, confidential or sensitive to the FE Member or to any other member of the FE Outside Group, (iv) relating to any joint, combined, consolidated or unitary Tax Return that includes the FE Member or any other member of the FE Outside Group or any supporting work papers or other documentation related thereto, or (v) the provision of which would violate any applicable Law or Order.

(c) Each Member shall reimburse the Company for all documented out-of-pocket costs and expenses incurred by the Company in connection with such Member's exercise of its inspection and information rights pursuant to this Section 9.1.

Section 9.2 Financial Reports. The Company shall provide, or otherwise make available, to any Member (unless such Member is a Defaulting Member):

(a) on an annual basis, within 105 days after the end of each fiscal year, an audited consolidated balance sheet, statement of operations and statement of cash flow of each member of the Company Group;

(b) on a quarterly basis, within 60 days after the end of each fiscal quarter, an unaudited quarterly and year-to-date consolidated balance sheet and related statement of operation and statement of cash flow of each member of the Company Group;

(c) on an annual basis, as soon as reasonably practicable after the approval thereof by the Board, the annual budget and business plan (if applicable) for each member of the Company Group; and

(d) on an annual basis, as soon as reasonably practicable after the approval thereof by the Board, financial forecasts for each member of the Company Group for the fiscal year, which shall be in such manner and form as approved by the Board, and which shall include a projection of income and a projected cash flow statement for each fiscal quarter in such fiscal year and a projected balance sheet as of the end of each fiscal quarter in such fiscal year.

Section 9.3 Other Business; Corporate Opportunities.

(a) To the extent permitted by applicable Law and, in the case of the FE Member, subject to its compliance with its obligations under Section 9.3(b), any Member and any Affiliate of any Member may engage in, possess an interest in or otherwise be involved in other business ventures of any nature or description, independently or with others, similar or dissimilar to the businesses of the Company Group, and neither the Company nor any other Member shall have any rights by virtue of this Agreement in and to such independent ventures or the income or profits derived therefrom, and the pursuit of any such venture, even if competitive with the businesses of the Company Group, shall be deemed not to be wrongful or improper so long as it is consistent with all Laws and Orders applicable to the Company and its Subsidiaries.

(b) In the event that the FE Member identifies an acquisition, "greenfield" development, expansion or upgrade opportunity primarily involving, related to or in furtherance of the activities described in clauses (i) and (iii) of the definition of the Company Business within the transmission zones within the PJM Region in which the Company and its Subsidiaries then currently operate (a "Company Business Opportunity"), if and to the extent it would be permissible by the relevant Governmental Body for the Company or one of its Subsidiaries to pursue such Company Business Opportunity, then such Company Business Opportunity shall be presented by the FE Member to the Board for pursuit by the Company (subject to Article VIII) prior to any members of the FE Outside Group undertaking such opportunity; provided, however, that a "Company Business Opportunity" shall exclude any business activities conducted by the FE Outside Group as of the Effective Date, including direct or indirect investments in, or directly or indirectly developing, constructing, commercializing, operating, maintaining or owning, electric transmission assets and facilities in the Allegheny Power Systems and Jersey Central Power & Light transmission zones within the PJM Region. If the Company declines the Company Business Opportunity, then the FE Outside Group will have the right to pursue the Company Business Opportunity without further involvement of the Company.

(c) The Company and each Member expressly acknowledge and agree, that, except as set forth in Section 9.3(b), (i) neither the Members nor any of their respective Affiliates or Representatives shall have any duty to communicate or present an investment or business

opportunity to the Company in which the Company may, but for the provisions of this Section 9.3, have an interest or expectancy (a "Corporate Opportunity"), and (ii) neither of the Members nor any of their respective Affiliates or Representatives (even if such Person is also an officer or Director of the Company) shall be deemed to have breached any duty or obligation to the Company by reason of the fact that such Person pursues or acquires a Corporate Opportunity for itself or directs, sells, assigns or transfers such Corporate Opportunity to another Person or does not communicate information regarding such Corporate Opportunity to the Company. The Company and each Member expressly renounce any interest in Corporate Opportunities and any expectancy that a Corporate Opportunity will be offered to the Company.

(d) For so long as the Investor Member is a Member, the Company shall not, and shall cause its Subsidiaries not to, seek approval from the applicable Governmental Body to permit the members of the FE Outside Group that directly own equity interests in MAIT to make any capital contributions to MAIT.

Section 9.4 Compliance with Laws.

(a) The Company shall not, and shall cause its Subsidiaries not to, and shall use its commercially reasonable efforts to procure that the Company Group's respective Representatives shall not in the course of their actions for, or on behalf of, any Member of the Company Group:

(i) offer promise, provide or authorize the provision of any money, property, contribution, gift, entertainment or other thing of value, directly or knowingly indirectly, to any government official, to unlawfully influence official action or secure an improper advantage, or to unlawfully encourage the recipient to improperly influence or affect any act or decision of any Governmental Body, in each case, in order to assist any member of the Company Group in obtaining or retaining business, or otherwise act in violation of any applicable Anti-Corruption Laws;

(ii) violate any applicable Anti-Money Laundering Laws;

(iii) engage in any unlawful dealings or transactions with or for the benefit of any Sanctioned Person or otherwise violate Sanctions; or

(iv) violate any applicable FDI Law.

(b) The Company shall promptly notify the Members of (i) any allegations of misconduct by any member of the Company Group or any actions, suits or proceedings by or before any Governmental Body to which any member of the Company Group becomes a party, or to which the Company becomes aware that any Representative of the Company Group (in relation to such Representative's actions for, or on behalf of, any member of the Company Group) is a party, in each case, relating to any material breach or suspected material breach of any applicable Anti-Corruption Laws, Anti-Money Laundering Laws, Sanctions or FDI Laws or (ii) any fact or circumstances of which it becomes aware that would reasonably be expected to result in a breach of this Section 9.4.

(c) The Company and its Subsidiaries have implemented and maintain, and will continue to implement and maintain, policies and procedures and a system of internal controls to ensure compliance by the Company, its Subsidiaries, their respective directors, officers, employees and agents (in their capacity as such) and Affiliates with Anti-Corruption Laws, Anti-Money Laundering Laws, Sanctions and FDI Laws.

(d) The Company and its Affiliates shall comply in all respects with all relevant terms of the Deferred Prosecution Agreement with the Southern District of Ohio entered into on July 22, 2021.

(e) Each Director and Board Observer may confer with the Member that appointed such Director and/or Board Observer regarding any allegations of misconduct by any member of the Company Group relating to any breach or suspected breach of any applicable anti-terrorism Laws, Anti-Corruption Laws, Anti-Money Laundering Laws, Sanctions or FDI Laws.

(f) Each Member shall, and shall use its commercially reasonable efforts to procure that its Representatives in the course of their actions for, or on behalf of, such Member or its Affiliates, comply in all respects with all Anti-Corruption Laws, Anti-Money Laundering Laws and FDI Laws applicable to such Persons.

Section 9.5 Non-Solicit. Without the prior written consent of the Company, the Investor Member shall not, shall cause its Affiliates not to, and shall use its reasonable best efforts to procure that other Persons in which it is invested do not, solicit for employment, hire or engage as a consultant any individual who is serving in any position within the Transmission Leadership Team or an FE Director; provided that this Section 9.5 shall not prohibit any Person from issuing general public solicitations not specifically targeted at the Transmission Leadership Team or from hiring any Person responding to such general solicitations.

Section 9.6 Confidentiality.

(a) Each Member shall, and shall cause its Representatives to, keep confidential and not divulge any information (including all budgets, business plans and analyses) concerning the Company and its Subsidiaries, including their respective assets, business, operations, financial condition and prospects ("Confidential Information"), and to use such Confidential Information only in connection with the operation of the Company and its Subsidiaries or such Member's administration of its investment in the Company; provided that nothing herein shall prevent any Member from disclosing such Confidential Information (i) upon the Order of any court or administrative agency, (ii) upon the request or demand of any Governmental Body having jurisdiction over such party, (iii) to the extent compelled by legal process or required or requested pursuant to subpoena, interrogatories or other discovery requests, (iv) to the other Parties, (v) to such party's Representatives that in the reasonable judgment of such party need to know such Confidential Information, or (vi) to any potential Permitted Transferee in connection with a proposed Transfer of Membership Interests from a Member so long as such transferee agrees to be bound by the provisions of this Section 9.6 as if a Member; provided, further, that in the case of clauses (i), (ii) or (iii), such Member shall, to the extent legally permissible, notify the other Parties of the proposed disclosure as far in advance of such

disclosure as practicable and use reasonable efforts to ensure that any Confidential Information so disclosed is accorded confidential treatment, when and if available.

(b) The restrictions in Section 9.6(a) shall not apply to information that (i) is or becomes generally available to the public other than as a result of a disclosure by a Member or any of its Representatives in violation of this Agreement, (ii) is or becomes available to a Member or any of its Representatives on a non-confidential basis prior to its disclosure to the receiving Member and any of its Representatives, (iii) is or has been independently developed or conceived by such Member or its Affiliates without use of the Company's or any of its Subsidiaries' Confidential Information or (iv) becomes available to the receiving Member or any of its Representatives on a non-confidential basis from a source other than the Company or any of its Subsidiaries, any other Party or any of their respective Representatives; provided that such source is not known by the recipient of the information to be bound by a confidentiality agreement with the disclosing party or any of its Representatives.

(c) Each Party shall inform any Representatives to whom it provides Confidential Information that such information is confidential and instruct them (i) to keep such Confidential Information confidential and (ii) not to disclose Confidential Information to any Third Party (other than those Persons to whom such Confidential Information has already been disclosed in accordance with the terms of this Agreement). The disclosing Party shall be responsible for any breach of this Section 9.6 by the Person to whom the Confidential Information is disclosed.

(d) The restrictions in Section 9.6(a) shall not restrict any Member and its Affiliates from disclosing any Confidential Information required to be disclosed under applicable securities Laws or the rules of any stock exchange on which any of their securities are traded.

(e) Notwithstanding anything herein to the contrary, the provisions of this Section 9.6 shall survive the termination of this Agreement for a period of three years and, with respect to each Member, shall survive for a period of three years following the date on which such Member is no longer a Member. The provisions of this Section 9.6 shall supersede the provisions of any non-disclosure agreements entered into by the Company (or its Affiliates, including the FE Member) and any of the Members (or their respective Affiliates) with respect to the transactions contemplated hereby or by the PSA prior to the Effective Date.

Section 9.7 Expenses. Except as otherwise expressly provided herein, all costs and expenses, including fees and disbursements of Representatives and other Advisors, incurred in connection with this Agreement and with the continuing relationship between the Company and its Members, and among any of them, shall be paid by the Party incurring such costs and expenses

Section 9.8 Commitment to the Company Business. In furtherance of the Company's commitment to engaging only in activities and conduct consistent with the Company Business or any reasonable extension thereof, other than any transaction or series of transactions approved unanimously by the Board or as otherwise agreed in writing by the Members, the Company shall not, during any 10 year period, transfer, sell or otherwise dispose, or permit the Company's Subsidiaries to or otherwise cause the transfer, sale or other disposition, whether by way of asset sale, stock sale, merger or otherwise, of Qualifying Core Assets of the Company or one or more

of its Subsidiaries having a Fair Market Value in excess of 20% of the Fair Market Value of the Company and its Subsidiaries' aggregate Qualifying Core Assets (such percentage to be measured immediately prior to such transfer, sale or disposition, and in the case of multiple transactions, the percentages will be added to determine if such 20% threshold has been exceeded) in any single transaction or series of transactions unless the proceeds from such transactions are reinvested (or committed to be reinvested) in other Qualifying Core Assets or other capital expenditure projects set forth in the Company's annual budget and business plan; provided that the foregoing shall not apply to any transfer, sale or other disposition of any of the Company's or its Subsidiaries' Qualifying Core Assets that is required by any Governmental Body or otherwise required under applicable Law.

ARTICLE X
TAX MATTERS

Section 10.1 Tax Classification. The Parties intend that the Company be classified as a corporation for U.S. federal income (and applicable state and local) Tax purposes, and Internal Revenue Service Form 8832 has been properly filed electing such classification (which election was effective at least one Business Day prior to the Effective Date).

Section 10.2 Tax Matters Shareholder. The FE Member is hereby designated the "Tax Matters Shareholder" of the Company and its Subsidiaries. Except as otherwise provided in this Agreement, the Tax Matters Shareholder may, in its reasonable discretion, make or refrain from making any Tax elections allowed under applicable Law for the Company or any of its Subsidiaries. The Tax Matters Shareholder shall prepare and file or cause to be prepared and filed any Tax Return required to be filed by or with respect to the Company or its Subsidiaries. Notwithstanding any other provision of this Agreement, the Tax Matters Shareholder shall be entitled to control in all respects, and neither the Investor Member nor its Affiliates shall have the right to participate in, any Tax audits, examinations or other proceedings by any taxing authority of any Governmental Body with respect to any Tax Return of the Company or any of its Subsidiaries.

Section 10.3 Tax Allocation Agreement. The Company shall use commercially reasonable efforts to enforce its rights under the Tax Allocation Agreement, including any rights to receive payments or indemnification thereunder.

Section 10.4 Cooperation. The Investor Member shall, and shall cause its Affiliates to, provide to the FE Member and its Subsidiaries (including the Company and its Subsidiaries), and the FE Member and the Company shall, and shall cause their Affiliates to, provide to the Investor Member, in each case, such cooperation, documentation and information as any of them reasonably may request in connection with (a) filing any Tax Return, amended Tax Return or claim for refund, (b) determining a liability for Taxes or (c) preparing for or conducting any Tax audits, examinations or other proceedings by any taxing authority of any Governmental Body.

Section 10.5 Withholding. The Company may withhold and pay over to the United States Internal Revenue Service (or any other relevant Tax authority) such amounts as it is required to withhold or pay over, pursuant to the Code or any other applicable Law, on account of a Member, including in respect of distributions made pursuant to Section 5.2 or Section 5.3, and, for the

avoidance of doubt, the amount of any such distribution or other payment to a Member shall be net of any such withholding. To the extent that any amounts are so withheld and paid over, such amounts shall be treated as paid to the Person(s) in respect of which such withholding was made. To the extent that a Member claims to be entitled to a reduced rate of, or exemption from, a withholding Tax pursuant to an applicable income Tax treaty, or otherwise, such Member shall furnish the Company with such information and forms as such Member may be required to complete where necessary to comply with any and all Laws and regulations governing the obligations of withholding Tax agents, and the Company shall apply such reduced rate of, or exemption from, withholding Tax as reflected on such information and forms that have been provided by such Member. Each Member agrees that if any information or form provided pursuant to this Section 10.5 expires or becomes obsolete or inaccurate in any respect, such Member shall update such form or information.

Section 10.6 Certain Representations and Warranties. Each Member represents and warrants that any such information and forms furnished by such Member shall be true and accurate and agrees to indemnify the Company from any and all damages, costs and expenses resulting from the filing of inaccurate or incomplete information or forms relating to such withholding Taxes.

Section 10.7 Intended Tax Treatment. Each of the Parties hereby acknowledges that the transactions contemplated hereby and those other transactions that were contemplated under the PSA were or are being structured by the Parties in a manner to preserve the status of the Company as a member of the "affiliated group" (as defined in Section 1504(a) of the Code) of which FE Member is the common parent and to enable the FE Member to include the Company in its U.S. consolidated group. To the extent that the FE Member determines, based on the advice of counsel, that there have been any changes in the applicable Tax consolidation rules, or the interpretation thereof, that would reasonably be expected to impair the foregoing treatment, the FE Member will have the option, upon written notice to the Investor Member and the Company, to cause alterations to the governance and ownership structure of the Company, including by making amendments to this Agreement (subject to Section 13.10), to the minimum extent necessary to preserve the intended Tax consolidation (any such changes, "Tax-Driven Changes"); provided that the Parties will cooperate in good faith to appropriately compensate the Investor Member for any loss in the Fair Market Value of its initial investment in the Membership Interests acquired pursuant to the PSA. In the event of the foregoing, the Parties shall act in good faith to take all actions reasonably necessary to effect such Tax-Driven Changes and provide the appropriate compensation to the Investor Member as contemplated by the foregoing in connection therewith.

ARTICLE XI
LIABILITY; EXCULPATION; INDEMNIFICATION

Section 11.1 Liability; Member Duties. The debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Covered Person shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Covered Person. Each Member acknowledges and agrees that each Member, in its capacity as a Member, may decide or determine any matter subject to the approval of such Member pursuant to any provision of this Agreement in the sole and absolute discretion of such Member, and in making such decision or determination such Member shall have no duty, fiduciary or otherwise, to any other Member or to the Company

Group, it being the intent of all Members that such Member, in its capacity as a Member, has the right to make such determination solely on the basis of its own interests.

Section 11.2 Exculpation. To the fullest extent permitted by applicable Law, no Covered Person shall be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person's fraud, gross negligence or willful misconduct.

Section 11.3 Indemnification. The Company shall indemnify, defend and hold harmless any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed actions, suits or proceedings by reason of the fact that such Person is or was a Director or officer of the Company, or is or was a Director or officer of the Company serving at the request of the Company as a director, officer or agent of another limited liability company, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, settlements, penalties and fines actually and reasonably incurred by him or her in connection with the defense or settlement of such, action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company; and, with respect to any criminal action or proceeding, either he or she had reasonable cause to believe such conduct was lawful or no reasonable cause to believe such conduct was unlawful.

Section 11.4 Authorization. To the extent that such present or former Director or officer of the Company has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Section 11.3, or in the defense of any claim, issue or matter therein, the Company shall indemnify him or her against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith. Any other indemnification under Section 11.3 shall be made by the Company only as authorized in the specific case, upon a determination that indemnification of the present or former Director or officer is permissible in the circumstances because such present or former Director or officer has met the applicable standard of conduct. Such determination shall be made, with respect to a Person who is a Director or officer at the time of such determination, (a) by a majority vote of the Directors who are not parties to such action, suit or proceeding, even with less than a quorum, or (b) if there are no such Directors, or if such Directors so direct, by independent legal counsel in a written opinion, or (c) by the Members. Such determination shall be made, with respect to former Directors and officers, by any Person or Persons having the authority to act on the matter on behalf of the Company.

Section 11.5 Reliance on Information. For purposes of any determination under Section 11.3, a present or former Director or officer of the Company shall be deemed to have acted in good faith and have otherwise met the applicable standard of conduct set forth in Section 11.3 if his or her action is based on the records or books of account of the Company or on information supplied to him or her by the officers of the Company in the course of his or her duties, or on the advice of legal counsel for the Company or on information or records given or reports made to the Company by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Company. The provisions of this Section 11.5 shall not be deemed to be exclusive or to limit in any way the circumstances in which a present or former Director or officer

of the Company may be deemed to have met the applicable standard of conduct set forth in Section 11.3.

Section 11.6 Advancement of Expenses. Expenses (including reasonable attorneys' fees) incurred by the present or former Director or officer of the Company in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the Company as authorized in the specific case in the same manner described in Section 11.4, upon receipt of a written affirmation of the present or former Director or officer that he or she has met the standard of conduct described in Section 11.3 and upon receipt of a written undertaking by or on behalf of him or her to repay such amount if it shall ultimately be determined that he or she did not meet the standard of conduct, and a determination is made that the facts then known to those making the determination shall not preclude indemnification under this Article XI.

Section 11.7 Non-Exclusive Provisions. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article XI shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled.

Section 11.8 Survival of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article XI shall, unless otherwise provided when authorized or ratified, continue as to a Person who has ceased to be a Director or officer of the Company and shall inure to the benefit of his or her heirs, executors and administrators.

Section 11.9 Limitations. Notwithstanding anything contained in this Article XI to the contrary, the Company shall not be obligated to indemnify any Director or officer (or his or her heirs, executors or personal or legal representatives) or advance expenses in connection with a proceeding (or part thereof) initiated by such Person unless such proceeding (or part thereof) was authorized or consented to by the Board.

ARTICLE XII
REPRESENTATIONS AND WARRANTIES

Section 12.1 Members Representations and Warranties. Each Member hereby represents and warrants, severally and not jointly, to the Company and to the other Member as follows:

(a) Such Member is a company duly organized, validly existing and in good standing under the Laws of its jurisdiction of incorporation or formation, as applicable, with full power and authority to enter into this Agreement and perform all of its obligations hereunder.

(b) The execution and delivery of this Agreement by such Member, and the performance by such Member of its obligations hereunder, have been duly and validly authorized by all requisite action by such Member, and no other proceedings on the part of such Member are necessary to authorize the execution, delivery or performance of this Agreement by such Member.

(c) This Agreement has been duly and validly executed and delivered by such Member, and, assuming that this Agreement is a valid and binding obligation of the other Parties, this Agreement constitutes a valid and binding obligation of such Member, enforceable against

such Member in accordance with its terms, except as limited by the application of bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other Laws relating to or affecting creditors' rights or general principles of equity.

(d) The execution and delivery by such Member of this Agreement, and the performance by such Member of its obligations hereunder, does not (i) violate or breach its Organizational Documents, (ii) violate any applicable Law to which such Member is subject or by which any of its assets are bound, or (iii) result in any breach of or constitute a default (or an event that, with notice or lapse of time or both, would become a default) under any Contract to which such Member is a party or by which any of its assets are bound.

ARTICLE XIII
MISCELLANEOUS

Section 13.1 Notices. Except as otherwise expressly provided herein, all notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (a) when personally delivered, (b) when transmitted by electronic mail (unless if transmitted after 5:00 p.m. Eastern time or other than on a Business Day, then on the next Business Day) to the address specified below in which case such notice shall be deemed to have been given when the recipient transmits manual written acknowledgment of successful receipt, which the recipient shall have an affirmative duty to furnish promptly after successful receipt, (c) when sent by internationally-recognized courier in which case it shall be deemed to have been given at the time of actual recorded delivery, or (d) the third Business Day following the day on which the same is sent by certified or registered mail, postage prepaid, in each case, to the respective Party at the number, electronic mail address or street address, as applicable, set forth below, or at such other number, electronic mail address or street address as such Party may specify by written notice to the other Party.

Notices to the Investor Member:

North American Transmission Company II L.P.
c/o Brookfield Infrastructure Group
1200 Smith Street, Suite 640
Houston, Texas 77002
Attention: Fred Day
Email: fred.day@brookfield .com

with copies to (which shall not constitute notice):

Skadden, Arps, Slate, Meagher & Flom LLP
1000 Louisiana Street
Houston, Texas 77002
Attention: Eric Otness
Email: eric.otness@skadden.com

and

Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005
Attention: Aryan Moniri
Email: aryan.moniri@skadden.com

Notices to the FE Member:

FirstEnergy Corp.
76 South Main Street
Akron, Ohio 44308
Attention: David W. Pinter
Email: dpinter@firstenergycorp.com

with a copy to (which shall not constitute notice):

Jones Day
901 Lakeside Ave.
Cleveland, Ohio 44114
Attention: Peter Izanec, George Hunter
Email: peizanec@jonesday.com, ghunter@jonesday.com

Notices to the Company:

FirstEnergy Transmission, LLC
c/o FirstEnergy Corp.
76 South Main Street
Akron, Ohio 44308
Attention: David W. Pinter
Email: dpinter@firstenergycorp.com

with a copy to (which shall not constitute notice):

Jones Day
901 Lakeside Ave.
Cleveland, Ohio 44114
Attention: Peter Izanec, George Hunter
Email: peizanec@jonesday.com, ghunter@jonesday.com

Section 13.2 Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided that neither Member, nor the Company, shall purport to assign or Transfer all or any of its rights or obligations under this Agreement nor grant, declare, create or dispose of any right or interest in this Agreement in whole or in part except with respect to a Transfer in accordance with the terms of this Agreement, and any attempted or purported assignment hereof not in accordance with the terms hereof shall be void *ab initio*.

Section 13.3 Waiver of Partition. Each Member hereby waives any right to partition of the Company property.

Section 13.4 Further Assurances. From and after the Effective Date, from time to time, as and when requested by any Party and at such Party's expense, any other Party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as such requesting Party may reasonably deem necessary or desirable to carry out the purposes and intent of this Agreement.

Section 13.5 Third Party Beneficiaries. Except as otherwise expressly provided herein, nothing expressed or referred to in this Agreement shall be construed to give any Person other than the Parties any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement; provided, that Covered Persons are express third party beneficiaries of Article XI.

Section 13.6 Parties in Interest. This Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective successors, legal representatives and permitted assigns.

Section 13.7 Severability. If any term, provision, covenant or restriction contained in this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against its regulatory policy, the remainder of the terms, provisions, covenants and restrictions contained in this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and, to the extent permitted and possible, any invalid, void or unenforceable term shall be deemed replaced by a term that is valid and enforceable and that comes closest to expressing the intention of such invalid, void or unenforceable term.

Section 13.8 Construction. The language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Person. The headings of the sections and paragraphs of this Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions hereof.

Section 13.9 Complete Agreement. This Agreement (including any schedules thereto), constitutes the entire agreement of the Parties hereto with respect to the subject matter hereof and thereof and supersedes any prior understandings, agreements or representations by or among the Parties hereto or Affiliates thereof, written or oral, to the extent they relate in any way to the subject matter hereof.

Section 13.10 Amendment; Waiver. Subject to Article VIII, neither this Agreement nor any other Organizational Document of the Company may be amended (whether by merger or otherwise)

except in a written instrument signed by Members owning at least a majority of the Membership Interests; provided, that (a) except for any Tax-Driven Changes being implemented in accordance with Section 10.6, the prior written consent of any Member shall be required in respect of any such proposed modification, alteration, supplement or amendment that would have a material disproportionate adverse impact on that Member (in its capacity as a Member) as compared to the other Members (in their capacity as Members), (b) except for any Tax-Driven Changes being implemented in accordance with Section 10.6, the prior written consent of the Investor Member shall be required to modify, alter, supplement or amend any provision of this Agreement or any other Organizational Document of the Company (unless such modification, alteration, supplement or amendment would not have an adverse impact on the Investor Member), and (c) notwithstanding anything in this Agreement to the contrary, Article V may not be amended other than by a written instrument signed by the Investor Member. In the event that the Company issues Membership Interests to one or more Third Parties pursuant to Section 5.1(c) or Section 7.1, the Members and the Company shall negotiate in good faith to amend this Agreement to the extent reasonably necessary to reflect such additional Members. Any amendment or revision to Schedule 1 that is made by an officer solely to reflect information regarding Members or the Transfer or issuance of Membership Interests made in accordance with the terms of this Agreement shall not be considered an amendment to this Agreement and shall not require any Board or Member approval. Any failure or delay on the part of any Party in exercising any power or right hereunder shall not operate as a waiver thereof, nor shall any single or partial exercise of any such right or power preclude any other or further exercise thereof or the exercise of any other right or power hereunder or otherwise available at law or in equity.

Section 13.11 Governing Law. This Agreement, and any claim, action, suit, investigation or proceeding of any kind whatsoever, including a counterclaim, cross-claim or defense, regardless of the legal theory under which such liability or obligation may be sought to be imposed, whether sounding in contract or tort, or whether at law or in equity, or otherwise under any legal or equitable theory, that may be based upon, arising out of or related to this Agreement or the negotiation, execution or performance of this Agreement or the transactions contemplated hereby shall be governed by and construed in accordance with the internal Laws of the State of Delaware applicable to agreements executed and performed entirely within such State without regards to conflicts of law principles of the State of Delaware or any other jurisdiction that would cause the Laws of any jurisdiction other than the State of Delaware to apply.

Section 13.12 Specific Performance. The Parties agree that irreparable damage, for which monetary relief, even if available, shall not be an adequate remedy, would occur in the event that any provision of this Agreement is not performed in accordance with its specific terms or is otherwise breached. It is accordingly agreed that (a) the Parties shall be entitled to seek an injunction or injunctions, specific performance or other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof without proof of damages or otherwise, this being in addition to any other remedy to which they are entitled under this Agreement, and (b) the right of specific performance and other equitable relief is an integral part of this Agreement and the business and legal understandings between the Members with respect to the Company, and without that right, none of the Members would have entered into this Agreement. The Parties acknowledge and agree that any Party pursuing an injunction or injunctions or other Order to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in accordance with this Section 13.12 shall not be required

to provide any bond or other security in connection with any such Order. The remedies available to the Parties pursuant to this Section 13.12 shall be in addition to any other remedy to which they may be entitled at law or in equity, and the election to pursue an injunction or specific performance shall not restrict, impair or otherwise limit any Party from seeking to collect or collecting damages. Each of the Parties agrees that it shall not oppose the granting of an injunction, specific performance and other equitable relief on the basis that any other Party has an adequate remedy at law or that any award of specific performance is not an appropriate remedy for any reason at law or in equity.

Section 13.13 Arbitration.

(a) With the exception only of any proceeding seeking interim or provisional relief in order to protect the rights or property of a Party which a Party may elect to pursue in court, all claims or disputes arising out of or relating to this Agreement, not amicably resolved between the Parties shall be determined by binding arbitration upon demand by a Party. Such arbitration shall be administered by the American Arbitration Association ("AAA") utilizing its Commercial Arbitration Rules in effect as of the date the arbitration is commenced. The arbitration shall be conducted before a single arbitrator, if the Parties can agree on the one arbitrator. If the Parties cannot agree on a single arbitrator, there shall be a panel of three arbitrators with one chosen by each Member and the third arbitrator selected by the two Members-appointed arbitrators. If a Party fails to appoint an arbitrator within 30 days following a written request by another Party to do so or if the two party-appointed arbitrators fail to agree upon the selection of a third arbitrator, as applicable, within 30 days following their appointment, the additional arbitrator shall be selected by the AAA pursuant to its applicable procedures. Each arbitrator shall be disinterested and have at least 20 years of experience with commercial matters. The arbitrator(s) shall have the power to award any appropriate remedy consistent with the objectives of the arbitration and subject to, and consistent with, all Laws and Orders applicable to the Company and its Subsidiaries (including, for the avoidance of doubt, the necessity of obtaining any requisite authorization, approval or consent of any Governmental Body necessary to implement the appropriate remedy). The decision of the one arbitrator or, if applicable, the majority of the three arbitrators shall be final and binding upon the Parties (subject only to limited review as required by applicable Law). Judgment upon the award of the arbitrator(s) may be entered in any court of competent jurisdiction or otherwise enforced in any jurisdiction in any manner provided by applicable Law. The losing Party shall pay the prevailing Party's attorney's fees and costs and the costs associated with the arbitration, including expert fees and costs and the arbitrators' fees and costs; provided, however, that each Party shall bear its own fees and costs until the arbitrator(s) determine which, if any, Party is the prevailing Party and the amount that is due to such prevailing Party. The arbitration proceedings shall take place in Akron, Ohio and, for the avoidance of doubt, the arbitration proceedings shall be conducted in the English language.

(b) All discussions, negotiations and proceedings under this Section 13.13, and all evidence given or discovered pursuant hereto, will be maintained in strict confidence by all Parties, except where disclosure is required by applicable Law, necessary to comply with any legal requirements of such Party or necessary or advisable in order for a Party to assert any legal rights or remedies, including the filing of a complaint with a court or, based on the advice of counsel, such disclosure is determined to be necessary or advisable under applicable

securities Laws or the rules of any stock exchange on which any of such Party's securities are traded. Disclosure of the existence of any arbitration or of any award rendered therein may be made as part of any action in court for interim or provisional relief or to confirm or enforce such award.

(c) Any settlement discussions occurring and negotiating positions taken by any Party in connection with the procedures under this Section 13.13 will be subject to Rule 408 of the Federal Rules of Civil Procedure and shall not be admissible as evidence in any proceeding relating to the subject matter of this Agreement.

(d) The fact that the dispute resolution procedure specified in this Section 13.13 has been or may be invoked will not excuse any Party from performing its obligations under this Agreement, and during the pendency of any such procedure, all Parties must continue to perform their respective obligations in good faith.

Section 13.14 Counterparts. This Agreement may be executed in counterparts, and any Party may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute one and the same instrument. This Agreement shall become effective when each Party shall have received a counterpart hereof signed by the other Parties. The Parties agree that the delivery of this Agreement may be effected by means of an exchange of facsimile or electronically transmitted signatures.

Section 13.15 Fair Market Value Determination. Upon request by any Member, so long as such Member holds a Percentage Interest greater than 5.0%, within five Business Days after receiving written notice of the Board's determination in connection with any determination of Fair Market Value of Membership Interests or other assets under this Agreement (which determination shall be provided by the Company to each Member promptly following the making thereof), the Company shall select a nationally recognized independent valuation firm with no existing or prior business or personal relationship with any Member or any of its Affiliates in the five-year period immediately preceding the date of engagement pursuant to this Section 13.15 (the "Independent Evaluator") to determine such Fair Market Value. Each of the Company and the requesting Member shall submit their view of the Fair Market Value of the Membership Interests or the relevant asset(s) to the Independent Evaluator, and each party will receive copies of all information provided to the Independent Evaluator by the other party. The final Independent Evaluator's determination of the Fair Market Value of such Membership Interests or asset(s) shall be set forth in a detailed written report addressed to the Company and the requesting Member within 30 days following the Company's selection of such Independent Evaluator and such determination shall be final, conclusive and binding. In rendering its decision, the Independent Evaluator shall determine which of the positions of the Company and the requesting Member submitted to the Independent Evaluator is, in the aggregate, more accurate (which report shall include a worksheet setting forth the material calculations used in arriving at such determination), and, based on such determination, adopt either the Fair Market Value determined by the Company or the requesting Member. Any fees and expenses of the Independent Evaluator incurred in resolving the disputed matter(s) will be borne by the party whose positions were not adopted by the Independent Evaluator.

Section 13.16 Certain Definitions. As used in this Agreement, the following terms shall have the meanings ascribed to them below:

"Act" means the Delaware Limited Liability Company Act, as amended from time to time.

"Advisors" means, with respect to any Person, the accountants, attorneys, consultants, advisors, investment bankers, or other representatives of such Person.

"AET PATH" means AET PATH Company, LLC, a Delaware limited liability company.

"Affiliate" of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, Contract or otherwise.

"Anti-Corruption Laws" means (a) the U.S. Foreign Corrupt Practices Act of 1977, as amended; (b) the U.K. Bribery Act 2010, as amended; and (c) any other Law concerning or relating to bribery or corruption imposed, administered or enforced by any Governmental Body.

"Anti-Money Laundering Laws" means any Law concerning or relating to money laundering, any predicate crime to money laundering or any record keeping, disclosure or reporting requirements related to money laundering imposed, administered or enforced by any Governmental Body.

"Available Cash" means, for any fiscal quarter, the cash flow generated from the normal business operations of the Company and its Subsidiaries in such fiscal quarter, less any amounts that the Board reasonably determines are necessary and appropriate to be retained in order to (a) permit the Company and its Subsidiaries to pay their obligations as they become due in the ordinary course of business, (b) maintain the Company's and its Subsidiaries' target regulatory capital structure and investment-grade credit metrics, (c) fund planned capital expenditures, (d) maintain an adequate level of working capital, (e) maintain prudent reserves for future obligations (including contingent obligations of the Company and its Subsidiaries), (f) comply with applicable Law, Order, the terms of the Company's and its Subsidiaries Indebtedness (including making any required payments of principal or interest in satisfaction of Indebtedness) or (g) respond to an Emergency Situation. For the avoidance of doubt, the proceeds of the issuance of the Investor Member's Membership Interests shall be excluded from the calculation of Available Cash (and may be held in a segregated sub-account in the money pool of the FE Member).

"Business Day" means any day other than a Saturday, Sunday or a day on which banking institutions located in New York, New York are authorized by applicable Law to be closed.

"Change in Control" means with respect to the applicable Party, any person or group (within the meaning of Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended) at any time becoming the beneficial owner of 50% or more of the combined voting power of the voting securities of such Party.

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

"Company Group" means the Company and each of its Subsidiaries, collectively.

"Competitor" means any Person that is, or through its Subsidiaries is, directly involved in the transmission of electricity in the United States.

"Contract" means any written agreement, arrangement, commitment, indenture, instrument, purchase order, license or other binding agreement.

"Covered Person" means any (a) Member, any Affiliate of a Member or any officers, directors, shareholders, partners, members, employees, representatives or agents of a Member or their respective Affiliates, (b) Director, or (c) employee, officer or agent of the Company or its Affiliates.

"Debt-to-Capital Ratio" means, with respect to any Person, the ratio of (a) the Indebtedness of such Person and its Subsidiaries to (b) the sum of (i) the Indebtedness of such Person and its Subsidiaries plus (ii) Member equity (including noncontrolling interest of MAIT Class B membership equity), capital stock (but excluding treasury stock and capital stock subscribed and unissued) and other equity accounts (including retained earnings and paid in capital but excluding accumulated other comprehensive income and loss) of such Person and its Subsidiaries, determined in accordance with GAAP.

"Emergency Expenditure" means amounts required to be incurred in order to respond to an Emergency Situation or to avoid an Emergency Situation in a manner that is consistent with general practices applicable to facilities used in the Company Business, but only to the extent such expenditures are reasonably designed to ameliorate the consequences, or an immediate threat of any of the consequences, of the issues set forth in the definition of "Emergency Situation."

"Emergency Situation" means, with respect to the business of the Company and its Subsidiaries, (a) any abnormal system condition or abnormal situation requiring immediate action to maintain system frequency, loading within acceptable limits or voltage or to prevent loss of firm load, material equipment damage or tripping of system elements that is reasonably likely to materially and adversely affect reliability of an electric system, (b) any other occurrence or condition that otherwise requires immediate action to prevent an immediate and material threat to the safety of Persons or the operational integrity of, or material damage to, any material assets of, or the business of the Company or its Subsidiaries, or (c) any other condition or occurrence requiring immediate implementation of emergency procedures as defined by the applicable transmission grid operator or transmitting utility.

"Encumber" means to place a Lien against.

"Excluded Membership Interests" means any Membership Interests or other equity interests in the Company issued in connection with:

(a) any issuance to a Third Party pursuant to and in accordance with Section 7.1;

(b) any arrangement approved unanimously by the Board for the return of income or capital to the Members;

(c) any equity split, equity dividend or any similar recapitalization; or

(d) the commencement of any offering of Membership Interests or other equity interests of the Company or any of its Subsidiaries, pursuant to a registration statement filed in accordance with the United States Securities Act of 1933.

"Fair Market Value" means, with respect to any asset (including equity interest), the price at which the asset would change hands between a willing buyer and a willing seller that are not affiliated parties, neither being under any compulsion to buy or to sell, and both having knowledge of the relevant facts and taking into account the full useful life of the asset. In valuing Membership Interests, no consideration of any control, liquidity or minority discount or premium shall be taken into account. Fair Market Value shall be determined by the Board in accordance with the foregoing, subject to Section 13.15.

"FDI Law" means any Law concerning or relating to foreign investment or national security imposed, administered or enforced by any Governmental Body.

"FE Outside Group" means the FE Member and its Subsidiaries, other than the Company and its Subsidiaries.

"FERC" means the U.S. Federal Energy Regulatory Commission or any successor agency thereto.

"GAAP" means United States generally accepted accounting principles applied on a consistent basis during the periods involved.

"Governmental Body" means any national, foreign, federal, regional, state, local, municipal or other governmental authority of any nature (including any division, department, agency, commission or other regulatory body thereof) and any court or arbitral tribunal, including any governmental, quasi-governmental or non-governmental body administering, regulating or having general oversight over electricity, power or the transmission or transportation thereof, including any regional transmission operator, independent system operator and any market monitor thereof.

"Indebtedness" means, with respect to any Person, (a) all indebtedness of such Person, whether or not contingent, for borrowed money or in respect of any loans or advances, (b) all other indebtedness of such Person evidenced by bonds, debentures, notes or other similar instruments or debt securities (excluding trade accounts payables constituting short term liabilities under GAAP), (c) the maximum amount of all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments, (d) all guarantees of the obligations of any other Person, (e) net obligations of such Person under any hedging arrangement, and (f) any accrued interest, premiums and penalties.

"IRR" means, as of the consummation of a Drag-Along Sale, the actual pre-Tax annual rate of return of the Investor Member (specified as a percentage) taking into account only the following, on a cash-in, cash-out basis: (a) all capital contributions actually made to the Company by or on behalf of the Investor Member or any of its Permitted Transferees with respect to their

Membership Interests on or before such date, and (b) all cash distributions to the Investor Member or any of its Permitted Transferees on or before such date. The IRR will be calculated using the XIRR function in the most recent version of Microsoft Excel (or if such program is no longer available, such other software program for calculating the IRR as is reasonably determined by the Board), and will be based on the actual dates of funding of such capital contributions and the actual dates of receipt of such cash distributions and proceeds.

"Law" means any law (statutory, common, or otherwise), rule, regulation, code or ordinance enacted, adopted, promulgated or applied by any Governmental Body, including all regulatory requirements emanating from state and federal regulators of the Company Group's businesses and operations.

"Liens" means all liens, mortgages, deeds of trust, pledges, security interests, charges, claims, proxy, voting trust or transfer restriction under any stockholder or similar agreement.

"MAIT" means Mid-Atlantic Interstate Transmission, LLC.

"Member" means each of FE Member and Investor Member, and any Person admitted as an additional member of the Company or a substitute member of the Company pursuant to the provisions of this Agreement, each in its capacity as a member of the Company.

"Membership Interests" means membership interests of the Company.

"New Securities" means any Membership Interests or other equity interests in the Company, other than any Excluded Membership Interests.

"OFAC" means the U.S. Office of Foreign Assets Control.

"Order" means any judgment, order, injunction, decree, ruling, writ or arbitration award of any Governmental Body or any arbitrator.

"Organizational Documents" means, with respect to any corporation, its articles or certificate of incorporation, memorandum or articles of association and by-laws or documents of similar substance; with respect to any limited liability company, its articles of association, articles of organization or certificate of organization, formation or association and its operating agreement or limited liability company agreement or documents of similar substance; with respect to any limited partnership, its certificate of limited partnership and partnership agreement or documents of similar substance; and with respect to any other entity, documents of similar substance to any of the foregoing.

"Percentage Interest" means, in respect of any Member, their relative ownership in the Membership Interests, expressed as a percentage, which shall be deemed to be equal to the number of Membership Interests that such Member owns divided by the total number of Membership Interests then outstanding.

"Permitted Transferee" means, with respect to the FE Member or the Investor Member, (a) a directly or indirectly wholly owned Subsidiary of such Member, (b) an Affiliate of such Member

of which such Member is, directly or indirectly, a wholly owned Subsidiary (an "Affiliate Parent"), or (c) an Affiliate of such Member that is a wholly owned Subsidiary of an Affiliate Parent.

"Persons" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a Governmental Body.

"PJM Region" means the aggregate of the transmission zones within the PJM Interconnection, L.L.C.

"Preemptive Right Share" means a ratio of (a) the number of Membership Interests held by such Member with Preemptive Rights, to (b) the total number of Membership Interests then outstanding immediately prior to the issuance of New Securities giving rise to the Preemptive Rights.

"Prohibited Competitor" means any Person listed on Schedule 2, as may be updated from time to time in accordance with Section 6.3(b).

"PSA" means the Purchase and Sale Agreement, dated November 6, 2021, by and among the Company, the FE Member, the Investor Member, and, solely for the purposes of Sections 5.5, 5.6(c) and 8.1(a) and Article X thereof, the Guarantors (as defined therein).

"Qualified Designee" means either (a) an employee of the Investor Member or any direct or indirect wholly owned Subsidiary thereof (an "Investor Employee") or (b) an individual with at least 10 years of management-level experience in the private sector electricity transmission, distribution and generation business; provided, that a "Qualified Designee" shall not include (i) any director, officer, employee or other Person affiliated with a Competitor, (ii) any Person that is, or within 10 years prior to the Effective Date was, an employee or consultant of FERC or any other Governmental Body, a public official or a candidate for public office (it being agreed that any individual affiliated with the Investor Member shall not be considered a public official as a result of such affiliation), (iii) any Person convicted by a court or equivalent tribunal of any felony (or equivalent crime in the applicable jurisdiction) or of any misdemeanor (or equivalent crime in the applicable jurisdiction) that involves financial dishonesty or moral turpitude, or (iv) solely in the case of an individual that is not an Investor Employee, any Person that would create a material regulatory or reputational risk to the Company based on a good-faith determination by the Board.

"Qualifying Core Assets" means assets utilized in connection with the conduct of the Company's and its Subsidiaries' business on which the Company reasonably expects (a) that it or its Subsidiaries will be eligible to include in the applicable rate base, and (b) to earn a return through rates approved by FERC (or such other Governmental Body that may then be applicable) that are commercially reasonable (to be determined by the Board in good faith) and are not otherwise inconsistent with applicable FERC (or such other Governmental Body, as the case may be) rate precedent). For the avoidance of doubt, "Qualifying Core Assets" shall also include necessary or ancillary expenses to support such assets (including working capital).

"Rate Base Amount" means an amount equal to the net utility plant of the Company and its Subsidiaries, taken as a whole, as determined based on the most recently filed FERC Form 1s for the Company and each of its Subsidiaries.

"Representatives" means the directors, officers, employees, agents, and Advisors of a Party.

"Sanctioned Person" means a Person named on the list of Specially Designated Nationals or Blocked Persons maintained by OFAC available at http://www.treas.gov/offices/enforcement/ofac/sdn/index.html, or as otherwise published from time to time or any other Sanctions-related list of designated Persons maintained by an applicable Governmental Body described in the definition of "Sanctions."

"Sanctions" means any sanctions imposed, administered or enforced from time to time by OFAC, the U.S. Department of State, Her Majesty's Treasury, the United Nations, the European Union or any agency or subdivision of any of the foregoing, including any regulations, rules and executive orders issued in connection therewith.

"Subsidiary" means, with respect to any Person, any entity of which a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof or any partnership, association or other entity of which a majority of the partnership or other similar ownership interest is at the time owned or controlled, directly or indirectly, by such Person or one or more Subsidiaries of such Person or a combination thereof. For purposes of this definition, a Person is deemed to have a majority ownership interest in a partnership, limited liability company, association or other business entity if such Person is allocated a majority of the gains or losses of such partnership, limited liability company, association or other entity or is or controls the managing director or general partner of such partnership, limited liability company, association or other business entity.

"Tag Portion" means an amount of Membership Interests equal to the specified quantity of Tag-Along Offered Membership Interests multiplied by Investor Member's Percentage Interest.

"Tax" or "Taxes" means any federal, state, local, foreign or other income, gross receipts, capital stock, capital gains, franchise, profits, withholding, payroll, social security, unemployment, disability, real property, ad valorem/personal property, stamp, excise, occupation, sales, use, excise, escheat, unclaimed property, transfer, value added, import, export, alternative minimum, estimated or other tax, duty, assessment or governmental charge of any kind whatsoever, including any interest, penalty or addition thereto.

"Tax Return" means any return, claim for refund, report, election, form, statement or information return relating to Taxes, including any schedule or attachment thereto, and including any amendments thereof.

"Third Party" means, with respect to a Member, another Person that is not another Member or an Affiliate of a Member.

"Transfer" shall mean, with respect to the legal or beneficial ownership of any of a Member's Membership Interests, any sale, assignment, transfer, pledge, encumbrance, hypothecation or other similar arrangement or disposal, directly or indirectly, whether voluntarily, involuntarily or by operation of applicable Law including by the entry into any contract, option or

other arrangement, or the granting or imposition of any Lien, that gives any Person other than the Member, whether or not upon the occurrence or nonoccurrence of an event, the right to acquire any Membership Interests or any interest therein, to vote any Membership Interest, or to require that any Membership Interests be transferred, directly or indirectly, whether voluntarily, involuntarily or by operation of applicable Law, except in any such case as expressly set forth in Section 6.2(b). For the avoidance of doubt and notwithstanding the foregoing, (a) any sale, assignment, transfer, or other disposition of equity interests in any Member or any direct or indirect parent of such Member in which the Membership Interests held by such Member represent more than 50% of the Fair Market Value of all of the assets directly or indirectly held by such Member or direct or indirect parent the equity interests of which are being disposed shall constitute a "Transfer" for all purposes of this Agreement, except in any such case as expressly set forth in Section 6.2(b) or the following clause (b), (b) any direct or indirect transfer of equity interests in the Investor Member that does not result in a Change in Control of the Investor Member shall not constitute a "Transfer" for any purpose under this Agreement so long as (i) any required authorization, approval or consent of all applicable Governmental Bodies in respect of such transfer has been received, and (ii) such transfer would not reasonably be expected to result in the consequences specified in either clause (i) or clause (ii) of Section 6.3(c), and (c) a Change in Control of the FE Member shall not constitute a "Transfer" for any purpose under this Agreement.

"Transmission Leadership Team" means the individuals serving in the following positions (or any successor positions thereof, however titled or restyled) at FE Member: (a) President of the Company, (b) Vice President of Transmission, (c) Vice President of Construction and Design Services, (d) Vice President of Compliance and Regulated Services, and (e) Director of Transmission Rates and Regulatory Affairs.

Section 13.17 Terms Defined Elsewhere in this Agreement. As used in this Agreement, the following terms shall have the meanings ascribed to them in the sections indicated:

Term	Section
AAA	Section 13.13(a)
Additional Funding Requirement	Section 5.1(a)
Affiliate Transaction Default	Section 2.14(d)
Affiliate Transactions	Section 2.14(a)
Agreement	Preamble
Board	Section 2.1
Board Observer	Section 2.13
Call Consummation Period	Section 5.1(d)
Call Exercise Price	Section 5.1(d)
Call Notice	Section 5.1(d)
Call Right	Section 5.1(d)
Capital Request Funding Date	Section 5.1(a)
Capital Request Notice	Section 5.1(a)
Company	Preamble
Company Business	Section 1.3(a)
Company Business Opportunity	Section 9.3(b)
Confidential Information	Section 9.6(a)
Contributing Member	Section 5.1(b)(ii)

Term	Section
Contribution Unfunded Amount	Section 5.1(b)
Corporate Opportunity	Section 9.3(c)
Default Notice	Section 2.14(d)
Defaulting Member	Section 4.2
Designated Alternate	Section 2.2(f)
Directors	Section 2.1
Drag-Along Buyer	Section 6.5(a)
Drag-Along Notice	Section 6.5(b)
Drag-Along Right	Section 6.5(a)
Drag-Along Sale	Section 6.5(a)
Event of Default	Section 4.1
Event of Dissolution	Section 4.3(a)
Excess Contribution	Section 5.1(b)(i)
FE Directors	Section 2.2(d)
FE Member	Preamble
Independent Evaluator	Section 13.15
Investor Directors	Section 2.2(b)
Investor Member	Preamble
Lock-Up Period	Section 6.2(b)
Non-Transferring Member	Section 6.3(a)
Over-Contributing Member	Section 5.1(b)(i)
Party	Preamble
Preemptive Right	Section 7.1
Preemptive Right Notice Period	Section 7.1
Preemptive Right Participation Notice	Section 7.1
Pro Rata Request Amount	Section 5.1(a)
Response To Capital Call	Section 5.1(a)
Sale Notice	Section 6.3(a)
Sale Period	Section 6.3(a)(ii)
Subject Membership Interests	Section 6.3(a)
Tag-Along Buyer	Section 6.4(a)
Tag-Along Notice	Section 6.4(a)
Tag-Along Offered Membership Interests	Section 6.4(a)
Tag-Along Sale	Section 6.4(a)
Tax-Driven Changes	Section 10.7
Tax Matters Shareholder	Section 10.2
Total Number of Directors	Section 2.2(a)
Transferring Member	Section 6.3(a)
Unfunded Amount	Section 5.1(b)
Unfunded Amount Loan	Section 5.1(b)(ii)(A)

Section 13.18 Other Definitional Provisions. The following shall apply to this Agreement:

(a) Accounting terms which are not otherwise defined in this Agreement have the meanings given to them under GAAP. To the extent that the definition of an accounting term

defined in this Agreement is inconsistent with the meaning of such term under GAAP, the definition set forth in this Agreement shall control.

(b) The terms "hereof," "herein" and "hereunder" and terms of similar import are references to this Agreement as a whole and not to any particular provision of this Agreement. Section, clause, schedule and exhibit references contained in this Agreement are references to sections, clauses, schedules and exhibits in or to this Agreement, unless otherwise specified.

(c) Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." Where the context permits, the use of the term "or" shall be equivalent to the use of the term "and/or."

(d) When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a day other than a Business Day, the period in question shall end on the next succeeding Business Day. In addition, notwithstanding any deadline for payment, performance, notice or election under this Agreement, if such deadline falls on a date that is not a Business Day, then the deadline for such payment, performance, notice or election will be extended to the next succeeding Business Day.

(e) Words denoting any gender shall include all genders, including the neutral gender. Where a word is defined herein, references to the singular shall include references to the plural and vice versa.

(f) The word "will" will be construed to have the same meaning and effect as the word "shall". The words "shall," "will," or "agree(s)" are mandatory, and "may" is permissive.

(g) All references to "$" and dollars shall be deemed to refer to United States currency unless otherwise specifically provided.

(h) All references to a day or days shall be deemed to refer to a calendar day or calendar days, as applicable, unless otherwise specifically provided.

(i) Any reference to any Contract shall be a reference to such agreement or Contract, as amended, amended and restated, modified, supplemented or waived.

(j) Any reference to any particular Code section or any Law shall be interpreted to include any amendment to, revision of or successor to that section or Law regardless of how it is numbered or classified; provided, that, for the purposes of the representations and warranties contained herein, with respect to any violation of or non-compliance with, or alleged violation of or non-compliance, with any Code section or Law, the reference to such Code section or Law means such Code section or Law as in effect at the time of such violation or non-compliance or alleged violation or non-compliance.

(k) For all purposes of this Agreement (including the determination of a Member's Percentage Interest and its entitlement, if applicable, to designate one or more Directors), such

Member and its Permitted Transferees shall be deemed to be, and shall be treated as, one and the same Member.

[Remainder of Page Intentionally Left Blank]

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

The Company:

FirstEnergy Transmission, LLC,
a Delaware limited liability company

DocuSigned by:
Mary M. Swann
1C806CFCEE5E470...

Name: Mary M. Swann
Title: Corporate Secretary

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

FE Member:

FirstEnergy Corp., an Ohio corporation

DocuSigned by:
Mary M. Swann
1C806CFCEE5E470...

Name: Mary M. Swann
Title: Corporate Secretary

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

Investor Member:

North American Transmission Company II L.P., a Delaware limited partnership

By: Brookfield Super-Core Infrastructure Partners GP LLC, its general partner
By: Brookfield Super-Core Infrastructure Partners GP of GP LLC, its manager

By: _____
Name: Fred Day
Title: Vice President

Schedule 1

Schedule of Members

Name	Address	Percentage Interest
FirstEnergy Corp.	76 South Main Street Akron, Ohio 44308	80.1%
North American Transmission Company II L.P.	1200 Smith Street, Suite 640 Houston, Texas 77002	19.9%

Schedule 2

Prohibited Competitors

1. American Electric Power
2. American Municipal Power
3. AES
4. Dominion Energy
5. Duke Energy
6. Duquesne Light Company
7. Exelon
8. ITC
9. LS Power
10. PSE&G
11. PPL
12. NextEra Energy

COMMONWEALTH OF PENNSYLVANIA

PATRICK M. CICERO
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August 28, 2023

Via Electronic Mail Only
The Honorable Conrad A. Johnson
The Honorable Emily I. DeVoe
Pennsylvania Public Utility Commission
Office of Administrative Law Judge
Piatt Place
301 Fifth Avenue, Suite 220
Pittsburgh, PA 15222

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 Judge Johnson and Judge DeVoe:

Enclosed please find a copy of the Direct Testimony being submitted on behalf of the Office of Consumer Advocate in the above-referenced proceedings, as follows:

OCA Statement 1: Direct Testimony of Lafayette K. Morgan

Copies have been served on the parties as indicated on the enclosed Certificate of Service, in accordance with the Prehearing Order dated August 8, 2023.

Respectfully submitted,

/s/ Harrison W. Breitman
Harrison W. Breitman
Assistant Consumer Advocate
PA Attorney I.D. # 320580
HBreitman@paoca.org

Enclosures:
cc: PUC Secretary Rosemary Chiavetta, (Letter and Certificate of Service only)
Certificate of Service

CERTIFICATE OF SERVICE

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

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Direct Testimony as follows:

OCA Statement 1: Direct Testimony of Lafayette K. Morgan

upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 28th day of August 2023.

SERVICE BY E-MAIL ONLY

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Dated: August 28, 2023

OCA Statement 1

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

JOINT APPLICATION OF AMERICAN	:	A-2023-3040481
TRANSMISSION SYSTEMS, INCORPORATED	:	A-2023-3040482
(ATSI), MID-ATLANTIC INTERSTATE	:	A-2023-3040483
TRANSMISSION, LLC ("MAIT"), AND	:	G-2023-3040484
TRANS-ALLEGHENY INTERSTATE	:	G-2023-3040485
LINE COMPANY (“TrAILCo”)	:	G-2023-3040486

DIRECT TESTIMONY
OF
LAFAYETTE K. MORGAN, JR.

ON BEHALF OF THE
OFFICE OF CONSUMER ADVOCATE

August 28, 2023

EXETER
ASSOCIATES, INC.
10480 Little Patuxent Parkway, Suite 300
Columbia, Maryland 21044

TABLE OF CONTENTS

I. Introduction

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Lafayette K. Morgan, Jr. My business address is 10480 Little Patuxent Parkway, Suite 300, Columbia, Maryland, 21044. I am a Public Utilities Consultant working with Exeter Associates, Inc. ("Exeter"). Exeter is a consulting firm specializing in issues pertaining to public utilities.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND QUALIFICATIONS.

A. I received a Master of Business Administration degree from The George Washington University. The major area of concentration for this degree was Finance. I received a Bachelor of Business Administration degree with concentration in Accounting from North Carolina Central University. I was previously a CPA licensed in the state of North Carolina, however, in 2009, I elected to place my license in an inactive status as I focused on start-up activities for other business interests.

Q. PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE.

A. From May 1984 until June 1990, I was employed by the North Carolina Utilities Commission - Public Staff in Raleigh, North Carolina. I was responsible for analyzing testimony, exhibits, and other data presented by parties before the North Carolina Utilities Commission. I had the additional responsibility of performing the examination of books and records of utilities involved in rate proceedings and summarizing the results into testimony and exhibits for presentation before that Commission. I was also involved in numerous special projects, including participating in compliance and prudence audits of a major utility, and conducting research on several issues affecting natural gas and electric utilities.

From June 1990 until July 1993, I was employed by Potomac Electric Power Company (Pepco) in Washington, D.C. At Pepco, I was involved in the preparation of the cost of service, rate base and ratemaking adjustments supporting Columbia's requests for revenue increases in the State of Maryland and the District of Columbia.

From July 1993 through 2010, I was employed by Exeter as a Senior Regulatory Analyst. During that period, I was involved in the analysis of the operations of public utilities, with emphasis on utility rate regulation. I reviewed and analyzed utility rate filings, focusing primarily on revenue requirements determination. This work involved natural gas, water, electric, and telephone companies.

In 2010, I left Exeter to focus on start-up activities for other ongoing business interests. In late 2014, I returned to Exeter continuing to work in a similar capacity as prior to my hiatus.

Q. HAVE YOU PREVIOUSLY TESTIFIED IN REGULATORY PROCEEDINGS ON UTILITY RATES?

A. Yes. I have previously presented testimony and affidavits on numerous occasions before the Colorado Public Utilities Commission, the Georgia Public Service Commission, the Illinois Commerce commission, the Kansas Corporation Commission, the Kentucky Public Service Commission, the Louisiana Public Service Commission, the Maine Public Utilities Commission, the Maryland Public Service Commission, the North Carolina Utilities Commission, the Public Utilities Commission of Ohio, the Corporation Commission of Oklahoma, the Pennsylvania Public Utility Commission, the Philadelphia Gas Commission, the Philadelphia Water, Sewer and Storm Water Rate Board, the Public Utilities Commission of Rhode Island, the Public Service Commission of South Carolina, the Public Utility Commission of

Texas, the Vermont Public Service Board, the Virginia Corporation Commission, the West Virginia Public Service Commission, the Wyoming Public Service Commission, and the Federal Energy Regulatory Commission ("FERC"). My resume is attached hereto as Appendix A.

Q. ON WHOSE BEHALF ARE YOU APPEARING?

A. I am presenting this testimony on behalf of the Pennsylvania Office of Consumer Advocate ("OCA").

Q. HOW IS YOUR TESTIMONY ORGANIZED?

A. Section I is an introduction. Section II presents a summary of my findings and Conclusions. Section III provides a summary of the proposed transaction for North American Transmission Company II, L.P. ("NATCo II") to increase its equity stake in FirstEnergy Transmission, LLC ("FET") and a discussion of the purported benefits of the proposed merger and asset transfers to the customers of FirstEnergy Pennsylvania operating companies ("Pennsylvania OpCos."). Section IV provides a discussion of the Commission's standard for approval of mergers. Section V is a discussion of the issues I have identified as they relate to this proceeding. Section VI presents my conclusions as a result of my review of the proposed FET Transactions.

II. Summary of Findings and Conclusions

Q. PLEASE PROVIDE A SUMMARY OF YOUR FINDINGS AND CONCLUSIONS.

A. Based on my review and evaluation of the Joint Applicants' filing, testimony, and interrogatory responses, I have reached the following conclusions:

- The Joint Applicants have not identified nor quantified any specific tangible benefits, metrics or target/goals that can be monitored and measured to judge the success of the additional equity investment in FET. Without a means to

measure and evaluate the result of the equity investment from NATCo II, I recommend that the Commission should not approve this transaction.

If the Commission is inclined to approve the transaction, certain conditions are necessary, including the following:

- Ringfencing measures must be put in place;
- Books and Records of NATCO must be open and available;
- Reliability commitments to attain certain measurable results must be included;
- Ratepayers must be held harmless from any costs of this transaction;
- The transmission assets must remain within PJM; and
- A reasonable minimum timeframe for holding these assets must be included.

III. Summary of Transaction

Q. PLEASE SUMMARIZE THE PROPOSED FET TRANSACTION.

A. 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 an application (the "Application") with the Pennsylvania Public Utility Commission (the "Commission") requesting all necessary authority, approvals and certificates of public convenience to effectuate the Purchase and Sale Agreement dated February 2, 2023 (the "PSA") between FirstEnergy and NATCo II under which FirstEnergy will sell an incremental 30 percent equity interest in FET to NATCo II for a purchase price of $3.5 billion (the "FET Transaction"). In the Application, FirstEnergy also seeks approval to contribute its passive Class B membership interests in MAIT to FET in exchange for a new class of FET Special Purpose Membership Interests.

NATCo II currently owns a 19.9 percent interest in FET and upon consummation of the FET Transaction, NATCo II will directly own a 49.9 percent equity interest in FET and an indirect ownership of the Joint Applicants. FirstEnergy will retain a majority interest of 50.1 percent in FET and will continue to operate the Joint Applicants' transmission facilities.

FirstEnergy is an Ohio corporation and a public utility holding company headquartered in Akron, Ohio. The company is one of the nation's largest investor-owned electric systems, serving over six million customers in the Midwest and Mid-Atlantic region, owning over 24,000 miles of transmission lines and two regional transmission operation centers. FirstEnergy and its subsidiaries are involved in the regulated transmission, distribution, and generation of electricity, including ten utility operating companies. All of FirstEnergy's facilities are located within PJM Interconnection, L.L.C. ("PJM") and operate under the reliability oversight of the North American Electric Reliability Corporation ("NERC") and the Federal Energy Regulatory Commission ("FERC").

The Joint Applicants (ATSI, MAIT, and TrAILCo) are subsidiaries of FET. ATSI is a transmission-only public utility which owns, operates, and maintains transmission facilities in Ohio and western Pennsylvania and is located within the PJM Balancing Authority Area ("BAA"). ATSI owns and operates high-voltage transmission facilities consisting of approximately 7,900 circuit miles of transmission lines in the PJM region. ATSI is a transmission owner ("TO") member of PJM. ATSI is not a generation provider and also provides no retail utility service.

MAIT is a limited liability company and a transmission only public utility which owns, operates, and maintains transmission facilities in Pennsylvania located within the PJM BAA. MAIT is managed by its Class A member, FET. Penelec and Met-Ed, wholly owned subsidiaries of FirstEnergy, hold passive Class B ownership interests in MAIT. MAIT owns and operates high-voltage transmission facilities consisting of approximately 4,300 circuit miles of transmission lines in the PJM region. MAIT is a TO member of PJM. MAIT is not a generation provider and also provides no retail utility service.

TrAILCo, a wholly owned subsidiary of FET and a transmission-only public utility which owns, operates, and maintains transmission facilities in Maryland, West Virginia, Pennsylvania, and Virginia located within the PJM BAA. TrAILCo owns and operates high-voltage transmission facilities consisting of approximately 260 circuit miles of transmission lines, including a 500 kV transmission line extending approximately 150 miles from southwestern Pennsylvania through West Virginia to a point of interconnection with Virginia Electric and Power Company in northern Virginia. TrAILCo also owns several other substation assets. TrAILCo is a TO member of PJM. TrAILCo is not a generation provider and also provides no retail utility service.

FET is a limited liability company organized and existing under the laws of the State of Delaware and is a direct subsidiary of FirstEnergy. FirstEnergy currently holds 80.1 percent of FET's issued and outstanding membership interests. FET does not directly own or operate Pennsylvania jurisdictional facilities, but its three subsidiaries, ATSI, MAIT, and TrAILCo (the Joint Applicants), own and operate separate high-voltage transmission facilities in Pennsylvania and the PJM Region. The Joint

Applicants are subject to regulation by FERC, NERC, ReliabilityFirst, and applicable state regulatory authorities.

NATCo II is a Delaware limited partnership that was formed for the purpose of effectuating Brookfield's investments in FET. Other than its minority ownership interest in FET, NATCo II conducts no other business and has no other assets. NATCo II currently is 100 percent controlled by affiliates of Brookfield Corporation and BAM Ltd.[1] NATCo II currently holds a 19.9 percent interest in FET and upon closing of the FET Transaction, NATCo II will directly own a 49.9 percent interest in FET. Presently, NATCo II is 100 percent controlled by NATCo I, which is 100 percent controlled by Brookfield GP, which, in turn, is 100 percent controlled by Brookfield.

Q. PLEASE DESCRIBE THE MAIT CLASS B MEMBERSHIP INTERESTS TRANSFER.

The Joint Applicants are also requesting Commission approval to transfer the nonvoting MAIT Class B Membership Interests from FirstEnergy to FET in exchange for certain Special Purpose Membership Interests in FET. The transfer of the MAIT Class B Membership Interests is limited to the transfer of these interests from FirstEnergy to FET. As a result of the transfers, FET will become the sole owner of all membership interests in MAIT. Currently, Met-Ed and

[1] NATCo II is a direct, wholly owned subsidiary of its limited partner North American Transmission Company I L.P. ("NATCo I"). Brookfield Super-Core Infrastructure Partners GP LLC ("Brookfield GP") is the general partner of both NATCo I and NATCo II. All of the limited partnership interests in NATCo I are currently directly owned by BSIP Aggregator III L.P. and BSIP NATC Sidecar LP (collectively, the "Existing Brookfield LPs"), both of which are also controlled by Brookfield GP. The BSIP fund, which is controlled by the Brookfield GP, is a perpetual investment fund that makes long-term investments in high-quality, core infrastructure assets located principally in North America, Western Europe and Australia. Brookfield GP is an indirect, wholly owned subsidiary of Brookfield Asset Management ULC, an unlimited liability company formed under the laws of British Columbia, which is owned by Brookfield Corporation (75%) and BAM Ltd (25%).

Penelec (FirstEnergy electric distribution subsidiaries) hold the non-voting MAIT Class B Membership Interests in MAIT. It is expected that Met-Ed and Penelec will sell their respective interests in MAIT to FirstEnergy subject to the Commission's approval of the PA Consolidation (Docket No. A-2023-3038771 *et al*).

IV. Commission Standard for Approval of Public Utility Mergers

Q. PLEASE STATE YOUR UNDERSTANDING OF THE COMMISSION'S STANDARD FOR THE APPROVAL OF PUBLIC UTILITY MERGERS AND ACQUISITIONS.

A. It is my understanding that the Commission employs an affirmative public benefit standard for the approval of public utility mergers and acquisitions.

Q. WHAT ARE THE PURPORTED BENEFITS OF THIS TRANSACTION?

A. First, the Joint Applicants cite their commitment to continuing to provide safe, reasonable, and reliable transmission service after the Transaction closes. Second, the Joint Applicants state that the joint ownership of FirstEnergy and Brookfield is a benefit because of Brookfield's experience as one of the world's largest infrastructure investors that owns and operates assets across the transport, data, utilities, and midstream sectors. The Joint Applicants claim that Brookfield is a valuable partner because of the transfer of knowledge of accumulated operational best practices shared across its portfolio of companies. Third, the Joint Applicants explain that continued investment will improve system performance and operational flexibility and positively impact the performance of the connected loads on a resilient transmission system.

Q. BASED ON THESE REPRESENTATIONS, DO YOU BELIEVE THE JOINT APPLICANTS HAVE SATISFIED THE AFFIRMATIVE PUBLIC BENEFIT STANDARD?

A. No. While Brookfield's experience could be beneficial, the purported benefits are either mere abstractions or aspirational corporate statements or are things that FirstEnergy is already doing. Additionally, while the infusion of capital could be a benefit, I am not convinced that FirstEnergy could not reasonably raise additional capital on its own without this transaction.

Q. DO YOU HAVE RECOMMENDATIONS AS TO HOW THE AFFRIMATIVE PUBLIC BENEFIT STANDARD COULD BE MET BY THE JOINT APPLICANTS?

A. I would first note that my recommendation at this point remains that the transaction should be denied. The standard in Pennsylvania is a net affirmative public benefits test. Here, the status quo is maintained by the transaction in that Brookfield – while qualified to be an equity partner, does not bring anything to the table that FirstEnergy already does not or could not provide. If the Commission is inclined to approve the transaction, there are several conditions that should be conditions prior to approval. First, there needs to be ring fencing measures established protect FET assets and FirstEnergy from any potential economic harm that might befall Brookfield. Second, FET and NATCo II, as joint owners, should commit to continuing open access to FET books and commit to open access to the books and records of NATCo II and NATCo I. Third, FirstEnergy and FET should be required to identify specific reliability standards/metrics that will be improved as a result of this transaction with time frames for meeting those standards and metrics. Vague commitments of possible future benefits is insufficient.

Specifically, the current reliability metrics should be identified and quantified, and a commitment to improve or maintain a desirable range should be made. Fourth, all transaction and transition costs (costs to achieve) must be permanently excluded from rates. Fifth, the Joint Applicants must agree to maintain their membership in PJM and keep all assets under the functional control of PJM unless prior authorization is obtained from both FERC and the PA PUC. Finally, the Applicants should agree to hold these assets under the current ownership as proposed in the Application for a period of no less than 10 years.

V. Discussion of Issues

A. Brookfield Financial Commitment

Q. DO YOU BELIEVE BROOKFIELD HAS THE FINANCIAL CAPACITY TO SUPPORT FET?

A. Yes. According to Brookfield, its asset management business is currently one of the largest and fastest growing alternative asset managers globally, with operations spanning more than 30 countries on five continents. The business has grown from its infancy 25 years ago to approximately $850 billion[2] of assets under management today. Brookfield is a global asset manager that invests capital on behalf of financial institutions, pension plans, insurance companies, foundations, endowments, sovereign wealth funds and high net worth investors across North America, South America, Europe, Asia-Pacific and the Middle East.

Q. HAS BROOKFIELD DEMONSTRATED SUFFICIENT FINANCIAL COMMITMENT TO FUTURE CAPITAL REQUIREMENTS OF FET?

[2] Joint Applicants response to OCA Set I, No. 5.

A. In my opinion, no. Brookfield has contractually agreed with FirstEnergy Corp. to a three-year lock-up period from the closing date of the Transaction, during which Brookfield would not be permitted to transfer control over NATCo II without FirstEnergy Corp.'s consent. After this lock-up period, Brookfield may only transfer control of NATCo II pursuant to the terms set forth in Article VI of the Fourth Amended and Restated Limited Liability Company Agreement of FirstEnergy Transmission, LLC. Brookfield states that it has no intention to transfer or sell majority control of NATCo II.

Q. WHY IS THIS THREE-YEAR PERIOD CONCERNING?

A. Brookfield asserts that it has "no intentions" of transferring any of its ownership interest, but it must be recognized that Brookfield is an asset manager and must deliver reasonable returns to its investors. Its ownership interest here may turn out to be not as profitable as what may have been expected. For this Commission to allow an asset manager to purchase such a large portion of these public utility assets, a stronger commitment is needed.

Q. WHAT DO YOU RECOMMEND?

A. If the Commission authorizes this transaction, a condition should be imposed that Brookfield must hold these Assets under the same ownership structure and percentage of ownership as set out in the Application for a minimum period of ten years, as opposed to a short-term three-year commitment. A ten-year commitment is reasonable because it closely approximates FirstEnergy's 2023-2032 Capital Investment Program for Pennsylvania as presented by the Joint Applicants.[3] Part of this proposed transaction has been predicated on NATCo II's equity infusion making capital available

[3] Joint Applicants Statement No. 4 beginning at page 6, line 1.

for other distribution and transmission capital expenditures. The ten-year requirement links NATCo's commitment to the current capital plan for Pennsylvania. A ten-year commitment, at a minimum, would provide some assurance that Brookfield is focused on the potential long-term benefits to Pennsylvania ratepayers.

B. Changes in NATCo II/Brookfield Role

Q. HOW DOES BROOKFIELD'S ROLE CHANGE AFTER THE FET TRANSACTION IS CONSUMMATED?

A. Under the terms of the existing Operating Agreement with FET, after NATCo II acquired a 19.9 percent interest in FET, FirstEnergy continued to manage FET and remained the beneficial holder of the largest voting interest. However, the Operating Agreement does provide NATCo II with certain limited rights necessary to protect its economic investment interests. NATCo II currently appoints a Director to the Board of Directors of FET and NATCo II is allowed to appoint one board observer. NATCo II is also entitled to limited consent and consultation rights in certain fundamental matters concerning, the issuance of membership interests, certain transfers, sales, or dispositions of FET's assets or the assets of FET's subsidiaries, and the incurrence of indebtedness.

After the FET Transaction is consummated, NATCo II will be entitled to appoint two Directors to FET's Board of Directors and FirstEnergy will retain the ability to appoint three members to FET's Board of Directors allowing FirstEnergy to retain control of Board decisions and the operations of FET except to the extent NATCo II's approval is expressly required (negative consent rights).

NATCo II will appoint up to four individuals to serve as observers of the Board of Directors. However, the number of observers NATCo II is entitled to appoint

decreases if its ownership percentage of FET falls below specified thresholds. Board observers have the right to receive notice of, attend and participate in all meetings of the Board of Directors and Board Committees, but do not have voting rights with respect to any matter brought before the Board.

NATCo II will retain its negative consent rights over certain fundamental matters such as amending the organizational documents of FET and its subsidiaries and issuing membership interests of FET and its subsidiaries, and certain other matters for as long as NATCo II's ownership interest is at least 9.9%, such as materially changing FET's line of business and capital expenditures over a materiality threshold that are not made in connection with certain core assets.

For as long as NATCo II's ownership interest is at least 30.0%, NATCo II will obtain additional consent and consultation rights in matters concerning, the sale or acquisition of equity, assets or operations if such transactions would involve amounts in excess of 1.5% of the Rate Base Amount, the establishment or amendment of the budget and business plan and entry into certain affiliate transactions. NATCo II will retain its consultation rights with respect to certain matters for as long as its ownership interest is at least 9.9% ("Threshold Consultation Matters"). Threshold Consultation Matters include establishing or materially amending the budget and business plan, refinancing and incurring certain indebtedness, and initiating or settling litigation in excess of a certain threshold. Additionally, for as long as NATCo II's ownership interest is at least 25.0% but less than 30.0%, NATCo II will have a consultation right with respect to matters that would otherwise be consent rights.

Q. DO YOU HAVE ANY CONCERNS ABOUT THESE VARYING LEVELS OF OWNERSHIP INTERESTS?

A. Yes. Even though Brookfield asserts that it has no intentions of selling off or transferring any of its proposed 49.9% ownership interest, as the foregoing shows, there are a host of contingencies built into the agreement that would define its rights in just such an occasion. This should raise concerns as to Brookfield's assertions about long term ownership of these assets.

Q. WHAT DO YOU RECOMMEND?

A. As previously discussed, the Commission should impose a condition for a minimum ten-year period where Brookfield's interest in FET cannot drop below the proposed 49.9% ownership interest. Further, as a near-majority owner of vital public utility assets, the Commission should ensure that all of NATCO's books and records are available to be reviewed and examined by the Commission and other stakeholders as situations may require. This level of transparency is expected of Pennsylvania public utilities, and the Joint Applicants here need to be held to these same commitments. A lack of transparency would be a step in the wrong direction as compared to the status quo and does not support a finding of affirmative public benefits.

C. <u>The Affect of FET Investment on Capital Deployment</u>

Q. PLEASE EXPLAIN HOW BROOKFIELD'S INVESTMENT IN FET COULD SUPPORT FIRSTENERGY'S DISTRIBUTION SYSTEM CAPITAL INVESTMENTS.

A. The Joint Applicants explain that the $3.5 billion proceeds that FirstEnergy receives as a result of the FET Transaction will enable improvements to its balance sheet through reduction of debt and facilitate deployment of capital to its distribution and transmission subsidiaries. The Joint Applicants assert that the proposed FET Transaction will enable FirstEnergy to invest over $1.3 billion in its distribution

business in Pennsylvania during the 2024-2025 period without the need for additional long-term debt capital at those companies.

Q. DO YOU HAVE ANY CONCERNS ABOUT THIS LEVEL OF EQUITY INFUSION?

A. Yes. First, I am not convinced that FirstEnergy would not be able to raise sufficient capital on its own through the markets to satisfy its need for distribution and transmission capex sending. Second, this level of equity infused into FirstEnergy will undoubtedly create a more equity rich capital structure. Equity financing for capital projects is undoubtedly costlier to ratepayers, as opposed to traditional, low-cost and long-term debt options. What the Joint Applicants are touting as a potential benefit, could turn into a detriment for ratepayers.

Q. WHAT DO YOU RECOMMEND?

A. FirstEnergy should be shielded from the various business activities carried on by Brookfield and any of its subsidiaries. The Commission should impose ring-fencing measures to adequately protect ratepayers. I recommend the following measures be imposed:

- All transactions between FET and its utility subsidiaries and NATCo II and its corporate affiliates should be conducted pursuant to the terms of a Commission-approved affiliated agreement to avoid cross subsidization;
- FET and its utility subsidiaries should maintain the capability to issue their own long-term debt separate from NATCo II and its corporate affiliates;
- No lending by NATCo II and its corporate affiliates to FET and its utility subsidiaries (or vice versa) for a term in excess of one year; and
- NATCo II and its corporate affiliates may not pledge or encumber the assets of FET and its utility subsidiaries or the provision of loan guarantees for the benefit of NATCo II and its corporate affiliates.

Q. IS THERE ANY FURTHER CONDITION THAT SHOULD BE INCLUDED AS PART OF ANY APPROVAL OF THIS TRANSACTION?

A. Yes. All transition and transaction costs, commonly referred to as "costs to achieve", should be borne completely by the Joint Applicants and not ratepayers. I understand that rates for these assets are set by the Federal Energy Regulatory Commission; however, Joint Applicants can make that commitment here to ensure some added protection for Pennsylvania ratepayers. Requiring ratepayers to pay the transition and transaction costs generated from this transaction harms ratepayers and is not an affirmative public benefit. The Federal Energy Regulatory Commission's standards are different than the Commonwealth of Pennsylvania's affirmative public benefit standard.

D. <u>Affect of the FET Transaction on System Reliability</u>

Q. PLEASE IDENTIFY THE SERVICE RELIABILITY METRICS THAT FET HAS TARGETED FOR IMPROVEMENT THROUGH THE CAPITAL RECEIVED AS PART OF THE FET TRANSACTION.

A. FirstEnergy identifies Transmission Outage Frequency ("TOF") and System Misoperation Rate metrics as the transmission system performance metrics that it tracks. FET indicates that additional capital investments will positively impact these metrics by addressing the causes of outage and misoperations.

Q. WHAT IS THE BREAKDOWN OF CAPITAL INVESTMENTS THAT COULD BE MADE FROM THE ADDITIONAL INVESTMENTS IN FET?

A. According to FirstEnergy, from a distribution perspective, it anticipates investing approximately $7.5 billion in Pennsylvania over the next decade with approximately 85 percent of that investment aimed at system reliability. The remaining 15 percent is anticipated to be spent on load and grid modernization.

With respect to the transmission system, FirstEnergy states that it anticipates investing approximately $6.5 billion in Pennsylvania over the next decade. Approximately 45 percent of that investment will be spent on upgrading system conditions, which includes rebuilding and replacing aging lines and equipment to improve reliability and reduce future maintenance costs. Approximately 25% will be spent on enhancing system performance, which includes adding redundancy and system features that allow system operators to swiftly react to changing conditions on the grid. Approximately 20 percent is expected to be spent on projects directed by regulatory authorities to address specific long-term reliability violations on the transmission system. The remaining 10 percent of the investment is anticipated to be spent on improving operating flexibility, which includes the expansion of network communication, digital analytics, and cyber/physical security.

Q. DO YOU HAVE ANY CONCERN ABOUT THESE PROPOSED INVESTMENTS?

A. Yes. All of these proposed investments, while laudable as to improving reliability, are only aspirational. There are no firm, quantifiable commitments as to specific projects that will be completed nor are there firm, measurable commitments to the attainment of specific reliability metrics.

Q. WHAT DO YOU RECOMMEND?

A. The Joint Applicants should identify the current transmission metrics for Outage Frequency and Misoperations, and then propose an improved level of metrics that they will attain within certain timeframes. As to distribution system reliability, the same metrics currently used by the Commission for reliability reporting should be identified and a plan outlined to reach improved levels of performance with certain timeframes.

Further, the results of these efforts should be provided to all stakeholders by way of an annual report.

Q. DO YOU HAVE ANY FURTHER CONCERNS ABOUT THE ASSETS INVOLVED HERE?

A. Yes. The Commission should impose a condition on any grant of approval here that all of the assets involved in this transaction remain under the functional control of PJM, and to the extent necessary, the Joint Applicants should remain or be required to join PJM as a further condition of any approval by the Commission here. This will help ensure continued reliability for the system.

VI. Conclusion

Q. WHAT ARE YOUR CONCLUSIONS WITH RESPECT TO THE JOINT APPLICATION TO APPROVE THE FET TRANSACTION?

A. I have concluded that the FET Transaction should not be approved as proposed by the Joint Applicants. As discussed earlier, there are specific issues that need to be addressed by the Joint Applicants and conditions that should be imposed by the Commission before the transaction can be approved.

Q. DOES THIS COMPLETE YOUR DIRECT TESTIMONY?

A. Yes, it does.

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

JOINT APPLICATION OF AMERICAN	:	A-2023-3040481
TRANSMISSION SYSTEMS, INCORPORATED	:	A-2023-3040482
(ATSI), MID-ATLANTIC INTERSTATE	:	A-2023-3040483
TRANSMISSION, LLC ("MAIT"), AND	:	G-2023-3040484
TRANS-ALLEGHENY INTERSTATE	:	G-2023-3040485
LINE COMPANY (“TrAILCo”)	:	G-2023-3040486

Appendix A

LAFAYETTE K. MORGAN, JR.

Mr. Morgan is an independent regulatory consultant focusing in the area of the analysis of the operations of public utilities with particular emphasis on rate regulation. He has reviewed and analyzed utility rate filings, focusing primarily on revenue requirements determination, accounting and regulatory policy and cost recovery mechanisms. This work has included natural gas, water, electric, and telephone utilities.

Education and Qualifications

B.B.A. (Accounting) – North Carolina Central University, 1983

M.B.A. (Finance) – The George Washington University, 1993

C.P.A. – Licensed in the State of North Carolina (Inactive status)

Previous Employment

1993-2010	Senior Regulatory Analyst Exeter Associates, Inc. Columbia, MD
1990-1993	Senior Financial Analyst Potomac Electric Power Company Washington, D.C.
1984-1990	Staff Accountant North Carolina Utilities Commission – Public Staff Raleigh, NC

Professional Experience

As a Staff Accountant with the North Carolina Utilities Commission – Public Staff, Mr. Morgan was responsible for analyzing testimony, exhibits, and other data presented by parties before the Commission. In addition, he performed examinations of the books and records of utilities involved in rate proceedings and summarized the results into testimony and exhibits for presentation before the Commission. Mr. Morgan also participated in several policy proceedings and audits involving regulated utilities.

As a Senior Financial Analyst with Potomac Electric Power Company, Mr. Morgan was a lead analyst and was involved in the preparation of the cost of service, rate base, and ratemaking adjustments supporting the Company's request for revenue increases in its retail jurisdictions.

As a Senior Regulatory Analyst with Exeter Associates, Inc., Mr. Morgan has been involved in the analysis of the operations of public utilities with particular emphasis on rate regulation. He has reviewed and analyzed utility rate filings, focusing primarily on revenue requirements determination, accounting and regulatory policy and cost recovery mechanisms. This work included natural gas, water, electric, and telephone utilities.

Expert Testimony

of Lafayette K. Morgan, Jr.

Kings Grant Water Company (North Carolina Utilities Commission, Docket No. W-250, Sub 5), 1984. Presented testimony on rate base, cost of service, and revenue and expense adjustments on behalf of the North Carolina Utilities Commission – Public Staff.

Northwood Water Company (North Carolina Utilities Commission, Docket No. W-690, Sub 1), 1985. Presented testimony on rate base, cost of service, and revenue and expense adjustments on behalf of the North Carolina Utilities Commission – Public Staff.

Emerald Village Water System (North Carolina Utilities Commission, Docket No. W-184, Sub 3), 1985. Presented testimony on rate base, cost of service, and revenue and expense adjustments on behalf of the North Carolina Utilities Commission – Public Staff.

General Telephone Company of the South (North Carolina Utilities Commission, Docket No. P-19, Sub 207), July 1986. Presented testimony on the level of cash working capital allowance on behalf of the North Carolina Utilities Commission – Public Staff.

Heins Telephone Company (North Carolina Utilities Commission, Docket No. P-26, Sub 93), November 1986. Presented testimony on rate base, cost of service, and revenue and expense adjustments on behalf of the North Carolina Utilities Commission – Public Staff.

Carolina Power and Light Company (North Carolina Utilities Commission, Docket No. E-2, Sub 537), March 1988. Presented testimony on rate base, cost of service, and revenue and expense adjustments on behalf of the North Carolina Utilities Commission – Public Staff.

Public Service Company of North Carolina, Inc. (North Carolina Utilities Commission, Docket No. G-5, Sub 246), August 1989. Presented testimony on rate base, cash working capital allowance, cost of service, and revenue and expense adjustments on behalf of the North Carolina Utilities Commission – Public Staff.

Conestoga Telephone and Telegraph Company (Pennsylvania Public Utility Commission, Docket No. I-00920015), September 1993. Presented testimony on cost of service on behalf of the Pennsylvania Office of Consumer Advocate.

Louisiana Power and Light Company (Louisiana Public Service Commission, Docket No. U-20925), February 1995. Presented testimony on rate base and working capital issues on behalf of the Louisiana Public Service Commission Staff.

South Central Bell Telephone Company – Louisiana (Louisiana Public Service Commission, Docket No. U-17949, Subdocket E), June 1995. Presented testimony on rate base and working capital issues on behalf of the Louisiana Public Service Commission Staff.

Expert Testimony

of Lafayette K. Morgan, Jr.

Apollo Gas Company (Pennsylvania Public Utility Commission, Docket No. R-00953378), August 1995. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Carnegie Natural Gas Company (Pennsylvania Public Utility Commission, Docket No. R-00953379), August 1995. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Tennessee Gas Pipeline Company (Federal Energy Regulatory Commission, Docket No. RP95-112), September 1995. Presented testimony rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Virginia-American Water Company (Virginia State Corporation Commission, Case No. PUE-950003), March 1996. Presented testimony on rate base and cost of service issues on behalf of the City of Alexandria.

GTE North, Inc. Interconnection Arbitration (Pennsylvania Public Utility Commission, Docket No. A-310125F0002), September 1996. Presented testimony on the determination of the appropriate resale discount on behalf of the Pennsylvania Office of Consumer Advocate.

United Cities Gas Company (Georgia Public Service Commission, Docket No. 6691-U), October 1996. Presented testimony on rate base and cost of service issues on behalf of the Office of Governor, Consumer Utility Counsel Division.

GTE North, Inc. (Pennsylvania Public Utility Commission, Docket Nos. R-00963666 and R-00963666C001), February 1997. Presented testimony on the determination of the appropriate resale discount on behalf of the Pennsylvania Office of Consumer Advocate.

Consumers Maine Water Company (Maine Public Utilities Commission, Docket No. 96-739), May 1997. Presented testimony on rate base, cost of service, and rate of return issues on behalf of the Maine Office of the Public Advocate.

Pennsylvania-American Water Company (Pennsylvania Public Utility Commission, Docket No. R-00973944), July 1997. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Pennsylvania-American Water Company – Wastewater Operations (Pennsylvania Public Utility Commission, Docket No. R-00973973), July 1997. Presented testimony on rate base, cost of service, depreciation, and rate design issues on behalf of the Pennsylvania Office of Consumer Advocate.

Expert Testimony

of Lafayette K. Morgan, Jr.

Jackson Purchase Electric Cooperative Corporation (Kentucky Public Service Commission, Case No. 97-224), December 1997. Presented testimony on rate base and cost of service issues on behalf of the Kentucky Office of the Attorney General.

Henderson Union Electric Cooperative Corporation (Kentucky Public Service Commission, Case No. 97-220), January 1998. Presented testimony on the return of patronage capital on behalf of the Kentucky Office of the Attorney General.

Green River Electric Corporation (Kentucky Public Service Commission, Case No. 97-219), January 1998. Presented testimony on the return of patronage capital on behalf of the Kentucky Office of the Attorney General.

Western Kentucky Gas Company (Kentucky Public Service Commission, Case No. 99-070), November 1999. Presented testimony on rate base and cost of service issues on behalf of the Kentucky Office of the Attorney General.

American Broadband, Inc. (Rhode Island Public Utilities Commission, Docket No. 2000-C-3), June 2000. Presented report and testimony on the Company's financing plan on behalf of the Rhode Island Division of Public Utilities and Carriers.

PPL Utilities (Pennsylvania Public Utility Commission, Docket No. R-00005277), October 2000. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

T.W. Phillips Oil and Gas Company (Pennsylvania Public Utility Commission, Docket No. R-00005459), October 2000. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Pike County Light & Power Company (Pennsylvania Public Utility Commission, Docket No. P-00011872), May 2001. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Vermont Gas Systems, Inc. (Vermont Public Service Board, Docket No. 6495), June 2001. Presented testimony on rate base and cost of service issues on behalf of the Vermont Public Service Department.

Community Service Telephone Company (Maine Public Utilities Commission, Docket No. 2001-249), July 2001. Presented joint testimony on rate base and cost of service issues on behalf of the Maine Office of the Public Advocate.

Expert Testimony

of Lafayette K. Morgan, Jr.

West Virginia-American Water Company (Public Service Commission of West Virginia, Docket No. 01-0326-W-42-T), August 2001. Presented testimony on rate base and cost of service issues on behalf of the Consumer Advocate Division.

Philadelphia Suburban Water Company (Pennsylvania Public Utility Commission, Docket No. R-00016750) February 2002. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Illinois-American Water Company (Illinois Commerce Commission, Docket No. 02-0690) January 2003. Presented testimony on cost of service issues on behalf of Citizens Utility Board.

Pennsylvania-American Water Company (Pennsylvania Public Utility Commission, Docket No. R-00027983), February 2003. Presented testimony addressing surcharge mechanism to recover security costs on behalf of the Pennsylvania Office of Consumer Advocate.

FairPoint New England Telephone Companies (Maine Public Utilities Commission, Docket Nos. 2002-747, 2003-34, 2003-35, 2003-36, and 2003-37), June 2003. Presented testimony on rate base and cost of service issues on behalf of the Maine Office of the Public Advocate.

Pennsylvania-American Water Company (Pennsylvania Public Utility Commission, Docket No. R-00038304), August 2003. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

PPL Electric Utilities Corporation (Pennsylvania Public Utility Commission, Docket No. R-00049255), June 2004. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Entergy Louisiana, Inc. (Louisiana Public Service Commission, Docket No. U-20925 RRF 2004), August 2004. Presented testimony on rate base and cost of service issues on behalf of the Louisiana Public Service Commission Staff.

Vectren Energy Delivery of Indiana (Indiana Utility Regulatory Commission, Cause No. 42598), September 2004. Presented testimony on O&M expense issues on behalf of the Indiana Office of Utility Consumer Counselor.

National Fuel Gas Distribution Corporation (Pennsylvania Public Utility Commission, Docket No. R-00049656), December 2004. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Expert Testimony

of Lafayette K. Morgan, Jr.

Block Island Power Company (Rhode Island Public Utilities Commission, Docket No. 3655), April 2005. Presented testimony on cash working capital on behalf of the Rhode Island Division of Public Utilities & Carriers.

Verizon New England, Inc. (Maine Public Utilities Commission, Docket No. 2005-155), September 2005. Presented joint testimony with Thomas S. Catlin on rate base and cost of service issues on behalf of the Maine Office of the Public Advocate.

T.W. Phillips Oil and Gas Company (Pennsylvania Public Utility Commission, Docket No. R-00051178), May 2006. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Duquesne Light Company (Pennsylvania Public Utility Commission, Docket No. R-00061346), July 2006. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

National Fuel Gas Distribution Company (Pennsylvania Public Utility Commission, Docket No. R-00061493), September 2006. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Southern Indiana Gas & Electric Co. (Indiana Utility Regulatory Commission, Cause No. 43112), January 2007. Presented testimony on rate base and cost of service issues on behalf of the Indiana Office of Utility Consumer Counsel.

PPL Electric Utilities (Pennsylvania Public Utility Commission, Docket No. R-00072155), July 2007. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Aqua Pennsylvania, Inc. (Pennsylvania Public Utility Commission, Docket No. R-00072711), February 2008. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Equitable Gas Company (Pennsylvania Public Utility Commission, Docket No. R-2008-2029325), October 2008. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

The Narragansett Bay Commission (Rhode Island Public Utilities Commission, Docket No. 4026), April 2009. Presented testimony on rate base and cost of service issues on behalf of the Rhode Island Division of Public Utilities and Carriers.

Expert Testimony

of Lafayette K. Morgan, Jr.

Maryland-American Water Company (Maryland Public Service Commission, Case No. 9187), July 2009. Presented testimony on rate base and cost of service issues on behalf of the Maryland Office of People's Counsel.

Monongahela Power Company & The Potomac Edison Company, both d/b/a Allegheny Power Company (West Virginia Public Service Commission, Case No. 09-1352-E-42T), February 2010. Presented testimony on rate base and cost of service issues on behalf of the West Virginia Consumer Advocate Division.

PPL Electric Utilities (Pennsylvania Public Utility Commission, Docket No. R-2010-2161694), June 2010. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Pawtucket Water Supply Board (Rhode Island Public Utilities Commission, Docket No. 4550), June 2015. Presented testimony on revenue requirements issues on behalf of the Rhode Island Division of Public Utilities and Carriers.

Columbia Gas of Pennsylvania (Pennsylvania Public Utility Commission, Docket No. R-2015-2468056), June 2015. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Indianapolis Power and Light Company (Indiana Utility Regulatory Commission, Cause No. 44576/44602), July 2015. Presented testimony on revenue requirements issues on behalf of the Indiana Office of Utility Consumer Counselor.

Public Service Company of Oklahoma (Corporation Commission of Oklahoma, Cause No. PUD 201500208), October 2015. Presented testimony on revenue requirements and environmental compliance rider issues on behalf of the United States Department of Defense and the Federal Executive Agencies.

Northern Indiana Public Service Company (Indiana Utility Regulatory Commission, Cause No. 44688), January 2016. Presented testimony on the company's electric division operating revenues, operating expenses and income taxes issues on behalf of the Indiana Office of Utility Consumer Counselor.

Philadelphia Water Department (Philadelphia Water, Sewer And Storm Water Rate Board, FY2017-2018 Rate Proceeding), March 2016. Presented testimony on revenue requirements issues on behalf of the Public Advocate.

Columbia Gas of Maryland (Public Service Commission of Maryland, Case No. 9417), June 2016. Presented testimony on rate base and cost of service issues on behalf of the Office of People's Counsel.

Expert Testimony

of Lafayette K. Morgan, Jr.

Chesapeake Utilities Corporation (Delaware Public Service Commission, PSC Docket No. 15-1734), August 2016. Presented testimony on rate base and cost of service issues on behalf of the Staff of the Delaware Public Service Commission.

Kent County Water Authority (Public Service Commission of Rhode Island, Docket No. 4611), September 2016. Presented testimony on rate base and cost of service issues on behalf of the Division of Public Utilities and Carriers.

Northern Utilities, Inc. (Maine Public Utilities Commission, Docket No. 2017-00065), August 2017. Assisted the Maine Office of Public Advocate (OPA) with Northern Utilities application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements, the utility's request to renew and modify its alternative rate plan, and its Targeted Infrastructure Replacement Adjustment.

Indiana Michigan Power Company (Indiana Utility Regulatory Commission, Cause No. 44967), November 2017. Presented testimony on rate base, operating revenues and operating expenses issues on behalf of the Indiana Office of Utility Consumer Counselor.

Emera Maine (Maine Public Utilities Commission, Docket No. 2017-00198), December 2017. Assisted the Maine Office of Public Advocate (OPA) with Emera Maine's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements, the utility's request to reflect the changes brought about by the Tax Change and Jobs Act of 2017.

UGI-Electric (Pennsylvania Public Utility Commission, Docket No. R-2017-2640058), April 2018. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with UGI-Electric's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OCA, on accounting issues including test year revenue requirements, the utility's request to reflect the changes brought about by the Tax Change and Jobs Act of 2017.

Philadelphia Water Department (Philadelphia Water, Sewer And Storm Water Rate Board, FY2019-2020 Rate Proceeding), April 2018. Presented testimony on revenue requirements and the Department's three-year rate plan issues on behalf of the Public Advocate.

Westar Energy, Inc. (Westar Energy) and Kansas Gas and Electric Company (KGE), (Kansas State Corporation Commission, Docket No. 18-WSEE-328-RTS), May 2018. Presented testimony on revenue requirements on behalf on behalf of the Federal Executive Agencies.

Expert Testimony

of Lafayette K. Morgan, Jr.

Duquesne Light Company (Pennsylvania Public Utility Commission, Docket No. R-2018-3000124), June 2018. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with UGI-Electric's application for an increase in rates. Presented testimony, on behalf of the OCA, on accounting issues including test year revenue requirements, the utility's request to reflect the changes brought about by the Tax Change and Jobs Act of 2017.

Bangor Natural Gas Company (Maine Public Utilities Commission, Docket No. 2018-00007), June 2018. Assisted the Maine Office of Public Advocate (OPA) Presented testimony, on behalf of the OPA, on the changes brought about by the Tax Change and Jobs Act of 2017.

SUEZ Water Pennsylvania, Inc. (Pennsylvania Public Utility Commission, R-2018-3000834), July 2018. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with SUEZ Water's application for an increase in rates. Presented testimony, on behalf of the OCA, on accounting issues including Rate Base, Operating Income, Inclusion of Costs Related to Expansion Territories and the utility's request to reflect the changes brought about by the Tax Change and Jobs Act of 2017.

Woonsocket Water Division (Public Service Commission of Rhode Island, Docket No. 4879), January 2019. Presented testimony on cost of service issues on behalf of the Division of Public Utilities and Carriers.

Central Maine Power Company (Maine Public Utilities Commission, Docket No. 2018-00194), January 2019. Assisted the Maine Office of Public Advocate (OPA) with Central Maine Power's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements, the utility's request to reflect the changes brought about by the Tax Change and Jobs Act of 2017.

Philadelphia Water Department (Philadelphia Water, Sewer and Storm Water Rate Board, 2019 Tiered Assistance Program Rate Rider Surcharge Rates Proceeding), May 2019. Presented testimony regarding the appropriate adjustments to the 2019 TAP-R determination. Presented testimony on behalf of the Public Advocate.

Newport Water Department (Public Service Commission of Rhode Island, Docket No. 4933), July 2019. Presented testimony on cost of service issues on behalf of the Division of Public Utilities and Carriers.

UGI-Gas (Pennsylvania Public Utility Commission, Docket No. R-2018-3006814), April 2019. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with UGI-Gas' application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OCA, on accounting issues including Rate Base and Net Operating Income.

Expert Testimony

of Lafayette K. Morgan, Jr.

Columbia Gas of Maryland (Public Service Commission of Maryland, Case No. 9609), August 2019. Presented testimony on rate base and cost of service issues on behalf of the Office of People's Counsel.

Public Service Company of Colorado (Colorado Public Utility Commission, Proceeding No. 19AL-0268E), September 2019. Mr. Morgan provided testimony, on behalf of the Department of Energy and the Federal Executive Agencies, on accounting issues including test year revenue requirements, Rate Base and Net Operating Income.

Northern Utilities, Inc. (Maine Public Utilities Commission, Docket No. 2019-00092), September 2019. Assisted the Maine Office of Public Advocate (OPA) with Northern Utilities application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements and the utility's request to institute a Capital Investment Recovery Mechanism.

Citizens' Electric Company of Lewisburg (Pennsylvania Public Utility Commission, Docket No. R-2019-3008212), October 2019. Provided testimony on Plant in Service, Construction Work in Progress, Materials and Supplies, Customer Deposits, Depreciation Expense, Growth Factor, and The Tax Cuts and Jobs Act. Mr. Morgan provided testimony, on behalf of the Pennsylvania Office of Consumer Advocate (OCA).

Valley Energy, Inc. (Pennsylvania Public Utility Commission, Docket No. R-2019-3008209), October 2019. Provided testimony on Plant in Service, Construction Work in Progress, Materials and Supplies, Customer Deposits, Depreciation Expense, Growth Factor, and The Tax Cuts and Jobs Act. Mr. Morgan provided testimony, on behalf of the Pennsylvania Office of Consumer Advocate (OCA).

Wellsboro Electric Company (Pennsylvania Public Utility Commission, Docket No. R-2019-3008208), October 2019. Provided testimony on Plant in Service, Construction Work in Progress, Materials and Supplies, Customer Deposits, Depreciation Expense, Growth Factor, and The Tax Cuts and Jobs Act. Mr. Morgan provided testimony, on behalf of the Pennsylvania Office of Consumer Advocate (OCA).

Blue Granite Water Company (Public Service Commission of South Carolina, (Docket No. 2019-290-WS), January 2020. Assisted the South Carolina Department of Consumer Affairs. Presented testimony on accounting policy issues including test year revenue requirements.

UGI-Gas (Pennsylvania Public Utility Commission, Docket No. R-2019-3015162), May 2020. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with UGI-Gas' application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OCA, on accounting issues including Rate Base and Net Operating Income.

Expert Testimony

of Lafayette K. Morgan, Jr.

Columbia Gas of Maryland (Public Service Commission of Maryland, Case No. 9644), July 2020. Presented testimony on rate base and cost of service issues on behalf of the Office of People's Counsel.

PECO Energy Company - Gas Division (Pennsylvania Public Utility Commission, Docket No. R-2020-3018929), December 2020. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with PECO-Gas' application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OCA, on accounting issues including Rate Base and Net Operating Income.

Philadelphia Water Department (Philadelphia Water, Sewer and Storm Water Rate Board, Fiscal Years 2022 - 2023 Rates Proceeding), March 2021. Presented testimony on revenue requirements and the Department's three-year rate plan issues on behalf of the Public Advocate.

Versant Maine (Maine Public Utilities Commission, Docket No. 2020-00316), April 2021. Assisted the Maine Office of Public Advocate (OPA) with Versant's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

Maine Water Company (Maine Public Utilities Commission, Docket No. 2021-00053), April 2021. Assisted the Maine Office of Public Advocate (OPA) with Maine Water Company's Request for Approval of Rate Increase and Rate Smoothing Mechanism Pertaining to The Maine Water Company Biddeford & Saco Division. Mr. Morgan provided testimony, on the authorization of the Rate Smoothing Mechanism.

UGI-Electric (Pennsylvania Public Utility Commission, Docket No. R-2021-3023618), May 2021. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with UGI-Electric's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OCA, on accounting issues including Rate Base and Net Operating Income.

Bangor Natural Gas Company (Maine Public Utilities Commission, Docket No. 2021-00024), June 2021. Assisted the Maine Office of Public Advocate (OPA) with Bangor Natural Gas' application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

Philadelphia Gas Works (Philadelphia Gas Commission, Fiscal Years 2021 - 2022 Operating Budget Proceeding), June 2021. Presented testimony on the reasonableness of the Fiscal Year 2022 Operating Budget on behalf of the Public Advocate.

Duquesne Light Company (Pennsylvania Public Utility Commission, Docket No. R-2021-3024750), June 2021. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with

Duquesne Light Company's application for an increase in rates. Presented testimony, on behalf of the OCA, on accounting issues including test year revenue requirements.

Columbia Gas of Maryland (Public Service Commission of Maryland, Case No. 9664), July 2021. Presented testimony on rate base and cost of service issues on behalf of the Office of People's Counsel.

Palmetto Wastewater Reclamation, Inc. (Public Service Commission of South Carolina, (Docket No. 2021-153-S), September 2021. Assisted the South Carolina Department of Consumer Affairs. Presented testimony on accounting policy issues including test year revenue requirements.

Maine Water Company (Maine Public Utilities Commission, Docket No. 2021-00289), November 2021. Assisted the Maine Office of Public Advocate (OPA) with Maine Water Company's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

City of Lancaster – Water Department (Pennsylvania Public Utility Commission, Docket No. R-2021-3026682), December 2021. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with the City of Lancaster – Water Department's application for an increase in rates. Presented testimony, on behalf of the OCA, on accounting issues including test year revenue requirements.

Maryland Water Service (Public Service Commission of Maryland, Case No. 9671), January 2022. Presented testimony on rate base and cost of service issues on behalf of the Office of People's Counsel.

Commonwealth Edison Company (Illinois Commerce Commission, ICC Docket No. 21-0607 & ICC Docket No. 21-0739 (consolidated)), February 2022. Provided testimony related to the review and evaluation of the rate effects of Commonwealth Edison's misconduct admitted in the Deferred Prosecution Agreement between the United States Attorney for the Northern District of Illinois and Commonwealth Edison. Provided testimony on behalf of the Office of the Illinois Attorney General, the City of Chicago, and the Citizens Utility Board.

Philadelphia Gas Works (Philadelphia Gas Commission, Fiscal Years 2022 - 2023 Capital Budget Proceeding), February 2022. Presented testimony proposing several adjustments to Philadelphia Gas Works' Fiscal Year 2023 Capital Budget on behalf of the Public Advocate.

Philadelphia Water Department (Philadelphia Water, Sewer and Storm Water Rate Board, 2022 Tiered Assistance Program Rate Rider Surcharge Rates Proceeding), March 2022. Presented testimony regarding the appropriate adjustments to the 2022 TAP-R determination. Presented testimony on behalf of the Public Advocate.

Expert Testimony

of Lafayette K. Morgan, Jr.

Philadelphia Water Department (Philadelphia Water, Sewer and Storm Water Rate Board, Fiscal Years 2023 Special Rate Proceeding), April 2022. Presented testimony that demonstrated Philadelphia Water Department's outperformance and proposed a sharing of the utility's outperformance earnings. Presented testimony on behalf of the Public Advocate.

Maine Water Company-Camden& Rockland Division (Maine Public Utilities Commission, Docket Nos. 2022-00056), June 2022. Assisted the Maine Office of Public Advocate (OPA) with Maine Water Company's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

Maine Water Company-Freeport Division (Maine Public Utilities Commission, Docket Nos. 2022-00057), June 2022. Assisted the Maine Office of Public Advocate (OPA) with Maine Water Company's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

Maine Water Company-Millinocket Division (Maine Public Utilities Commission, Docket Nos. 2022-00058), June 2022. Assisted the Maine Office of Public Advocate (OPA) with Maine Water Company's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

Maine Water Company-Oakland Division (Maine Public Utilities Commission, Docket Nos. 2022-00059), June 2022. Assisted the Maine Office of Public Advocate (OPA) with Maine Water Company's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

Columbia Gas of Pennsylvania (Pennsylvania Public Utility Commission, Docket No. R-2022-3031211), June 2022. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with Columbia Gas of Pennsylvania's application for an increase in rates. Presented testimony, on behalf of the OCA, on accounting issues including test year revenue requirements.

Philadelphia Gas Works (Philadelphia Gas Commission, Fiscal Years 2022 - 2023 Operating Budget Proceeding), June 2022. Presented testimony on the reasonableness of the Fiscal Year 2023 Operating Budget on behalf of the Public Advocate.

Columbia Gas of Maryland (Public Service Commission of Maryland, Case No. 9680), July 2022. Presented joint testimony on rate base and cost of service issues on behalf of the Office of People's Counsel.

Expert Testimony

of Lafayette K. Morgan, Jr.

Oncor Electric Delivery Company (Public Utility Commission of Texas, PUC Docket No. 53601), August 2022. Presented joint testimony on rate base and cost of service issues on behalf of the Department of Defense and Federal Executive Agencies.

Cheyenne Light, Fuel and Power Company d/b/a Black Hills Energy (Wyoming Public Service Commission, Docket No. 20003-214-ER-22), November 2022. Presented testimony, on behalf of Microsoft Corporation, on rate base and cost of service issues.

Central Maine Power Company (Maine Public Utilities Commission, Docket No. 2022-00152), December 2022. Assisted the Maine Office of Public Advocate (OPA) with Central Maine Power's application for an increase in rates. Provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements and the company's request for a multi-year rate plan.

National Fuel Gas Distribution Corporation (Pennsylvania Public Utility Commission, Docket No. R-2022-3035730), January 2023. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with National Fuel Gas Distribution Corporation's application for an increase in rates. Presented testimony, on behalf of the OCA, on accounting issues including test year revenue requirements.

Philadelphia Gas Works (Philadelphia Gas Commission, Fiscal Years 2022 - 2023 Capital Budget Proceeding), February 2023. Presented testimony proposing several adjustments to Philadelphia Gas Works' Fiscal Year 2024 Capital Budget on behalf of the Public Advocate.

Philadelphia Water Department (Philadelphia Water, Sewer and Storm Water Rate Board, 2023 Tiered Assistance Program Rate Rider Surcharge Rates Proceeding), March 2023. Presented testimony regarding the appropriate adjustments to the 2023 TAP-R determination. Presented testimony on behalf of the Public Advocate.

Philadelphia Water Department (Philadelphia Water, Sewer and Storm Water Rate Board, Fiscal Years 2024 - 2025 Rates Proceeding), April 2023. Presented testimony on revenue requirements and the Department's two-year rate plan issues on behalf of the Public Advocate.

Dayton Power and Light Company d/b/a AES Ohio (The Public Utilities Commission of Ohio, Case No. 22-900-EL-SSO), April 2023. Presented testimony addressing the recovery of deferred costs and regulatory assets as part of AES Ohio's Application for Approval of Its Electric Security Plan on behalf of the Office of the Ohio Consumers' Counsel.

Special Projects

Developed a Uniform System of Accounts and Financial Data Collection Template for five countries participating in the National Association of Regulatory Utility Commissioners (NARUC)/East Africa Regional Energy Regulatory Partnership. Also conducted training seminars and participated as a panel member addressing issues in the utility industry from the perspective of the regulator. This work was conducted by NARUC) and the United States Agency for International Development (USAID).

Other Projects

Texas Gas Transmission Corporation (Federal Energy Regulatory Commission, Docket No. RP93-106). Technical analysis and participation in settlement negotiations on cost of service, invested capital, and revenue deficiency on behalf of the Indiana Office of Utility Consumer Counselor.

Natural Gas Pipeline Company of America (Federal Energy Regulatory Commission, Docket No. RP93-36). Technical analysis and participation in settlement negotiations on cost of service, invested capital, and revenue deficiency on behalf of the Indiana Office of Utility Consumer Counselor.

Texas Gas Transmission Company (Federal Energy Regulatory Commission, Docket No. RP94-423). Technical analysis and participation in settlement negotiations on cost of service, invested capital, and revenue deficiency on behalf of the Indiana Office of Utility Consumer Counselor.

Lafourche Telephone Company (Louisiana Public Service Commission, Docket No. U-21181). Analysis and investigation of earnings and appropriate rate of return on behalf of the Louisiana Public Service Commission Staff.

Natural Gas Pipeline Company of America (Federal Energy Regulatory Commission, Docket No. RP95-326). Technical analysis and participation in settlement negotiations on cost of service, invested capital, and revenue deficiency on behalf of the Indiana Office of Utility Consumer Counselor.

Pymatuning Independent Telephone Company (Pennsylvania Public Utility Commission, Docket No. R-00953502). Technical analysis and development of settlement position in the Company's rate case on behalf of the Pennsylvania Office of Consumer Advocate.

Illinois Bell Telephone Company (Illinois Commerce Commission, Docket No. 96-0172). Technical analysis of the Company's annual rate filing pursuant to its Price Cap Plan on behalf of Citizens Utility Board.

Illinois Bell Telephone Company (Illinois Commerce Commission, Docket No. 97-0157). Technical analysis of the Company's annual rate filing pursuant to its Price Cap Plan on behalf of Citizens Utility Board.

TDS Telecom (Pennsylvania Public Utility Commission, Docket Nos. R-00973892 and R-00973893). Technical analysis regarding rate base, cost of service, rate design, and rate of return, and assistance in settlement negotiations in the Company's rate case and alternative regulatory filing on behalf of the Pennsylvania Office of Consumer Advocate.

Appalachian Power Company (Virginia State Corporation Commission, Case No. PUE 960301). Technical analysis regarding rate base and cost of service and assistance in settlement negotiations in the Company's rate case and alternative regulatory filing on behalf of the Virginia Office of the Attorney General.

Central Maine Power Company (Maine Public Utilities Commission, Docket No. 97-580). Technical analysis regarding attrition and accounting issues in the Company's Transmission and Distribution unbundling proceeding on behalf of the Maine Public Utilities Commission Staff.

Illinois Bell Telephone Company (Illinois Commerce Commission, Docket No. 98-0259). Technical Analysis of the Company's annual rate filing pursuant to its Price Cap Plan on behalf of Citizens Utility Board.

Maine Public Service Company (Maine Public Utilities Commission, Docket No. 98-577). Technical analysis regarding attrition and accounting issues in the Company's Transmission and Distribution unbundling proceeding on behalf of the Maine Public Utilities Commission Staff.

Bangor Hydro-Electric Company (Maine Public Utilities Commission, Docket No. 97-596). Technical analysis regarding attrition and accounting issues in the Company's Transmission and Distribution unbundling proceeding on behalf of the Maine Public Utilities Commission Staff.

TDS Telecom (Maine Public Utilities Commission, Docket Nos. 98-894, 98-895, 98-904, 98-906, 98-911, and 98-912). Technical analysis regarding accounting issues and access rate changes on behalf of the Maine Office of the Public Advocate.

Mid-Maine Telecom (Maine Public Utilities Commission, Docket No. 2000-810). Technical analysis regarding accounting issues and access rate changes on behalf of the Maine Office of the Public Advocate.

Unitel, Inc. (Maine Public Utilities Commission, Docket No. 2000-813). Technical analysis regarding accounting issues and access rate changes on behalf of the Maine Office of the Public Advocate.

Hydraulics International, Inc. (Armed Services Board of Contract Appeals, ASBCA No. 51285). Technical analysis and support relating to the Economic Adjustment Clause claim on behalf of the Air Force Materiel Command.

Tidewater Telecom and Lincolnville Telephone Company (Maine Public Utilities Commission, Docket Nos. 2002-100 and 2002-99). Technical analysis regarding accounting issues and access rate changes on behalf of the Maine Office of the Public Advocate.

TDS Telecom (Vermont Public Service Board, Docket No. 6576). Technical analysis regarding rate base, cost of service, and depreciation expense on behalf of the Vermont Department of Public Service.

CenterPoint Energy-Entex (Louisiana Public Service Commission, Docket No. U-26720, Subdocket A). Technical analysis regarding rate base and cost of service on behalf of the Louisiana Public Service Commission Staff.

CenterPoint Energy-Arkla (Louisiana Public Service Commission, Docket No. U-27676). Technical analysis regarding rate base and cost of service on behalf of the Louisiana Public Service Commission Staff.

Provided technical analysis and support on behalf of the Louisiana Public Service Commission Staff relating to CLECO Power LLC Rate Stabilization Plan.

Provided technical analysis and support on behalf of the Louisiana Public Service Commission Staff relating to CLECO Power LLC post-Katrina power purchases.

Provided technical analysis and support on behalf of the Louisiana Public Service Commission Staff relating to Entergy Louisiana LLC recovery of storm damage costs.

Westar Energy, Inc. (Westar Energy) and Kansas Gas and Electric Company (KGE), (Kansas State Corporation Commission, Docket No. 17-WSEE-147-RTS). Technical analysis regarding rate base and cost of service on behalf of the Federal Executive Agencies.

Westar Energy, Inc. (Westar Energy) and Kansas Gas and Electric Company (KGE), (Kansas State Corporation Commission, Docket No. 17-WSEE-147-RTS). Technical analysis regarding rate base and cost of service on behalf of the Federal Executive Agencies.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

VERIFICATION

I, Lafayette K. Morgan Jr., hereby state that the facts set forth in my Direct Testimony, OCA Statement 1, are true and correct (or are true and correct to the best of my knowledge, information, and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: August 28, 2023 Signature: Lafayette Morgan Jr.
Lafayette K. Morgan Jr.

Consultant Address: Exeter Associates, Inc.
10480 Little Patuxent Parkway
Suite 300
Columbia, MD 21044-3575

Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
Harrisburg, PA 17105-3265
EFILING - FILING DETAIL

Date Created	Filing Number
8/28/2023	2492138

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Docket Number: A-2023-3040481
Case Description: Joint Application of American Transmission Systems, Incorporated, MAIT, and Trans-Allegheny Interstate Line Company||A-2023-3040482/A-2023-3040483/G-2023-3040484/G-2023-3040485/G-2023-
Transmission Date: 8/28/2023 3:01 PM
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OCA Filing Letter and COS RE Direct Testimony of Lafayette Morgan.pdf	Certificate of Service	8/28/2023 3:00:57 PM

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From: eFile@pa.gov
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Cc: EFiling-Alternate
Subject: E-file Confirmation for 2492138
Date: Monday, August 28, 2023 4:42:43 PM
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Dear Ryan Marshall,

Your eFiling has been successfully filed on Mon Aug 28 15:01:17 EDT 2023.
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Thank You,
Public Utility Commission
Commonwealth of Pennsylvania

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COMMONWEALTH OF PENNSYLVANIA

PATRICK M. CICERO
Consumer Advocate

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October 16, 2023

Via Electronic Mail Only
The Honorable Conrad A. Johnson
The Honorable Emily I. DeVoe
Pennsylvania Public Utility Commission
Office of Administrative Law Judge
Piatt Place
301 Fifth Avenue, Suite 220
Pittsburgh, PA 15222

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 Judge Johnson and Judge DeVoe:

Enclosed please find a copy of the Surrebuttal Testimony being submitted on behalf of the Office of Consumer Advocate in the above-referenced proceedings, as follows:

OCA Statement 1SR: Surrebuttal Testimony of Lafayette K. Morgan

Copies have been served on the parties as indicated on the enclosed Certificate of Service, in accordance with the Prehearing Order dated August 8, 2023.

Respectfully submitted,

/s/ Harrison W. Breitman
Harrison W. Breitman
Assistant Consumer Advocate
PA Attorney I.D. # 320580
HBreitman@paoca.org

Enclosures:
cc: PUC Secretary Rosemary Chiavetta, (Letter and Certificate of Service only)
Certificate of Service
*4864-4665-3319

CERTIFICATE OF SERVICE

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

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Surrebuttal Testimony as follows:

OCA Statement 1SR: Surrebuttal Testimony of Lafayette K. Morgan

upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 16th day of October 2023.

SERVICE BY E-MAIL ONLY

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SERVICE BY E-MAIL ONLY *(continued)*

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/s/ Harrison W. Breitman
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Counsel for:
Office of Consumer Advocate
555 Walnut Street
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Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Dated: October 16, 2023
*4870-0259-5207

Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
Harrisburg, PA 17105-3265
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10/16/2023	2499626

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Docket Number: A-2023-3040481
Case Description: 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
A-2023-3040482; A-2023-3040483; G-2023-3040484;
G-2023-3040485; G-2023-3040486
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From: eFile@pa.gov
To: Myers, Lauren R.
Subject: E-file Confirmation for 2499626
Date: Monday, October 16, 2023 1:22:19 PM
Importance: High

Dear Lauren R. Myers,

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Thank You,
Public Utility Commission
Commonwealth of Pennsylvania

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OCA Statement 1-SR

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

JOINT APPLICATION OF AMERICAN	:	A-2023-3040481
TRANSMISSION SYSTEMS, INCORPORATED	:	A-2023-3040482
(ATSI), MID-ATLANTIC INTERSTATE	:	A-2023-3040483
TRANSMISSION, LLC ("MAIT"), AND	:	G-2023-3040484
TRANS-ALLEGHENY INTERSTATE	:	G-2023-3040485
LINE COMPANY (“TrAILCo”)	:	G-2023-3040486

SURREBUTTAL TESTIMONY
OF
LAFAYETTE K. MORGAN, JR.

ON BEHALF OF THE
OFFICE OF CONSUMER ADVOCATE

October 16, 2023

EXETER
ASSOCIATES, INC.
10480 Little Patuxent Parkway, Suite 300
Columbia, Maryland 21044

I. Introduction

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Lafayette K. Morgan, Jr. My business address is 10480 Little Patuxent Parkway, Suite 300, Columbia, Maryland, 21044. I am a Public Utilities Consultant working with Exeter Associates, Inc. ("Exeter"). Exeter is a consulting firm specializing in issues pertaining to public utilities.

Q. ARE YOU THE SAME LAFAYETTE K. MORGAN, JR. WHO SUBMITTED PRE-FILED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes, I am.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. The purpose of my Surrebuttal Testimony is to respond to the Rebuttal Testimonies of the Joint Applicants' witnesses Mroczysnki, Staub and Rosenthal.

Q. BEFORE RESPONDING TO THE JOINT APPLICANTS' WITNESSES REBUTTAL TESTIMONY, PLEASE PROVIDE A SUMMARY OF YOUR DIRECT TESTIMONY TO GIVE SOME CONTEXT TO YOUR RESPONSES AND COMMENTS.

A. In my direct testimony, I recommended that the Commission not approve the proposed transaction because I concluded that the Joint Applicants made several assertions in their filing related to NATCo II's proposed additional equity stake that did not meet the Commission's standard for approving mergers and acquisitions. I stated that the proposed transaction lacked any tangible benefits, metrics or target/goals that can be monitored and measured to judge the success of the additional equity investment in FET. I also made specific recommendations to be required if the Commission approves the transaction. The recommendations were:

- Ringfencing measures must be put in place;

- Books and Records of NATCO must be open and available;
- Reliability commitments to attain certain measurable results must be included;
- Ratepayers must be held harmless from any costs of this transaction;
- The transmission assets must remain within PJM; and
- A reasonable minimum timeframe for holding these assets must be included.

II. Discussion and Response to the Joint Applicants' Witnesses

Q. PLEASE RESPOND TO MR. MROCZYNSKI'S REBUTTAL TESTIMONY WITH RESPECT TO OPERATIONAL BENEFITS OF THE PROPOSED TRANSACTION.

A. In my direct testimony, I state that the operational benefits of the transaction that were identified by the Joint Applicants were essentially things that were already being done by FirstEnergy or were corporate aspirational statements. In other words, they are a continuation of the status quo. Mr. Mroczynski disagrees but does not identify any specific initiative that has arisen or results specifically from the proposed transaction. He points to FirstEnergy's plans to invest approximately $6.5 billion in Pennsylvania's transmission system over the next decade.[1] However, given that these expenditures were already planned to begin in 2023, before the approval of the proposed transaction, the planned expenditures did not come about as a result of the NATCo II proposed investment. In fact, he states that some of the required work was directed by regulatory agencies, such as the North American Electric Reliability Corporation ("NERC") and PJM to address specific, long-term planning criteria violations on the transmission system and enhance system security and resiliency.[2]

[1] Joint Applicants Statement No. 1R, page 4, line 12.
[2] Joint Applicant Statement No. 1R, page 4, lines 5-7.

I do not doubt that FirstEnergy has developed a plan to make the $6.5 billion investment in the transmission system. However, the timeline of the data presented shows that the $6.5 billion investment in the transmission system was not developed due to the proposed transaction.

The same can be said for Mr. Mroczynski's claim that the distribution system will receive operational benefits from NATCo II's investments in the transmission systems because the Transaction will facilitate FirstEnergy's plans to invest $7.5 billion in Pennsylvania's distribution system over the next decade.[3] Again, this investment plan was developed before the approval of the Transaction. Hence, the availability of funds from the Transaction was not the impetus for the development of the distribution system investment plan.

Q. IN DISCUSSING THE BENEFITS OF THE PROPOSED TRANSACTION, MR. STAUB DISAGREES WITH YOUR TESTIMONY WHERE YOU INDICATE THAT BROOKFIELD DOES NOT BRING ANYTHING TO THE TABLE THAT FIRSTENERGY DOES NOT OR COULD NOT PROVIDE.

A. Before responding, it is important to put this into perspective. The PUC's standard, when approving mergers and acquisitions of public utilities, is that there must be affirmative public benefits. It is from this perspective that I believe my statement was appropriate.

In the direct testimony of Mr. Mroczynski, he lists the following as the affirmative benefits of the transaction: (1) Continuity benefits that will result from FirstEnergy's continued ownership and involvement in FET; (2) Joint ownership benefits that will result from Brookfield's incremental involvement in the ownership and operation of the Joint Applicants as the ultimate controlling entity of NATCo II; (3) Transmission operations benefits; and (4) Employee, environmental, social, and governance benefits. When one

[3] Joint Applicants Statement No. 1R, page 6.

reviews Mr. Mroczynski's discussion of each of the benefits he listed, it becomes clear why I described them as aspirational. These claimed, broad, and vague benefits can be achieved without the proposed transaction. In other words, the listed benefits are not made possible because of the proposed transaction. As such, these aspirational claimed benefits do not establish the necessary substantial affirmative benefit that is required for the PUC to approve the Transaction.

On the other hand, Mr. Staub argues in his rebuttal testimony that the proposed Transaction enables FirstEnergy to raise equity capital needed to lower its holding company debt, reduce interest expense, and support its distribution and transmission capital programs in an efficient manner.

According to Mr. Staub, Brookfield/NATCo II's investment is critical to FirstEnergy's aspiration to improve its financial metrics to achieve investment grade credit ratings. However, it is important to note that the debt reduction is a one-time event. Clearly, the proposed $3.5 billion investment will be insufficient to reduce debt and also finance the $14 billion capital project. Hence, any financial benefit of the transaction will be short-lived unless there is a long-term commitment on the part of Brookfield/NATCo II to provide additional equity to maintain its proportional equity share. Given the capital requirement to fund the $14 billion capital projects over the next decade, Mr. Staub has stated that "FirstEnergy's regulated utilities will continue to finance their respective plant-in-service with long-term capital consisting of equity and long-term debt in combination that comports with regulatory requirements and investment grade credit metrics."[4] It appears the equity portion of the capital is expected to come from cash from internally generated funds. The Company has stated that "the regulated utilities' additional source of capital will be cash from continuing operations (which includes earnings) [equity] as

[4] Joint Applicant Statement No. 2, page 15.

well as incremental debt capital."[5] This statement appears to be somewhat at odds with Mr. Staub's direct testimony, where he states: "The equity requirements of the regulated utilities will come from either retained earnings or equity infusions from FirstEnergy (or FirstEnergy and Brookfield through FET, in the case of the Joint Applicants). In the case of FET, any future required equity needs will be financed by both Brookfield and FirstEnergy in proportion to their respective ownership share."[6]

Q. WHY ARE YOU CONCERNED ABOUT THE FUNDING OF CAPITAL PROJECTS AFTER THE APPROVAL OF THE TRANSACTION?

A. If there is no firm long-term commitment from Brookfield/NATCo II regarding when it can walk away from its agreement with FET (currently only 3 years), FirstEnergy and the Joint Applicants will have to return to the traditional methods of raising capital to finance operations and higher debt levels should Brookfield terminate the agreement. The proposed Transaction is not a panacea for raising capital in the future.

Q. ACCORDING TO MR. MROCZYNSKI YOU IGNORED THE ADDITIONAL BENEFITS PRESENTED BY THE COMPANY IN MAKING YOUR RECOMMENDATION. PLEASE RESPOND.

A. In this section of Mr. Mroczynski's rebuttal testimony, he is referring to the information provided in the direct testimony of Mr. Toby Bishop (Joint Applicants Statement No. 4). In that testimony, according to Mr. Mroczynski, Mr. Bishop states that there are wide ranging and substantial economic benefits that local communities in Pennsylvania will receive that will generate economic activity, support jobs, and generate state and local tax revenues.

While it may be interesting to note that there will be economic activity from the projects FirstEnergy has identified, I believe this issue is moot because it will occur with

[5] Response to OCA-IV-2.
[6] Joint Applicant Statement No. 2, page 16.

or without the Transaction. Stated differently, because the work that needs to be done is largely driven by regulatory mandates and for system resiliency, FET will do the work whether the Transaction is approved or not. Therefore, the investment that has been identified as the potential driver of economic activity will occur because the investment is required by the regulatory agencies. As I have indicated in this testimony, these projects were not devised because of the availability of the NATCo II investment. These projects were already planned.

Q. MR. MROCZYNSKI DISAGREES WITH YOUR RECOMMENDATION THAT FIRSTENERGY AND FET SHOULD BE REQUIRED TO IDENTIFY SPECIFIC RELIABILITY STANDARDS/METRICS THAT WILL BE IMPROVED AS A RESULT OF THIS TRANSACTION WITH TIME FRAMES FOR MEETING THOSE STANDARDS AND METRICS. PLEASE RESPOND.

A. According to Mr. Mroczynski's rebuttal testimony, "[p]oor transmission system reliability is not the driver behind this Transaction. Rather, the Joint Applicants are focused on utilizing capital investments to maintain and enhance the reliability of the transmission systems. The Joint Applicants are confident that additional investment in the Pennsylvania transmission system will continue to yield reliability improvement."[7]

However, in his direct testimony, he identified transmission operation benefits as one of the affirmative benefits of the transaction. To which he stated: "The proceeds from the Transaction will support and provide the ability for FirstEnergy to deploy continued capital investments in its distribution and transmission systems. Increased capital investments in the transmission system will enhance and strengthen reliability through upgraded and new infrastructure and technology, thus improving the safety and reliability of existing service. The Transaction will also support improving the operational flexibility

[7] Joint Applicant Statement No. 1R, page 8.

of FirstEnergy's transmission system, enhancing its reliability, robustness, security, and resistance to extreme weather events."[8]

Mr. Mroczynski misinterprets my testimony when he states, in his rebuttal testimony, it is not necessary to impose further metrics on the Joint Applicants. I have not recommended any additional metrics. However, it is the Joint Applicants that have made a linkage between the NATCo II investment and system reliability but have not identified the metrics for which they should be held accountable.

As to the transmission systems at issue here, specifically the MAIT and ATSI systems, an enforceable commitment should be included in any approval of this transaction that requires a percentage reduction in the number of outages on those systems to be achieved over a period of years and the ongoing reporting of those metrics to the PUC and all stakeholders. This condition should ensure some level of measurable benefit from the Transaction, as opposed to only the aspirational statements of the Joint Applicants.

Q. MR. MROCZYNSKI DISAGREES WITH YOUR RECOMMENDATION THAT THE COMMISSION'S APPROVAL SHOULD REQUIRE ALL THE ASSETS INVOLVED IN THIS TRANSACTION REMAIN UNDER THE FUNCTIONAL CONTROL OF PJM. PLEASE RESPOND.

A. Mr. Mroczynski disagrees with my recommendation, but states: "The Joint Applicants will not withdraw transmission facilities from the operational control of PJM unless Joint Applicants have first applied for and obtained authorization by order of the Commission. I have been informed by counsel that this is consistent with the terms of previous commitments made by the Joint Applicants and approved by the Commission."[9]

[8] Joint Applicant Statement No. 1R, page 15.
[9] Joint Applicant Statement No. 1R, page 9.

It is not clear, to me, what Mr. Mroczynski finds objectionable. In his direct testimony, he states: "Moreover, because the underlying transmission facilities will remain under the functional control of PJM under PJM's OATT following the Transaction's approval (as is presently the case), the Transaction will have no adverse effect on competition in the wholesale power market."[10] My recommendation is simply to hold the Joint Applicants at their word. This is not a new condition. Therefore, the Commission should reject Mr. Mroczynski's objection to the requirement that all of the assets involved in this transaction remain under the functional control of PJM.

Q. WHY IS IT IMPORTANT FOR THE FET ASSETS TO BE UNDER PJM CONTROL?

A. It is important for the FET assets to be under PJM control because it ensures access to transmission on a non-discriminatory basis and supports the functioning of the overall grid as to stability and reliability.

Q. MR. ROSENTHAL DISAGREES WITH YOUR STATEMENT THAT BROOKFIELD DOES NOT BRING ANYTHING TO THE TABLE THAT FIRSTENERGY ALREADY DOES NOT OR COULD NOT PROVIDE. PLEASE RESPOND.

A: In his disagreement with my statement, Mr. Rosenthal indicates that Brookfield is an experienced owner-operator that works closely with its portfolio companies to share best practices. While his rebuttal testimony highlights some of Brookfield's transactions in the infrastructure and electric utility space, he concedes that FirstEnergy will retain control of the day-to-day operations at FET. As I discussed in my direct testimony, Brookfield/NATCo II's role as a result of this Transaction continues to be that of an overseer to monitor and protect its investment. My statement is valid. Brookfield/NATCo

[10] Joint Applicant Statement No. 1R, page 18.

II's increased equity position does not bring anything to the table that FirstEnergy (or Brookfield/NATCo II) already does not or could not provide. Mr. Rosenthal states as follows: "Brookfield, which ultimately controls NATCo II, brings with it a wealth of knowledge in operational planning, procurement, and project management, access to a reliable source of capital through capital calls to NATCo II, experience with broader capital markets, and extensive relationships with engineering companies, major equipment suppliers and field service contractors that the Joint Applicants can utilize to obtain services and goods in a cost-effective manner."[11] All of these claimed benefits could already be provided by Brookfield/NATCo II as a current 19.9% equity holder. There is nothing in the record of this matter to show that as a current equity holder, Brookfield has not already contributed its alleged expertise and experience to FirstEnergy, or that adding an additional 30% stake will only now result in these alleged benefits.

Q. HOW DOES MR. ROSENTHAL RESPOND TO YOUR RECOMMENDATION THAT THE COMMISSION REQUIRE A 10-YEAR HOLDING PERIOD FOR BROOKFIELD/NATCO II'S INVESTMENT IN FET.

A. Mr. Rosenthal indicates that such a requirement "from a business perspective" would not be "prudent or reasonable."[12] He identifies circumstances that could materially affect NATCo II's relationship with FET which could also lead NATCo II to divest its interest in FET. Based on his rebuttal testimony, one can see that there are many circumstances for NATCo II to divest its holdings in FET. Examples included by Mr. Rosenthal include FirstEnergy selling its ownership in FET to a new majority and operator that NATCo II does not have the same level of trust in, FirstEnergy seeking to exercise its majority owner and operator rights in a way that is materially misaligned with NATCo II, unexpected regulatory changes, unexpected catastrophic or emergency events, or unexpected and

[11] Joint Applicant Statement No. 3R, page 3.
[12] Joint Applicant Statement No. 3R, page 7.

adverse changes in tax law.[13] Mr. Rosenthal goes on to state "[i]t is simply not prudent for NATCo II, or FirstEnergy for that matter, to bind itself to such long-term ownership without the flexibility necessary to address unforeseen circumstances."[14] This, however, is precisely why a long term holding period is necessary. Vital transmission infrastructure and ownership of a public utility should not be subject to short-term ownership in which entities flip public utility assets whenever it suits them at the potential detriment of ratepayers. Moreover, as the transaction increases NATCo II's ownership in FirstEnergy to 49.9% and FirstEnergy retains the remaining 50.1% ownership interests of FET, concerns regarding majority control would require FirstEnergy to transfer at least 50% out of its total equity interest of 50.1% to another entity. Nevertheless, Mr. Rosenthal indicates that on the advice of legal counsel, he understands the law does not authorize the PaPUC to impose a holding period.[15] As a legal matter, it is my understanding the OCA will address this issue in its briefs in this proceeding.

Q. PLEASE RESPOND TO MR. ROSENTHAL'S DISAGREEMENT WITH YOUR RECOMMENDATION THAT THE COMMISSION SHOULD ENSURE THAT ALL OF NATCO II AND NATCO I'S BOOKS AND RECORDS ARE AVAILABLE TO BE REVIEWED AND EXAMINED BY THE PAPUC AND OTHER STAKEHOLDERS.

A: Mr. Rosenthal states that there is no reason to condition approval of the Transaction on disclosing NATCo I and NATCo II's private internal financial information.[16] He states that this requirement is not necessary because the Joint Applicants (and FET) are regulated utilities and the PaPUC already has access to their books and records to the extent the information is jurisdictional and relevant to the operations of the Joint Applicants.

[13] Joint Applicant Statement No. 3R, page 8.
[14] Joint Applicant Statement No. 3R, page 8.
[15] *Id*.
[16] Joint Applicant Statement No. 3R, page 13.

Therefore, he believes all the information needed to identify, review, or audit the transactions of the regulated utilities is already available to the PaPUC and will remain so after the Transaction.

With respect to NATCo II, Mr. Rosenthal indicates that information concerning any transactions between FET and NATCo II will already be reflected in FET's books and records and that any other information in NATCo II's books and records will relate solely to NATCo II's internal operations and transactions. In his opinion, that information will add nothing new to or bear no relevance to the operations of FET or the Joint Applicants.

With respect to NATCo I, he states that the information recorded in the books and records of NATCo I would be even further removed and not relevant to the operations of FET because NATCo I simply owns equity in NATCo II and would have no direct dealings with FET and the Joint Applicants.

Contrary to Mr. Rosenthal, I believe there is a valid reason for requiring access to the financial records of NATCo II. If approved, NATCo II will have a 49.9% equity stake in FET. While it would not have managerial control, it certainly has significant influence over FET operations. Disclosure of financial records to the Commission is reasonable.

Mr. Rosenthal states that "NATCo II would cooperate with any lawful PaPUC inquiry and provide any material and relevant documents in any future proceeding where necessary and as appropriate under the law and subject to traditional objections to such requests, such as on the basis of lack of relevance."[17] If the Joint Applicants agree to use that language as one of the conditions for approval, the OCA will find that acceptable.

Q. PLEASE COMMENT ON MR. ROSENTHAL'S STATEMENT REGARDING NATCO II GUARANTEEING THE DEBT OF FET.

[17] Joint Applicant Statement No. 3R, page 13.

A. In my direct testimony, I recommended that FET and its utility subsidiaries should maintain the capability to issue their own long-term debt separate from NATCo II and its corporate affiliates. Mr. Rosenthal, states that there may be instances where NATCo II and its corporate affiliates or FirstEnergy and its corporate affiliates may need to guarantee the debt of FET, such as where a guarantee may enable FET to obtain debt financing at the lowest cost. Mr. Rosenthal states that in such instances, the ability to guarantee the debt of FET on this basis would also benefit FET and thus the Joint Applicants' customers, in the form of reduced borrowing costs. The OCA would be amenable to modifying the language of the requirement to include: "Where there may be an instance where NATCo II and its corporate affiliates or FirstEnergy and its corporate affiliates may need to guarantee the debt of FET, such as where a guarantee may enable FET to obtain debt financing at the lowest costs corporate affiliates, such transaction should be conducted pursuant to the terms of a Commission-approved agreement."

Q. DOES THIS COMPLETE YOUR SURREBUTTAL TESTIMONY?

A. Yes, it does.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

VERIFICATION

I, Lafayette K. Morgan Jr., hereby state that the facts set forth in my Surrebuttal Testimony, OCA Statement 1SR, are true and correct (or are true and correct to the best of my knowledge, information, and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: October 16, 2023

Signature: Lafayette Morgan Jr.
Lafayette K. Morgan Jr.

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