

March 16, 2026

**Via E-File**

Matthew L. Homsher, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17105

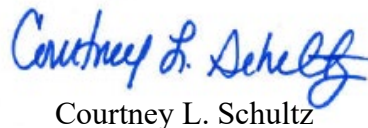
**Re: Application of American Transmission Systems, Inc.**  
**Docket No. A-2025-**

Dear Secretary Homsher:

This firm represents the Applicant, American Transmission Systems, Incorporated ("ATSI"). We enclose for filing, the Application of ATSI for Approval of Property Purchase and Affiliate Transaction.

Thank you for your attention to this matter.

Respectfully submitted,



Courtney L. Schultz

cc: All Parties per Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**APPLICATION OF AMERICAN TRANSMISSION SYSTEMS, INCORPORATED FOR EXPEDITED APPROVAL, PURSUANT TO 66 PA.C.S. §§ 1102(A)(3) AND 2102, OF ACQUISITION OF REAL PROPERTY FROM AFFILIATED INTEREST, CLEVELAND ELECTRIC ILLUMINATING COMPANY** :  
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: **Docket No. A-2025-**  
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**APPLICATION OF AMERICAN TRANSMISSION SYSTEMS, INCORPORATED FOR APPROVAL OF PROPERTY PURCHASE AND AFFILIATE TRANSACTION**

By this Application, American Transmission Systems, Incorporated (“ATSI” or “Applicant”) hereby requests all necessary authority, approvals, and certificates of public convenience from the Pennsylvania Public Utility Commission (the “Commission”) authorizing the purchase of real property and facilities located at 6896 Miller Road, Brecksville, Ohio 44141 (“Property”) from affiliate, The Cleveland Electric Illuminating Company (“CEI”), pursuant to Sections 1102(a)(3) and 2102 of the Pennsylvania Public Utility Code (the “Code”), 66 Pa.C.S. §§ 1102(a)(3) and 2102. The proposed purchase includes only that portion of the Property (“Lot #1”) as described in, and shall be pursuant to, that Real Estate Purchase Agreement (“Agreement”), including the associated Reciprocal Easement Agreement, which is collectively in final form and is attached hereto as **Exhibit A**.

ATSI further seeks all other approvals and certificates appropriate, customary, or necessary under the Code to carry out the transactions contemplated by this Application in a lawful manner. ATSI further requests that the Commission grant these authorizations no later than the Commission’s April 30, 2026 agenda meeting, so that the sale may close and become effective on or before May 1, 2026.

**I. Introduction.**

1. ATSI is a corporation organized and existing under the laws of the State of Ohio. ATSI is a wholly-owned regulated utility subsidiary of FirstEnergy Transmission, LLC (“FET”), and provides stand-alone electric transmission services and operations in Ohio and Pennsylvania. FET is owned by FirstEnergy Corp. (“FirstEnergy”) (50.1%) and North American Transmission Company II (49.9%).

2. ATSI is a certificated public utility authorized to provide service pursuant to the Certificate of Public Convenience issued by the Commission on December 8, 2016, at Docket No. A-2016-2566365.

3. CEI is a corporation organized and existing under the laws of the State of Ohio. CEI is a wholly-owned regulated utility subsidiary of FirstEnergy, providing electric distribution services in Ohio.

4. The address of the Applicant is as follows:

American Transmission Systems, Incorporated  
341 White Pond Drive  
Akron, Ohio 44320

5. The attorneys for the Applicant are as follows:

Tori L. Giesler (ID #207742)  
First Energy Service Company  
341 White Pond Drive  
Akron, OH 44320  
Phone: (717) 490-3292  
tgiesler@firstenergycorp.com

Courtney L. Schultz (ID #306479)  
Devan A. McCarrie (ID #332662)  
Saul Ewing LLP  
1735 Market Street, Suite 3400  
Philadelphia, PA 19103  
Phone: (215) 972-7717  
Courtney.schultz@saul.com  
Devan.mccarrie@saul.com

The Applicant’s attorneys are authorized to receive all notices and communications regarding this Application.

## II. Legal Authority.

6. This Application is made pursuant to Sections 1102(a)(3)<sup>1</sup> and 2102 of the Code because the Agreement involves the transfer of tangible property between affiliates that will be used or useful in the public service.

7. Section 2102(a) of the Code provides, in relevant part, that contracts or arrangements between affiliates require the Commission's prior approval:

no contract or arrangement for the purchase, sale, lease, or exchange of any property, right, or thing or for the furnishing of any service, property, right or thing other than those above enumerated, made or entered into after the effective date of this section between a public utility and any affiliated interest shall be valid or effective unless and until such contract or arrangement has received the written approval of the commission.

*Id.* at § 2102(a).

8. Further, Section 2102(b) of the Code sets forth the process and procedures related to said approval, and states, in relevant part:

It shall be the duty of every public utility to file with the commission a verified copy of any such contract [. . .]

The commission shall approve such contract or arrangement [. . .] only if it shall clearly appear and be established upon investigation that it is reasonable and consistent with the public interest [. . .].

If at the end of 30 days after the filing of a contract or arrangement, no order of rejection has been entered, such contract or arrangement, whether written or unwritten, shall be deemed, in fact and law, to have been approved. The commission may, by written order, giving reasons therefor, extend the 30-day consideration period.

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<sup>1</sup> Section 1102(a)(3) of the Code provides, in relevant part, that the Commission's prior approval, evidenced by a certificate of public convenience ("CPC"), is required, "to **acquire from**, or to transfer to, **any person or corporation** [. . .] including the sale or transfer of stock and including a consolidation, merger, sale or lease, **the title to, or the possession or use of, any tangible or intangible property used or useful in the public service.**" 66 Pa.C.S. § 1102(a)(3) (emphasis added). Section 1103 of the Code sets forth the procedures to obtain a CPC. *Id.* at § 1103. The Commission may issue a CPC upon a finding that "the granting of such certificate is necessary or proper for the service, accommodation, convenience, or safety of the public." *Id.* at § 1103(a).

No such contract or arrangement shall receive the commission's approval unless satisfactory proof is submitted to the commission of the cost to the affiliated interest of rendering the services or of furnishing the property or service described herein to the public utility. No proof shall be satisfactory within the meaning of the foregoing sentence unless it includes the original (or verified copies) of the relevant cost records and other relevant accounts of the affiliated interest, or such abstract thereof or summary taken therefrom as the commission may deem adequate, properly identified and duly authenticated. The commission may, where reasonable, approve or disapprove such contracts or arrangements without the submission of such cost records or accounts.

*Id.* at § 2102(b).

9. While the Commission must determine if the transaction is reasonable and in the public interest, under both Sections 1102(a)(3) and 2102(b) of the Code, the “public interest” standard is satisfied by a simple preponderance of the evidence of benefits, and such burden can be met by showing a likelihood or probability of public benefits that need not be quantified or guaranteed. *Popowsky v. Pa. PUC*, 594 Pa. 583, 611 (2007).

10. Where, as here, a transaction involves a transmission utility whose rates are regulated by the Federal Energy Regulatory Commission (“FERC”), a determination regarding the reasonableness of the costs involved should be guided by what FERC has deemed appropriate when evaluating affiliate property transfers. *See e.g., Entergy Servs., LLC*, 171 FERC ¶ 61,038, at ¶ 25 (Apr. 16, 2020) (finding the transfer of transmission control centers between affiliates at cost-based pricing just and reasonable); *South Central MCN LLC*, 162 FERC ¶ 61,214, at ¶ 45 (Mar. 15, 2018) (finding that the estimated net book value is a reasonable and permissible measure); *see also* Order No. 667, 113 FERC ¶ 61,248, ¶169, 171 (explaining that market standard is an appropriate valuation measure). Thus, reliance upon the net book value of a property to be transferred between affiliates is appropriate to determine a reasonable and fair purchase price.

### **III. Application to Acquire Real Property and Facilities.**

#### **A. Determination of the Purchase Price for Lot #1**

11. ATSI respectfully requests that the Commission approve the proposed acquisition of Lot #1 from its affiliate, CEI, because the transaction is reasonable and in the public interest.

12. ATSI and CEI will enter into the Agreement for sale of Lot #1 to ATSI (the “Transaction”). The Property is currently owned by CEI. It consists of a two-story office building, an atrium, and the Distribution Control Center (“DCC”) building.

13. Specifically, the Property has been subdivided into two lots. CEI will retain Lot #2, consisting of the DCC building (constructed in 1971), with a total of 4.66 acres. ATSI will purchase Lot #1, consisting of the office and atrium (constructed in 2000), with a total of 7.0914 acres, and including the real property, buildings and improvements, fixtures and appurtenant rights and interests, including all of CEI’s mineral rights and all easements, rights of way or other rights or interests on or benefiting certain real property, but specifically excluding Permitted Encumbrances (as that term is defined in the Agreement). *See* Exhibit A, at ¶ 1; *see also* Appraisal of Lot #1 by Horner Appraisal Group, Inc., dated November 19, 2025, at 2 and Addendum (Lot Split), a true and correct copy of which is attached hereto as **Exhibit B**.

14. ATSI is a FERC-regulated transmission utility and, under relevant FERC standards (*supra* ¶ 10), the purchase price for Lot #1 may be appropriately determined based on the net book value or the asset’s market value.

15. The Agreement sets forth the purchase price for Lot #1, which will be the net book value at consummation of the Transaction. The net book value of Lot #1 is \$4,722,255, as of September 30, 2025. *See* Exhibit A, at ¶ 2.

16. Although not required, ATSI engaged an independent real estate appraiser to value Lot #1, whose findings confirm further that the Lot #1 purchase price is reasonable and just. *See* Exhibit B. The appraisal utilized two approaches to value Lot #1.<sup>2</sup> *First*, under the Sales Comparison Approach, the appraiser evaluated seven (7) comparable office building sales in the relevant area within the last four years. Ex. B at 27-36. The appraiser detailed the price per square foot (“sf”) for each comparable sale, which ranged from \$57.40 to \$119.80, and explained that conditions such as superior locational attributes and building type should be considered in estimating the value of the Property. *Id.* at 27, 36. After qualitative adjustments, using the Sales Comparison Approach, the appraiser estimated Lot #1’s value at \$80/sf, resulting in a rounded market value of \$4,463,500. *Id.* at 36.

17. *Second*, under the Income Capitalization Approach, the appraiser examined the modified gross basis, which means that the owner is responsible for the payment of real estate taxes, insurance, common area maintenance, and common area utilities. *Id.* at 36. The appraiser also considered the vacancy rates and occupancy levels within the general Cleveland area and specifically the south submarket, as well as the superior locational attributes of Lot #1. *Id.* at 37. To do this, the appraiser considered various rent and sale comparables within the Cleveland metropolitan area, as well as the national suburban office market. *Id.* at 36, 38-39. In evaluating Lot #1’s quality and locational attributes, the appraiser concluded its rental rate on a modified gross basis would be \$1.50/sf monthly, or \$18/sf annually. *Id.* at 36. The appraiser also considered a Band of Investment analysis, which concluded that the amortization period for Lot #1 would be twenty-five (25) years with an approximate interest rate of 7.5% and an equity divided component

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<sup>2</sup> Three approaches were considered, including the Cost Approach. However, the appraiser determined that the Cost Approach was not applicable because it would be too dependent upon the judgment of the appraisers, given the Property’s age – 54 years old. *See* Ex. B, at 18.

estimated at 8%. *Id.* at 40. Therefore, in considering all of these factors, the appraiser concluded, using the Income Capitalization Approach, that the indicated value of Lot #1 was \$4,620,000. *See id.* at 41 (chart summarizing – Income Approach).

18. Thus, the appraisal concluded, having examined both approaches, that the market value of Lot #1 is \$4,663,500:

*Reconciliation and Final Value Opinion*

LAND VALUE:	N/A
COST APPROACH:	N/A
SALES COMPARISON APPROACH:	\$4,463,500
INCOME CAPITALIZATION APPROACH:	\$4,620,000

The two approaches form a very close range.

As a result of our appraisal and analysis, it is our opinion that the *Market Value of the Fee Simple Estate* of the Subject, as a whole, in terms of financial arrangements equivalent to cash, as of the most recent visitation date, October 9, 2025, is:

**FOUR MILLION SIX HUNDRED SIXTY-THREE THOUSAND  
FIVE HUNDRED DOLLARS**

**(\$4,663,500)**

Allocated:  
\$80/SF

*Id.* at 42.

19. The difference between the appraised market value (of \$4,663,500) and the net book value (of \$4,722,255) is nominal, as expected for a property held for over twenty (20) years.

**B. The Acquisition of Lot #1 is in the Public Interest**

20. The Transaction will be completed in accordance with the Agreement, and is reasonable and in the public interest for several reasons.<sup>3</sup>

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<sup>3</sup> These reasons are also identified in ATSI's responses to the standard data requests of the Commission's Bureau of Technical Utility Services, a true and correct copy of which are attached hereto as **Exhibit C**.

21. *First*, the acquisition of Lot #1 will promote efficiencies in the provision of transmission services across ATSI's service territory, including within Pennsylvania, by locating FirstEnergy employees who work primarily on transmission matters in a common location to more easily, quickly and frequently collaborate and plan transmission projects and services. Lot #1 will serve as a central location for FirstEnergy Service Company employees supporting FirstEnergy's transmission function, including but not limited to, power function, construction and design services, transmission strategy and engagement, and transmission finance.

22. *Second*, the Commission need not be concerned with any effect the purchase of Lot #1 may have on the rates of ATSI, as ATSI's rates are not within the jurisdiction of the Commission, but rather are regulated by FERC, and the purchase will be recorded according to, and consistent with, FERC accounting rules and guidelines.<sup>4</sup>

23. *Third*, the acquisition is projected to have no negative impact on either ATSI's or CEI's operations. The acquisition will not: (i) result in any interruption or curtailment of existing services; (ii) cause a termination of any ATSI or CEI operations; or (iii) affect ATSI's and CEI's short or long-term plans for expanding or upgrading any services now offered to the public.

24. Based on the foregoing, approval of this Application is necessary and proper for the service, accommodation, convenience, or safety of the public. ATSI respectfully requests an expedited review of this matter and requests Commission consideration and approval no later than April 30, 2026.

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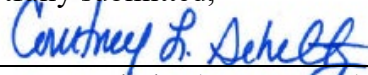
<sup>4</sup> See Exhibit C, Response to Question 10 (providing explanation of how the Transaction will impact ATSI's FERC transmission formula rates).

**IV. Conclusion.**

WHEREFORE, ATSI respectfully requests that the Commission grant all necessary authority, approvals and CPCs under the Code authorizing the acquisition of real property and facilities by ATSI as set forth in the Agreement no later than **April 30, 2026**.

Tori L. Giesler (ID #207742)  
First Energy Service Company  
341 White Pond Drive  
Akron, OH 44320  
Phone: (717) 490-3292  
tgiesler@firstenergycorp.com

Respectfully submitted,



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Incorporated*





# **EXHIBIT A**

## REAL ESTATE PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this “**Agreement**”) is entered into on this the \_\_\_ day of \_\_\_\_\_, 2026 (the “**Effective Date**”) by and between The Cleveland Electric Illuminating Company, a Ohio corporation (“**Seller**”) whose address is 341 White Pond Drive, Akron, Ohio 44320, and American Transmission Systems, Incorporated, an Ohio corporation (the “**Buyer**”) whose address is 341 White Pond Drive, Akron, Ohio 44320, each of the foregoing Seller and Buyer being hereinafter referred to as a “**Party**” or collectively as the “**Parties**” herein.

WHEREAS, Seller is the owner, in fee simple, of certain real property, buildings and improvements, fixtures and appurtenant rights and interests, including all of Seller’s mineral rights and all easements, rights of way or other rights or interests on or benefiting certain real property situated in the City of Brecksville, Ohio, covering approximately seven acres, as such property is described on **Exhibit A**, which is attached hereto and made a part hereof (all of which real estate, fixtures, improvements and appurtenances being hereafter referred to as the “**Property**”); and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, the Property on the terms set forth below.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

### **1. Purchase and Sale of the Property.**

(a) Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, free and clear of all mortgages, liens and encumbrances, excepting only Permitted Encumbrances, as defined below, good record and marketable fee simple title to the Property. For purposes of this Agreement, “Permitted Encumbrances shall mean all (i) aboveground and underground utility lines, water line, and sewer line easements; (ii) federal, state, and local laws, rules, statutes, regulations and ordinances that affect the Property, including but not limited to zoning ordinances; (iii) real estate and other taxes and assessments, both general and special, which are a lien but not yet due and payable; (iv) such other covenants, conditions, and restrictions appearing on record that do not adversely affect the Property; (v) any items or matters that would be disclosed by an accurate survey of the Property and that do not adversely affect the Property; and (vi) non-exclusive and reciprocal access easement rights created by the Reciprocal Easement Agreement referenced in Section 1(b) below.

(b) The parties agree to enter into an reciprocal easement agreement (“**Reciprocal Easement Agreement**”) substantially in the form attached hereto as **Exhibit B**, to provide each other with reciprocal easements upon, over, through the Property and tangentially-adjacent areas, including but not limited for the purposes of access to paved roadways, including parking rights, and for each respective Party, to access facilities and utilities including but not limited to fire and life safety systems, storm water management, trash receptacles, communication systems and any other shared facilities or utilities located upon, under, or within the Property and tangentially-adjacent areas.

(c) Buyer acknowledges, understands, and agrees that Seller will reserve in the Deed an easement for the transmission and distribution of electric current and energy related service and other services deemed necessary by the Seller, including communications facilities (the “**Electric Easement**”). Buyer acknowledges and agrees that no building, obstruction, or impediment of any kind shall be placed within 30 feet of a conductor and Buyer’s use is further restricted within this easement area as described in the Electric Easement as reserved in the Deed.

(d) Seller agrees that any existing mortgage lien with respect to the Property will be released of record within six (6) months after the Closing.

2. **Purchase Price.** The purchase price payable by Buyer to Seller for the Property shall be the net book value of the Property on Seller’s books as of the Closing (the “**Purchase Price**”), which shall be paid in full at Closing, as defined below. The parties note that the net book value of the Property was \$4,722,254.76 as of September 30, 2025.

3. **Real Estate Taxes and Utilities.** (i) Current real estate taxes and installments of assessments both general and special and (ii) utilities shall be computed and prorated between Seller and Buyer as of the Closing Date, as defined below, in accordance with the local custom and using the last available tax duplicate. Any past due or delinquent real estate taxes and installments of assessments shall be paid by Seller on or before the Closing Date.

4. **Inspections.** From and after the Effective Date and until 5:00 p.m. eastern standard time on the ninetieth (90<sup>th</sup>) day following the Effective Date (the “**Due Diligence Period**”) Buyer and its representatives shall have the right to enter the Property to conduct any surveys, studies and/or inspections desired by Buyer (collectively, the “**Inspections**”). Any such Inspection shall be performed so as to minimally interfere with Seller’s use of the Property, to the extent reasonably possible. Buyer shall bear all costs of the Inspections performed thereby. Buyer shall be responsible for and shall repair any damage to any part of the Property caused by an Inspection conducted by or on Buyer’s behalf hereunder. In the event Buyer fails to terminate this Agreement on or before the expiration of the Due Diligence Period, then Buyer shall be deemed to have accepted the condition of the Property in its “AS IS, WHERE IS” and “WITH ALL FAULTS” condition.

5. **Contingencies.** Buyer’s obligation to consummate the transaction set forth under this Agreement is subject to the satisfaction or waiver by Buyer of the following contingencies, which are for Buyer’s sole benefit (the “**Buyer’s Contingencies**”): (i) Buyer’s receiving acceptable reports and results, in Buyer’s sole discretion, regarding any Inspection conducted thereby in connection with the Property; (ii) Buyer’s obtaining approval from any regulatory agency having jurisdiction over the transfer of the property between Buyer and Seller in their capacity as public utilities or affiliates thereof; (iii) the representations and warranties of Seller contained herein shall be true on the Closing Date in all material respects as though those representations and warranties were made on that date; and (iv) Buyer shall have obtained title information confirming that Seller can transfer good record and marketable fee simple title to the Property to Buyer at Closing, subject only to Permitted Encumbrances; and (v) Seller and Buyer shall have executed the Amendment to Reciprocal Access Easement in recordable form. If all of the Contingencies have not been satisfied to Buyer’s satisfaction within the Due Diligence period, then Buyer may terminate this Agreement

by giving Seller written notice thereof, and upon such termination, the Parties shall be released from all further liability or obligation hereunder, except for those liabilities or obligations that survive the expiration or sooner termination of this Agreement.

Seller's obligation to consummate the transaction set forth under this Agreement is subject to the satisfaction or waiver by Seller of the following contingencies, which is for Seller's sole benefit (the "**Contingencies**"): (i) Seller having obtained approval of a real estate subdivision by all necessary governmental agencies, including, but not limited to, the City of Brecksville, Ohio and Cuyahoga County that creates a separate tax parcel for the Property and a legal description that is acceptable for recording and transfer of the Property; (ii) Seller's obtaining approval from any regulatory agency having jurisdiction over the transfer of the property between Buyer and Seller in their capacity as public utilities or affiliates thereof;

## **6. Representations.**

(a) Seller has not and does not hereby make any express or implied representation or warranty or give any indemnification of any kind to Buyer concerning the Property, its condition or suitability or its compliance with any statute, ordinance or regulation, including, but not limited to, those relating to the environment. The Buyer waives, releases, acquits and forever discharges Seller, its employees or agents or any other person acting on behalf of Seller, of and from any and all claims, actions, administrative proceedings, judgments, damages, punitive damages, penalties, fines, expenses, costs, liabilities, and interest or losses which the Buyer may have with respect to the physical characteristics or condition of the Property or the release or threatened release of hazardous materials, hazardous substances, hazardous wastes, or other regulated substances under any federal, state or local law in, on, under or about the Property, including, without limitation, liabilities under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., as amended, the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., as amended, the Voluntary Action Program, Section 3746 of the Ohio Revised Code, attorney fees, consultant and expert fees and expenses that arise directly or indirectly from or in connection with the presence, suspected presence, release or suspected release of any Hazardous Substance, as hereinafter defined, in or into the air, soil, surface water, ground water or soil vapor at, on, about, above, under or within the Property or any portion thereof. As used in this Agreement, the term "Hazardous Substances" means any hazardous or toxic substances, materials or wastes, including, but not limited to solid, semi-solid, liquid or gaseous substances which are toxic, ignitable, combustible, corrosive, carcinogenic or otherwise dangerous to human, plant or animal health or well-being and those substances, materials, and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302) and amendments thereto or such substances, materials and wastes regulated under any applicable local, state or federal law including, without limitation, any material, waste or substance which is (i) petroleum, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) designated as a "hazardous substance" or "toxic pollutant" pursuant to the Clean Water Act (33 U.S.C. Section 1251 et seq.), (v) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903), or (vi) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. (42 U.S.C. Section 9601). The release contained in this Paragraph 6 shall survive the Closing.

(b) Buyer acknowledges and agrees that, if it elects to proceed to Closing, such election shall have been based upon Buyer's own independent evaluation of information deemed relevant to Buyer. Buyer is being provided ample opportunity to prepare, obtain, review and approve, among other things, all reports of investigations and examinations of the Property and other inspections of the Property as Buyer may deem necessary in order to determine that the Property is suitable for Buyer's intended use, as well as to investigate all zoning requirements, federal, state and local laws, ordinances, rules, regulations, permits, licenses, approvals and orders applicable to the Property. Buyer shall rely solely on its own investigation, and it has not relied upon and will not rely upon any oral or written information provided by Seller or its personnel or agents, and Buyer acknowledges and agrees that no employee or representative of Seller has been authorized to make and that Buyer has not relied upon any statements of Seller.

(c) Buyer acknowledges and agrees that Seller or anyone acting on its behalf has not made, and does not make and specifically disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to this transaction or the Property, including, but not limited to: (i) the nature, quality or condition of the Property, including, without limitation, the water, soil, geology and environmental condition; (ii) the income to be derived from any and all activities and uses which Buyer may conduct on the Property; (iii) the suitability of the Property for any and all activities and uses which Buyer may conduct thereon; (iv) the compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body, including, but not limited to, the Americans With Disabilities Act of 1990 and the regulations promulgated thereunder; (v) the presence or absence of any hazardous substances on the Property or the compliance of the Property with any environmental laws; (vi) the quality of construction and structural condition of the Property, the habitability, merchantability or fitness for a particular purpose of the Property; or (vii) any other matter with respect to the Property. Accordingly, the Property shall be conveyed by Seller and accepted by Purchaser in its "AS IS", "WHERE IS" and "WITH ALL FAULTS" condition and based solely on Purchaser's own inspection, investigation and evaluation.

(d) Seller represents and warrants to Buyer that as of the date hereof and as of the Closing:

- (i) Seller is an Ohio corporation, duly formed and validly existing under the laws of the State of Ohio and is duly qualified to do business in the State of Ohio.
- (ii) Seller is authorized to enter into this Agreement and to perform all of its obligations under this Agreement and that upon execution and delivery of this Agreement, this Agreement will be legally binding upon Seller in accordance with all of its provisions.

(e) Buyer represents and warrants to Seller that as of the date hereof and of the Closing:

- (i) Buyer is an Ohio corporation, duly formed and validly existing under the laws of the State of Ohio and is duly qualified to do business in the State of Ohio.
- (ii) Buyer is authorized to enter into this Agreement and to perform all of his obligations under this Agreement and that upon execution and delivery of this Agreement, this Agreement will be legally binding upon Buyer in accordance with all of its provisions.

(f) If either party or any of its respective agents obtain knowledge on or prior to the Closing Date, that any of its respective representations or warranties as stated above in paragraphs 6(d) or 6(e) are untrue or incorrect, such party shall give the other party immediate written notice thereof.

7. **Closing.** The transfer of title to the Property, the payment of the Purchase Price to Seller, and the delivery of such documents, instruments and agreements required hereunder (the “**Closing**”) shall occur as soon as possible after the satisfaction of all Contingencies, but in no event later than thirty (30) days after the Effective Date of this Agreement. The date on which the Closing occurs shall be referred to as the “**Closing Date**”. The Closing shall take place virtually or at offices of the Seller located at 341 White Pond Drive, Akron, Ohio 44320 or at such other location as the Parties may agree upon hereunder, with the concurrent delivery of the documents, funds, instruments and other items required pursuant to this Agreement and as may be reasonably necessary to accomplish the purposes contemplated by this Agreement.

8. **Delivery of Deed and Ancillary Documents.**

(a) On or before the Closing Date, Seller will deliver to Buyer the following:

(i) A duly executed Limited Warranty Deed (the “**Deed**”) in recordable form, conveying good record and marketable fee simple title to the Property to Buyer, subject only to the Permitted Encumbrances. The Deed shall include the reservation of the Electric Easement;

(ii) A duly executed certificate in the form specified by Treasury Regulation Section 1.1445-2(b)(2) (the “**FIRPTA Affidavit**”);

(iii) A duly executed mutually agreed upon settlement statement;

(iv) Documentation to establish the due authorization of Seller’s execution and delivery of all documents contemplated by this Agreement, and closing of the transaction contemplated hereby; and

(v) A duly executed Reciprocal Easement Agreement.

(b) On or before the Closing Date, Buyer will deliver to Seller the following:

(i) The Purchase Price as required pursuant to **Section 2** above, by electronic funds transfer of immediately available United States currency to a bank account designated

by the Escrow Agent at least one business days in advance of the Closing;

(ii) A duly executed mutually agreed upon settlement statement; and

(iii) A duly executed Reciprocal Easement Agreement.

(c) Each of Seller and Buyer shall, at the Closing, and from time to time thereafter, upon request, execute such additional documents as are reasonably necessary in order to convey, assign and transfer the Property pursuant to this Agreement, provided that such documents are consistent with the terms of this Agreement, and do not increase Seller's or Buyer's obligations hereunder or subject Seller or Buyer to additional liability not otherwise contemplated by this Agreement.

**9. Prorations and Credits.** At Closing, the Parties shall mutually agree to the following apportionments and assess the following charges:

a) All real property taxes and assessments, both general and special, and utilities shall be prorated as of the Closing Date based on the County Treasurer's most recent tax duplicate and tax rate at such date. If the proration at Closing is based on tax assessments and bills covering a tax parcel that is larger than but includes the Property, then the portion of such tax bills pertaining to the Property shall be determined by allocation on a per-acre basis, with appropriate allocation of taxes attributable to Improvements on the assessed parcel based upon the location of same on the parcel (so the Buyer pays no taxes and receives no credit attributable to improvements that are not located on the Property);

b) Seller shall pay all transfer taxes and conveyance fees;

c) Each Party shall pay the fees of its own attorney and the cost of preparing all documents which this Agreement requires such Party to furnish;

d) Buyer shall pay the costs of recordation of the Deed; and

e) Buyer shall pay for the survey fees and costs associated with the Property subdivision.

**10. Possession.** Possession of the Property, subject to the Permitted Encumbrances, shall be given to Buyer at the time of Closing. Buyer hereby agrees and acknowledges that title to and possession of the Property will be conveyed hereunder in its **AS IS AND WHERE IS CONDITION**, subject to all defects, faults and flaws therein, and without any express or implied representation or warranty from Seller with respect to the physical characteristics or condition of the Property, including, without limitation, the condition of the soil, the presence of hazardous materials, substances, wastes or other environmentally regulated substances under any federal, state or local law, or other contaminants in the soil or improvements, whether known or unknown.

**11. Risk of Loss and Casualty.**

(a) All risk of loss, destruction or damage to the Property prior to, but not including, the Closing Date shall remain with and be assumed by Seller, unless caused by or resulting from the direct or indirect acts of Buyer, its employees, agents, contractors or invitees.

(b) In the event of any casualty to the Property prior to the Closing Date, which results in damage to the Property having a cost to repair equal to or in excess of ten percent of the Purchase Price, Seller and Buyer shall have the option to terminate this Agreement by written notice to the other Party. If neither Party exercises its right to terminate hereunder, then Buyer shall acquire the Property pursuant to this Agreement in which event at Buyer's election, Seller shall either (i) credit the amount of the cost to repair the Property against the Purchase Price at Closing, which credit shall not exceed the amount of the Purchase Price set forth herein, or (ii) remit to Buyer the full amount of insurance proceeds obtained thereby in connection with casualty insurance coverage maintained on the Property by Seller at the time of such damage or destruction. In the event of any casualty to the Property prior to the Closing which results in damage to the Property having a cost to repair of less than ten percent of the Purchase Price, Buyer shall acquire the Property pursuant to this Agreement and Seller shall credit the amount of the cost to repair the Property against the Purchase Price at Closing.

**12. Real Estate Brokers.** Seller and Buyer represent that no real estate broker, finder or other third party is entitled to any brokerage fee or commission in connection with this Agreement or the transaction contemplated thereby.

**13. Default.** In the event that either Party to this Agreement should breach its obligations hereunder and fail to cure such breach within ten days after receipt of written notice of default from the other Party hereto, such party will be in default hereunder and the non-defaulting Party shall be entitled to terminate this Agreement and to otherwise seek such other remedies hereunder available thereto at law or in equity. Notwithstanding the foregoing, neither Party hereto shall be subject to any indirect, consequential or incidental damages as a result of a default hereunder.

**14. Notices.** Any notice, demand, approval or other communication ("**Notices**") hereunder shall be in writing and shall be deemed to have been given or delivered: (i) upon receipt, when delivered personally or by electronic mail; or (ii) two days after deposit in the United States certified mail, return receipt requested and postage prepaid; or (iii) one day after deposit with a nationally recognized overnight courier, return receipt requested and delivery charges prepaid. All Notices shall be addressed to Seller or Buyer, as the case may be, at their respective addresses first set forth above, or to such other address(es) as either party may previously have specified by like notice.

**15. Exculpation.** Notwithstanding anything herein to the contrary, Seller's and Buyer's shareholders, partners, members, trustees, officers, directors, employees, agents and security holders assume no personal liability for any obligations entered into on behalf of Seller and Buyer and the individual assets of the same shall not be subject to any claims of any person relating to such obligations. The foregoing shall govern any direct and indirect obligations of Seller and Buyer under this Agreement.

**16. Severability.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

**17. Miscellaneous.**

(a) This Agreement shall be binding upon and inure to the benefit of the Parties and their respective affiliated companies, successors, and to the extent assignable, on the assigns of the Parties hereto, it being expressly understood, however, that Buyer may assign this Agreement without the written consent of Seller.

(b) Except as explicitly provided herein or therein, no provision of this Agreement is intended to confer upon any other person other than the Parties hereto any rights or remedies hereunder.

(c) All covenants, agreements, representations and obligations of the Parties hereunder shall survive Closing and not be merged by execution and delivery of the Deed, unless otherwise provided herein.

(d) The headings contained herein are for convenience of reference only and are not to be used in interpreting this Agreement.

(e) This Agreement shall be construed and enforced pursuant to the laws of the State of Ohio, without regard to conflict of law principles.

(f) No amendments or variations of the terms and conditions of this Agreement shall be valid unless the same are in writing and signed by both Parties hereto.

(g) This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one document.

**[Signature Page to Follow]**

This Agreement has been executed by Seller and Buyer as of dates stated below and is effective as of the Effective Date first stated above.

**SELLER:**

**THE CLEVELAND ELECTRIC  
ILLUMINATING COMPANY**

By: \_\_\_\_\_

Name:

Its:

Date \_\_\_\_\_

**BUYER:**

**AMERICAN TRANSMISSION SYSTEMS,  
INCORPORATED**

By: \_\_\_\_\_

Name:

Its:

Date: \_\_\_\_\_

**EXHIBIT A**

[attached]





SURVEYOR'S DESCRIPTION  
OF  
PROPOSED LOT 1  
308,900 SQUARE FEET OR 7.0914 ACRES

Situated in City of Brecksville, County of Cuyahoga, State of Ohio and being a part of Original Brecksville Township Lot 60, and being a portion of the land conveyed to Cleveland Electric Illuminating Company via volume 12529 page 25 of said county records, and being more particularly described as follows:

Shown as PROPOSED LOT 1 PPN 604-18-010 Split Plat prepared by Glaus, Pyle, Schomer, Burns & DeHaven, Inc (dba GPD Group), and recorded as AFN \_\_\_\_\_, Cuyahoga County Map Records.

This description was prepared and reviewed under the supervision of Andrew R. Provost, Professional Surveyor No. 8400, and is based upon a field survey performed for FirstEnergy by Glaus, Pyle, Schomer, Burns and DeHaven, Inc. (dba GPD Group) in August 2025.

Glaus, Pyle, Schomer, Burns, & DeHaven, Inc.  
(dba GPD Group)

\_\_\_\_\_  
Andrew R. Provost, P.S.  
Ohio Professional Surveyor No. 8400

SURVEYOR'S DESCRIPTION  
OF  
PROPOSED LOT 2  
202,975 SQUARE FEET OR 4.6596 ACRES

Situated in City of Brecksville, County of Cuyahoga, State of Ohio and being a part of Original Brecksville Township Lot 60, and being a portion of the land conveyed to Cleveland Electric Illuminating Company via volume 12529 page 25 of said county records, and being more particularly described as follows:

Shown as PROPOSED LOT 2 PPN 604-18-010 Split Plat prepared by Glaus, Pyle, Schomer, Burns & DeHaven, Inc (dba GPD Group), and recorded as AFN \_\_\_\_\_, Cuyahoga County Map Records.

This description was prepared and reviewed under the supervision of Andrew R. Provost, Professional Surveyor No. 8400, and is based upon a field survey performed for FirstEnergy by Glaus, Pyle, Schomer, Burns and DeHaven, Inc. (dba GPD Group) in August 2025.

Glaus, Pyle, Schomer, Burns, & DeHaven, Inc.  
(dba GPD Group)

\_\_\_\_\_  
Andrew R. Provost, P.S.  
Ohio Professional Surveyor No. 8400

**EXHIBIT B**

[attached]

## **RECIPROCAL EASEMENT AGREEMENT**

This Easement Agreement (“Agreement”) is made as of the \_\_\_\_\_ day of \_\_\_\_\_ 202\_\_, by and between **THE CLEVELAND ELECTRIC ILLUMINATING COMPANY**, an Ohio corporation, with a mailing address at 341 White Pond Drive, Akron, Ohio 44320, hereinafter together with its successors and assigns called (“CEI”), and **AMERICAN TRANSMISSION SYSTEMS, INCORPORATED**, an Ohio corporation, with a mailing address at 341 White Pond Drive, Akron, Ohio 44320, hereinafter together with its successors and assigns called the (“ATSI”).

WHEREAS, CEI owns approximately 11.75 acres of property at 6896 Miller Road, located in the City of Brecksville, County of Cuyahoga, State of Ohio, and further known as Permanent Parcel No. 604-18-010 (“Property”) and more fully described on Exhibit “A”, attached hereto and made a part hereof; and

WHEREAS, CEI has entered into a purchase sales agreement (“PSA”) with ATSI for the sale of 7.09 acres of the Property, including all buildings and improvements thereon; and

WHEREAS, CEI will retain a parcel of real property containing approximately 4.66 acres of the Property and further known as Permanent Parcel No. \_\_\_\_\_ (the “CEI Property”) and more fully described on Exhibit “B”, attached hereto and made a part hereof; and shown on “Exhibit “D” as Lot 2 attached hereto and made a part hereof; and

WHEREAS, ATSI will acquire from CEI a parcel of real property containing approximately 7.09 acres located in the City of Akron, and further known as Permanent Parcel No. \_\_\_\_\_ (the “ATSI Property”) and more fully described on Exhibit “C”, attached hereto and made a part hereof; shown on “Exhibit “D” as Lot 1, attached hereto and made a part hereof; and

WHEREAS, CEI will retain a building located on the CEI Property being approximately 15,587 SF (the “CEI Building”) and more fully shown on Exhibit “E”, as Lot 2, attached hereto and made a part hereof; and

WHEREAS, ATSI will acquire from CEI a building being approximately 56,767 SF (the “ATSI Building”) located on the ATSI Property and more fully shown on Exhibit “E”, as Lot 1, attached hereto and made a part hereof; and

WHEREAS, as the CEI Property and the ATSI Property are adjoining parcels and CEI Building and ATSI Building are attached by a shared wall and access entry door (the “Party Wall”), they currently share various assets used for the benefit of both parties, such as parking lots/street entrances, trash receptacles, fire and safety systems, communication systems, stormwater facilities, other facilities and/or utilities (“Joint Use

Facilities”); and

WHEREAS, in order for CEI and ATSI each to (i) enjoy the full benefit of their respective property rights, real or personal, (ii) fulfill legal requirements, and (iii) comply with any applicable agreements between the parties, ATSI and CEI require reciprocal access easements in, on, over and above, or with respect to, real and or personal property upon each other’s Property, including the CEI Building and ATSI Building; and

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt, value and sufficiency of which is hereby acknowledged, the parties hereby covenant and agree as follows:

1. The foregoing recital clauses are incorporated herein by reference.
2. CEI grants ATSI an easement over, under, and across the East Access Drive, which provides access from Miller Drive through the CEI Property to the ATSI Property, and parking lot on the CEI Property, as more specifically shown on Exhibit “F,” attached hereto and made a part hereof, for the purpose of ingress and egress to and from the ATSI Property, accessing any and all Joint Use Facilities, and vehicular parking and travel as reasonably necessary or convenient for achieving the CEI’s business purpose.
3. ATSI grants CEI an easement over, under, and across the West Access Drive, which provides access from Miller Road through the ATSI Property to the CEI Property, and parking lot on the ATSI Property, as more specifically shown on Exhibit “F” attached hereto and made a part hereof, for the purpose of ingress and egress to and from the CEI Property, accessing any and all Joint Use Facilities, and vehicular parking and travel as reasonably necessary or convenient for achieving the CEI’s business purpose.
4. CEI grants ATSI an easement across and through the CEI Building for the purpose of accessing, installing, altering, modifying, replacing, relocating, expanding, adding to, maintaining, upgrading, operating, and removing CEI’s portion of Joint Use Facilities, together with ingress and egress rights for the aforesaid purpose, including, but not limited to, across and through its portion of the Party Wall, as shown on Exhibit “G” for use as an interior access entry.
5. ATSI grants CEI an easement across and through the ATSI Building for the purpose of accessing, installing, altering, modifying, replacing, relocating, expanding, adding to, maintaining, upgrading, operating, and removing ATSI’s portion of Joint Use Facilities, together with ingress and egress rights for the aforesaid purpose, including, but not limited to, across and through its portion of the Party Wall, as shown on Exhibit “G” for use as an interior access entry.
6. CEI reserves the right to use its portion of the CEI Property and the CEI Building, respectively for any purpose and in any manner whatsoever, including the right to grant other easements over, across, and through its portion of the CEI Property provided that such use does not materially interfere with or obstruct the rights herein granted to ATSI. CEI and ATSI further agree that if CEI, in its sole discretion, desires to change the

location of its portion of the East Access Drive in the future for any reason, CEI shall provide ATSI with a new comparable substitute access easement including all rights granted herein.

7. ATSI reserves the right to use its portion of the ATSI Property and ATSI Building for any purpose and in any manner whatsoever, including the right to grant other easements over, across, and through its portion of the ATSI Property, provided that such use does not materially interfere with or obstruct the rights herein granted to CEI. ATSI and CEI further agree that if ATSI, in its sole discretion, desires to change the location of its portion of the West Access Drive in the future for any reason, ATSI shall provide CEI with a new comparable substitute access easement including all rights granted herein.

8. ATSI shall maintain, repair and replace or cause to be maintained, repaired or replaced, in good order, condition and repair Joint Use Facilities, the West Access Drive under or upon the ATSI Property, ATSI Property, CEI Building, and ATSI Building, which maintenance shall include, but not be limited to, all reasonable and ordinary upkeep for the Joint Use Facilities, snow and ice removal, trash removal, paving, upkeep for curbs and drainage facilities, patching, sealing, crack-filling, resurfacing, and security gate maintenance, as necessary to keep the roadways in a safe and functional condition.

9. In the event that ATSI is either unable or has not satisfactorily fulfilled its obligations as stated in Paragraph 8 above whereby causing or potentially causing CEI any interference with its operations or enjoyment or use of the CEI Property or CEI Building, CEI has the right to maintain, repair, or replace the Joint Use Facilities or the West Access Drive and seek any and all costs from ATSI, in accordance with Paragraph 11.

10. CEI shall maintain, repair and replace or cause to be maintained, repaired or replaced, in good order, condition and repair the East Access Drive under or upon the CEI Property, which maintenance shall include, but not be limited to, paving, upkeep for curbs and drainage facilities, patching, sealing, crack-filling, resurfacing, and security gate maintenance, as necessary to keep the roadways in a safe and functional condition. For the avoidance of doubt, CEI shall not be responsible for snow and ice removal.

11. The parties shall reimburse the other for their respective maintenance costs pursuant to the applicable agreements between the parties. To the extent an applicable maintenance cost sharing agreement does not exist between the parties, the parties shall reimburse the other for its proportionate share of costs of routine maintenance, repairs, and replacement of the Joint Use Facilities, the West Access Drive, and East Access Drive. Costs shall include all labor (including overheads), materials, and equipment reasonably required to perform maintenance, repairs, or replacement of the Joint Use Facilities, the West Access Drive, and East Access Drive.

12. ATSI agrees to either repair, replace, or pay for any and all damages to any property owned by CEI caused by or related to the use of the rights under this Agreement by ATSI.

13. CEI agrees to either repair, replace, or pay for any and all damages to any property owned by ATSI caused by or related to the use of the rights under this Agreement by CEI.

14. Each party hereto shall not obstruct the easements or the rights and privileges granted pursuant to this Agreement or otherwise render them impassable or unusable in any way, including, but not limited to, interfering with the right to use or enjoyment the easement rights granted herein. Neither party shall make any changes to access, Joint Use Facilities, West Access Drive, and East Access Drive without the prior written permission of the other party, which shall not be unreasonably withheld, conditioned or delayed.

15. CEI agrees to indemnify and save ATSI harmless from and against any and all claims, demands, damages, actions or causes of action, together with any and all losses, costs or expenses in connection therewith or related thereto, including reasonable attorneys' fees, asserted by any person or persons for bodily injury, death or property damage arising from or in any manner growing out of or related to the use of the rights granted by this Agreement exercised by or through ATSI, unless said damages or injuries are caused by the negligence or willful acts of CEI or its agents, invitees, or employees.

16. ATSI agrees to indemnify and save CEI harmless from and against any and all claims, demands, damages, actions or causes of action, together with any and all losses, costs or expenses in connection therewith or related thereto, including reasonable attorneys' fees, asserted by any person or persons for bodily injury, death or property damage arising from or in any manner growing out of or related to the use of the rights granted by this Agreement exercised by or through ATSI, unless said damages or injuries are caused by the negligence or willful acts of CEI or its agents, invitees, or employees.

17. The covenants, conditions, encumbrances, easements, and agreements set forth in this Agreement shall attach to, burden and run with the land, the ATSI Property, including the ATSI Building, the CEI Property, including the CEI Building, or the applicable portions thereof, shall be binding upon the parties hereto, their respective successors, assigns, grantees, and transferees, and shall continue in perpetuity until terminated in conformity with applicable law or by mutual agreement of CEI and ATSI.

18. Nothing contained in this Agreement shall be deemed to be a gift or dedication of any portion of the easement areas to the general public, it being the intention of the parties that nothing in this Agreement, expressed or implied, shall confer upon any person, other than the CEI and ATSI any rights or remedies under or by reason of this Agreement.

19. This document constitutes the entire agreement between the parties with respect to the subject matter herein.

20. This Agreement shall be construed under Ohio law. If any provision of this Agreement is deemed to be invalid or unenforceable, this Agreement shall be divisible as to such provision, and the remainder of this Agreement shall be and remain valid and

binding as though such provision was not included herein.

CEI and ATSI have each executed this easement by its respective duly authorized representative(s) on the \_\_\_\_\_ day of \_\_\_\_\_ 202\_\_.

**THE CLEVELAND ELECTRIC  
ILLUMINATING COMPANY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**AMERICAN TRANSMISSION SYSTEMS,  
INCORPORATED**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

This instrument prepared by:  
The Cleveland Electric Illuminating Company

EXHIBIT A  
Draft

And known as being part of Original Brecksville Township Lot Number 60 and bounded and described as follows:

Beginning at the northeasterly corner of said Original Lot Number 60; thence North  $89^{\circ} 28' 12''$  West 567 feet along the center line of Miller Road (60 feet wide) which is also the northerly line of said Original Lot Number 60 to a point for the principal place of beginning of premises herein described; thence North  $89^{\circ} 28' 20''$  West 741 feet along the said center line of Miller Road to a point; thence South  $0^{\circ} 48' 14''$  West 740.80 feet parallel with the easterly line of said Original Lot Number 60 to a point in the northerly line of Parcel Number 2 of land described in deed to Brecksville Development Company recorded in Volume 11883, Page 107 of Cuyahoga County Records; thence South  $89^{\circ} 28' 12''$  East 741 feet along the northerly line of said Parcel Number 2 to a point; thence North  $0^{\circ} 48' 40''$  East 740.80 feet parallel with the easterly line of said Original Lot Number 60 to a principal place of beginning and containing about 12.5 acres of land,

## Exhibit B

SURVEYOR'S DESCRIPTION  
OF  
PROPOSED LOT 2  
202,975 SQUARE FEET OR 4.6596 ACRES

Situated in City of Brecksville, County of Cuyahoga, State of Ohio and being a part of Original Brecksville Township Lot 60, and being a portion of the land conveyed to Cleveland Electric Illuminating Company via volume 12529 page 25 of said county records, and being more particularly described as follows:

Shown as PROPOSED LOT 2 PPN 604-18-010 Split Plat prepared by Glaus, Pyle, Schomer, Burns & DeHaven, Inc (dba GPD Group), and recorded as AFN \_\_\_\_\_, Cuyahoga County Map Records.

This description was prepared and reviewed under the supervision of Andrew R. Provost, Professional Surveyor No. 8400, and is based upon a field survey performed for FirstEnergy by Glaus, Pyle, Schomer, Burns and DeHaven, Inc. (dba GPD Group) in August 2025.

Glaus, Pyle, Schomer, Burns, & DeHaven, Inc.  
(dba GPD Group)

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Andrew R. Provost, P.S.  
Ohio Professional Surveyor No. 8400

# EXHIBIT C

SURVEYOR'S DESCRIPTION  
OF  
PROPOSED LOT 1  
308,900 SQUARE FEET OR 7.0914 ACRES

Situated in City of Brecksville, County of Cuyahoga, State of Ohio and being a part of Original Brecksville Township Lot 60, and being a portion of the land conveyed to Cleveland Electric Illuminating Company via volume 12529 page 25 of said county records, and being more particularly described as follows:

Shown as PROPOSED LOT 1 PPN 604-18-010 Split Plat prepared by Glaus, Pyle, Schomer, Burns & DeHaven, Inc (dba GPD Group), and recorded as AFN \_\_\_\_\_, Cuyahoga County Map Records.

This description was prepared and reviewed under the supervision of Andrew R. Provost, Professional Surveyor No. 8400, and is based upon a field survey performed for FirstEnergy by Glaus, Pyle, Schomer, Burns and DeHaven, Inc. (dba GPD Group) in August 2025.

Glaus, Pyle, Schomer, Burns, & DeHaven, Inc.  
(dba GPD Group)

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Andrew R. Provost, P.S.  
Ohio Professional Surveyor No. 8400





Exhibit F (Graphic Depiction of Access Drives)

TBD

Exhibit G (Graphic Depiction of Party Door)

TBD

**EXHIBIT B - Appraisal  
Report (filed via Sharefile)**

# **EXHIBIT C**

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**APPLICATION OF AMERICAN TRANSMISSION SYSTEMS, INCORPORATED FOR EXPEDITED APPROVAL, PURSUANT TO 66 PA.C.S. §§ 1102(A)(3) AND 2102, OF ACQUISITION OF REAL PROPERTY FROM AFFILIATED INTEREST, CLEVELAND ELECTRIC ILLUMINATING COMPANY** :  
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: **Docket No. A-**  
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**RESPONSES OF AMERICAN TRANSMISSION SYSTEMS, INCORPORATED (“ATSI”) TO STANDARD INTERROGATORIES PROPOUNDED BY THE PENNSYLVANIA PUBLIC UTILITY COMMISSION’S BUREAU OF TECHNICAL UTILITY SERVICES**

**Question No. 1**

Provide an accurate legal description and location identification of the property and the interest therein to be acquired, sold, leased or transferred.

**Response:**

The property address is 6896 Miller Rd., Brecksville, OH 44141 (the “Property”). ATSI affiliate, The Cleveland Electric Illuminating Company (“CEI”), currently owns the Property, consisting of a two-story office building, atrium, and the Distribution Control Center (“DCC”) building. The intent is to sell approximately 7.0914 acres consisting of the two-story office building and atrium (approximately 58,292 building s/f) (Lot #1) to ATSI. CEI will retain approximately 4.66 acres, including the DCC structure (Lot #2). See also the appraisal attached to the Application as Exhibit B.

**Question No. 2:**

Provide, where applicable, an inventory identifying the buildings, structures, fixtures and other improvements, including appurtenant removable building equipment, which are considered to be part of the property to be acquired, sold, leased or transferred.

**Response:**

Please see Attachment TUS-2.

**Question No. 3:**

State whether or not the acquisition, sale, lease or transfer of the property will affirmatively promote the service, accommodation, convenience or safety of the public in some substantial way. Explain.

**Response:**

The purchase of Lot #1 by ATSI will promote efficiencies in the provision of transmission services across ATSI's service territory, including within Pennsylvania, by locating employees in a common location to more easily, quickly and frequently collaborate and plan transmission projects and services.

**Question No. 4:**

State the reason for the acquisition, sale, lease or transfer of the property.

**Response:**

The facility will serve as a central location for FirstEnergy Service Company employees supporting FirstEnergy Corp.'s ("FirstEnergy") regulated transmission affiliates' transmission function, including but not limited to, power function, construction and design services, transmission strategy and engagement, and transmission finance.

**Question No. 5:**

State the alternatives ATSI considered to the proposed acquisition, sale, lease or transfer of the property.

**Response:**

Alternatives considered included leasing or purchasing a non-FirstEnergy affiliate-owned facility. The financial analysis favored reuse of an existing FirstEnergy affiliate asset.

**Question No. 6:**

State whether or not the acquisition, sale, lease or transfer of this property will result in an interruption or curtailment of existing services to the public. Explain.

**Response:**

There will be no interruption or curtailment of existing services to the public, as ATSI is not presently using Lot #1 and FirstEnergy Service Company employees who will eventually move into the facility will continue to provide services supporting ATSI from their current locations until the facility is move-in ready.

**Question No. 7:**

State whether or not the acquisition, sale, lease or transfer of the property will result in either a staff reduction or a termination of some portion of ATSI's operations. Explain.

**Response:**

There will be no reduction in staff, as ATSI does not have any employees, and no termination of any portion of ATSI's operations will occur as a result of the acquisition.

**Question No. 8:**

State whether or not the acquisition, sale, lease or transfer of this property will result in a physical relocation of the main office, branch office or service office of ATSI.

**Response:**

Although many Akron, OH-based transmission function employees supporting ATSI will relocate to this facility after the asset transfer, the acquisition of Lot #1 will not result in a physical relocation of the main office, branch office or service office of ATSI.

**Question No. 9:**

State whether or not the acquisition of this property by ATSI will require the acquisition of replacement property. If replacement is required, state the cost and description of the property to be acquired.

**Response:**

No replacement property is required, as ATSI is not replacing an existing location; this is a new facility purchased by ATSI.

**Question No. 10:**

State whether or not ATSI anticipates or has reason to believe that it will be necessary to seek a rate increase in order to withstand the financial impact of the transaction that is the subject of these interrogatories. Explain.

**Response:**

As a preliminary matter, ATSI's rates are FERC-regulated and are not regulated by the Pennsylvania Public Utility Commission ("PUC"). That said, ATSI will not need to seek a rate increase as a result of the financial outlay for the purchase of Lot #1. The net book value of the property will be added to ATSI's rate base and included in the calculation of future transmission formula rates for ATSI. Further, as the facility will be used for centralized transmission services by all FirstEnergy regulated transmission entities, each FirstEnergy regulated entity providing transmission services will be allocated a rental charge associated with the facility's operating costs

including operations & maintenance expense, depreciation expense, and taxes, and which rental charge will be reflected as a rent credit to ATSI's revenue requirement.

**Question No. 11:**

State whether or not the property has been part of a rate case that has appeared before the PUC. If it has been, identify the case by Commission docket number and date.

**Response:**

No, it has not been part of a PUC rate case.

**Question No. 12:**

State whether or not the property is the subject of a state or federal proceeding. If it is, identify the proceeding and explain.

**Response:**

To the best of ATSI's knowledge, the Property is not currently the subject of a state or regulatory proceeding, and would only have been part of a state regulatory proceeding as a component of CEI's rate base prior to the lot split.

**Question No. 13:**

State whether the property is to be purchased at a price above or below its fair market value as determined by at least two appraisals and a third review appraisal with the three appraisals being performed by qualified independent real estate appraisers; if the property is stock, indicate the book value and current market value of the shares involved.

**Response:**

ATSI is acquiring Lot #1 at its net book value. In this case, net book value is consistent with fair market value (as determined by an appraisal considering three separate approaches and utilizing two such approaches). Using net book value, ATSI will not recover a subsidy from CEI through rates, which is consistent with FERC precedent. *Entergy Servs., LLC*, 171 FERC ¶ 61,038, P 25 (2019) (finding the transfer of transmission control centers between affiliates at cost-based pricing just and reasonable); *see also South Central MCN, LLC*, 162 FERC ¶ 61,214 at 45 (2018). Further, the facility will serve as a property that provides centralized transmission services among affiliates. FERC has adopted a rebuttable presumption that costs incurred under "at cost" pricing for such specialized services are reasonable. Order No. 667, 113 FERC ¶ 61,248 at P 169.

**Question No. 14:**

State the net profit or loss to be realized by ATSI from the acquisition, sale, lease or transfer of this property after the following factors have been taken into consideration:

- a. date and cost of acquisition,
- b. cost of improvements,
- c. allowance for depreciation,
- d. brokerage fees and commissions,
- e. tax consequences of the sale,
- f. recording fees, transfer taxes, and similar expenses incidental to conveying such property,
- g. penalty costs and other charges for prepayment of any preexisting recorded mortgage encumbering such property; and
- h. net damages or benefits accruing to the remaining ATSI property.

**Response:**

Not applicable, as ATSI is not selling property.

**Question No. 15:**

State the uses to which proceeds of this sale will be applied.

**Response No. 16:**

Not applicable, as ATSI is not selling property.

**Question No. 17:**

State the accounting entries that will be made in the acquisition, sale, lease or transfer of the property.

**Response:**

The accounting entries on the books of ATSI will be as follows:

AMERICAN TRANSMISSION SYSTEMS, INCORPORATED ("ATSI") AND THE CLEVELAND ELECTRIC ILLUMINATING COMPANY ("CEI") TRANSFER OF FACILITIES – NORTHERN REGIONAL HEADQUARTERS				
<b><u>ATSI</u></b>				
			<u>Debit</u>	<u>Credit</u>
Account #	146	Acct Rec from Assoc Company	\$4,722,254.76	
Account #	101	Electric Plant In Service		\$9,424,892.78
Account #	108	Accumulated Provision for Depr	\$4,702,638.02	
To record the transfer of property at the Norther Regional Headquarters (NRHQ) location from CEI to ATSI based on values as of September 30, 2025				
<b><u>CEI</u></b>				
			<u>Debit</u>	<u>Credit</u>
Account #	234	Acct Pay to Assoc Company		\$4,722,254.76
Account #	101	Electric Plant In Service	\$9,424,892.78	
Account #	108	Accumulated Provision for Depr		\$4,702,638.02
To record the transfer of property at the Norther Regional Headquarters (NRHQ) location from CEI to ATSI based on values as of September 30, 2025				

**Question No. 18:**

State the effect that the sale will have on ATSI's short-range or long-range plans for expanding or upgrading any of the services that ATSI is now offering to the public.

**Response:**

A centralized transmission services location will add efficiencies in innovation, planning, and collaboration regarding ATSI's short-range or long-range plans for expanding or upgrading any of the services that ATSI is now offering to the public.

**Question No. 19:**

Where an affiliated interest of a public utility is involved in the property transfer, explain fully the relationship between the affiliate and the jurisdictional utility.

**Response:**

ATSI is a wholly-owned regulated utility subsidiary of FirstEnergy Transmission, LLC ("FET"), and provides stand-alone electric transmission services and operations in Ohio and Pennsylvania. FET is owned by FirstEnergy (50.1%) and North American Transmission Company II (49.9%).

CEI is a wholly-owned regulated utility subsidiary of FirstEnergy, providing electric distribution services in Ohio.

**Question No. 20:**

State what portion of the original cost of the property being transferred represents material cost, and what portion represents installation cost.

**Response:**

Not applicable.

**Question No. 21:**

State when the property was installed and/or constructed.

**Response:**

The portion of the Property being sold from CEI to ATSI (i.e., Lot #1) was constructed in 2000. The portion being retained by CEI (i.e., Lot #2) was constructed in 1971.