

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
HARRISBURG, PA 17120**

Public Meeting held June 18, 2026

Commissioners Present:

Stephen M. DeFrank, Chairman
Kimberly Barrow, Vice Chair
Kathryn L. Zerfuss
John F. Coleman, Jr.
Ralph V. Yanora

Application of American Transmission Systems
Incorporated for Approval of a Certificate of
Public Convenience to Acquire Certain Real
Property and Facilities in the City of Brecksville,
Cuyahoga County, Ohio

Docket Numbers:
A-2026-3061170
G-2026-3061176

Affiliated Interest Agreement between American
Transmission Systems Incorporated and
Cleveland Electric Illuminating Company

ORDER

BY THE COMMISSION:

On March 17, 2026, American Transmission Systems Incorporated (ATSI), Utility Code 1119186, filed with the Pennsylvania Public Utility Commission (Commission) the above-captioned application pursuant to Section 1102(a)(3) of the Public Utility Code, 66 Pa. C.S. § 1102(a)(3). The Application is seeking a Certificate of Public Convenience (CPC) approving ATSI to acquire certain real property and facilities in the City of

Brecksville, Cuyahoga County, Ohio. Additionally, ATSI filed an affiliated interest agreement under Public Utility Code Section 2102, 66 Pa. C.S. § 2102, for approval of the purchase agreement between ATSI and certain affiliates. For the reasons expressed in this Order, the Commission approves the Application and Affiliated Interest Agreement (AIA) consistent with this Order.

Notice of the filing of this Application was published in a newspaper of general circulation in the applicable area, *The Herald*, on April 1, 2026, and proof of publication was provided to the Commission on April 15, 2026. Notice of the filing of this Application was also published in the *Pennsylvania Bulletin* on April 4, 2026, with a protest period ending on April 20, 2026.

By Secretarial Letter dated April 2, 2026, the Commission extended the statutory consideration period for the AIA until further action of the Commission.

ATSI is a corporation organized and existing under the laws of the State of Ohio. ATSI is a wholly owned 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) and North American Transmission Company II. The Cleveland Electric Illuminating Company (CEI) was organized under the laws of the State of Ohio in 1892 and does business as an electric public utility in Ohio. CEI is a wholly owned subsidiary of FirstEnergy providing electric distribution services to approximately 800,000 customers in northeastern Ohio. Application, page 2 and ATSI Data Request Response No. 3.

ATSI is seeking approval for a CPC to obtain certain real property and facilities from CEI, as described in the Real Estate Purchase Agreement included as Exhibit A to the Application. ATSI also states that the property is currently owned by CEI and has been subdivided into two lots, the first Lot #1 and the second Lot #2. Additionally, ATSI

states that Lot #1 consists of a two-story office building and atrium and Lot #2, to be retained by CEI, consists of a Distribution Control Center building. ATSI further states that the transaction consists of Lot #1 totaling 7.0914 acres, the associated buildings making up approximately 58,292 square feet, 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. Finally, ATSI states that the purchase agreement includes a reciprocal easement agreement to provide ATSI and CEI reciprocal easements upon, over, and through the property and tangentially adjacent areas. Lastly, ATSI states that the property is located at 6896 Brecksville Road, Brecksville, Ohio 44141. Application ¶13 and Exhibit A and Exhibit C, Question No. 1 Response.

ATSI states that approval of the Application is in the public interest because the FirstEnergy Headquarters cannot accommodate all the employees who work primarily on transmission, requiring the assignment of employees to different sites and, for some departments, requiring employees to be on-site on a rotational basis because there are insufficient workspaces for employee needs. ATSI also states that FirstEnergy also intends to increase the number of transmission employees, and that the property can accommodate the planned growth. Additionally, ATSI states that with the planned construction upgrades, Lot #1 will provide workspace to accommodate almost all Ohio-based FirstEnergy employees who work primarily on transmission. ATSI further states that 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. Finally, ATSI states that 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. Application ¶21 and ATSI Data Request Response Nos. 7 & 8.

ATSI submits that in exchange for the facilities described above ATSI will provide compensation to CEI in an amount equal to the net book value of Lot #1 at consummation of the transaction, consistent with Federal Energy Regulatory Commission (FERC) standards. ATSI also submits that the net book value of Lot #1 was \$4,722,255 as of September 2025. Additionally, ATSI submits that it will own and operate the building and will include the cost of the building in its rate base and the costs to operate in its annual expenses and that the costs will ultimately be addressed in rates under FERC's jurisdiction. ATSI further submits that it evaluated six potential solutions and determined that the acquisition of Lot #1 is the lowest cost option to address the issue. ATSI submits that the current estimated range of annual costs that will be allocated to Pennsylvania is approximately 32% of the total costs. Lastly, ATSI submits that the existing use of space by ATSI at FirstEnergy Headquarters is governed by the Mutual Assistance Agreement approved by the Commission under Docket Nos. A-2023- 3040481, A-2023-3040482, A-2023-3040483, G-2023-3040484, G-2023-3040485, G-2023 3040486. Application ¶¶14-15 & 22 and ATSI Data Request Response Nos. 13 (as filed April 1, 2026), 17, & 24.

ATSI states that it does not have any employees and that not all transmission-function employees will be moving to the Lot #1 property upon completion. ATSI also states that it expects that the use of space costs allocated to ATSI for the FirstEnergy Headquarters will decline because of the relocation of a large number of transmission-function employees. Additionally, ATSI states that the formula is timing and personnel driven and therefore will not know the amount until the employees are moved. ATSI further states that it will still be billed for its indirect portion of FirstEnergy Headquarters' costs for service company employees that are allocated to all FirstEnergy companies receiving shared services. Finally, ATSI states that it anticipates

completion of internal construction and other required work on Lot #1 by the fourth quarter of 2026, which is the target for transmission employees to occupy the facilities. ATSI Data Request Response No. 2.

ATSI submits that all costs associated with the transaction will be financed consistent with other long-term capital projects. ATSI Data Request Response No. 10.

We agree that ATSI's purchase of CEI's real property and the proposed affiliate transaction will provide affirmative benefits in the public interest and will not adversely impact ATSI's operations.

Upon full consideration of all matters of record, we find that approval of this Application and affiliated interest agreement is necessary and proper for the service, accommodation, and convenience of the public. For these reasons, we conclude that approval of the application and affiliated interest agreement is in the public interest; **THEREFORE,**

IT IS ORDERED:

1. That the Application of American Transmission Systems Incorporated, filed March 17, 2026, is hereby approved.

2. That the Affiliated Interest Agreement of American Transmission Systems Incorporated, filed March 17, 2026, is hereby approved.

3. That a Certificate of Public Convenience be issued pursuant to 66 Pa. C.S. Section 1102(a)(3) for the acquisition, by American Transmission Systems Incorporated, of certain real property and facilities in the City of Brecksville, Cuyahoga County, Ohio.

4. That within 30 days of the consummation of the transaction described in Ordering Paragraph No. 3, above, American Transmission Systems Incorporated shall notify the Commission of the effective date of the purchase and shall provide a fully executed copy of the Agreement to the Commission. If American Transmission Systems Incorporated determines that the proposed transaction will not take place, it shall promptly so notify this Commission.

5. That upon completion of all issuances pursuant to this Order and the submission of final filings under Ordering Paragraph No. 4 above, that these proceedings at Docket Nos. A-2026-3061170 and G-2026-3061176 be closed.

BY THE COMMISSION,

A handwritten signature in black ink, appearing to read "Matthew L. Homsher". The signature is written in a cursive style with a large initial "M".

Matthew L. Homsher
Secretary

(SEAL)

ORDER ADOPTED: June 18, 2026

ORDER ENTERED: June 18, 2026