

BEFORE

THE PUBUC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of the)
American Transmission Systems,)
Incorporated for Authority to Issue,) Case No. 09-1071-EL-AIS
Sell, or Enter into Debt Transactions.)

FINDING AND ORDER

The Commission finds:

- (1) Applicant, American Transmission Systems, Incorporated, is a public utility and an electric light company as defined in Section 4905.02, Revised Code, and is subject to the jurisdiction of this Commission.
- (2) The Application and Exhibits was filed on November 9, 2009 (hereinafter, "Application"), pursuant to the provisions of Section 4905.40, Revised Code.
- (3) Applicant proposes to issue and sell, from time to time, in one or more series of first mortgage bonds (Bonds), secured or unsecured notes and/or debentures (collectively, Notes), in an aggregate principal amount of up to \$400 million, pursuant to the terms and conditions as set forth in the Application.
- (4) The Bonds and the Notes (collectively, New Debt) will mature in not more than 35 years and will be offered by public offerings through underwriters or by private placement.
- (5) The Applicant may offer the New Debt as part of a medium-term note or similar program. The Notes may be issued with the benefit of some form of credit enhancement such as letters of credit, bond insurance, or other similar forms of credit enhancement issued by financial institutions, as described in the Application.
- (6) Pursuant to Section 4905.40, Revised Code, proceeds from the New Debt will be used to repay outstanding notes, fund a portion of Applicant's construction expenditures, and for the reorganization or readjustment of its indebtedness.

- (7) The proposed guidelines or parameters set forth in the Application are intended to facilitate the issuance of the New Debt on the best terms possible and at the lowest cost. The authorization to issue the New Debt, within the parameters set forth in the Application, in no way relieves the Applicant of its responsibility to negotiate and obtain the best terms available.
- (8) The aggregate amount of the New Debt, the terms thereof, and the probable cost to Applicant, within the parameters set forth in this Application, do not appear to be unjust or unreasonable.
- (9) Based on the information contained in the Application, the purposes to which the proceeds from the New Debt shall be applied appear to be reasonably required by Applicant to meet its present and prospective obligations to provide electric utility service, and the Commission is satisfied that consent and authority should be granted.

It is, therefore,

ORDERED, That Applicant, American Transmission Systems, Incorporated, is authorized, from time to time, within twelve months of the date of this Order to: issue and sell, in one or more series of first mortgage bonds, secured or unsecured notes and/or debentures in aggregate principal amount of up to \$400 million, pursuant to the terms and conditions as set forth in the Application. It is, further,

ORDERED, That Applicant shall apply the proceeds from the issuance of the New Debt for the purposes set forth in this Finding and Order, and otherwise pursuant to the provisions of Section 4905.40, Revised Code. It is, further,

ORDERED, That Applicant shall file a written report with the Commission with the terms and full particulars of the transaction, as promptly as possible, when the New Debt authorized by this Finding and Order is issued. It is, further,

ORDERED, That the Applicant shall account for the New Debt as prescribed in the Federal Energy Regulatory Commission Uniform System of Accounts as currently in effect. It is, further,

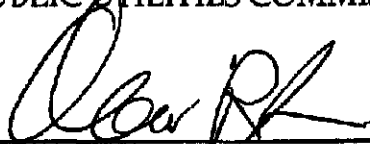
ORDERED, That nothing in this Finding and Order shall be construed to imply any guaranty or obligation by the Commission to ensure completion of any specific construction project of the Applicant. It is, further,

ORDERED, That nothing in this Finding and Order shall be deemed to be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, and/or regulation. It is, further,


ORDERED, That nothing in this Finding and Order shall be construed to imply any guaranty or obligation on the part of the State of Ohio as to the New Debt or the associated interest thereon. It is, further,

ORDERED, That a copy of this Finding and Order be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO



Alan R. Schriber, Chairman



Paul A. Centolella



Ronda Hartman Fergus



Valerie A. Lemmie



Cheryl L. Roberto

RDG/djb

Entered in the Journal

NOV 24 2009



Renee J. Jenkins

Renee J. Jenkins
Secretary