

October 25, 2018

VIA ELECTRONIC FILING

Barcy F. McNeal, Secretary
The Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215

***Re: In the Matter of the Application of American Transmission Systems,
Incorporated for authority to issue, sell, and enter into debt transactions.
Case No.18-0305-EL-AIS***

Dear Mrs. McNeal:

On May 30, 2018, the Public Utilities Commission of Ohio ("Commission") issued an order authorizing *American Transmission Systems, Incorporated* ("ATSI") to issue promissory notes or debentures in an aggregate amount not to exceed \$200 million ("May 30 Order"). Paragraph No. 8 of ATSI's application to issue new bonds, notes and other evidence of indebtedness filed with the Commission on February 27, 2018 ("February 27 Application") provided that ATSI "... will submit a report following each such issuance showing that the financial terms of such issuance do not exceed the parameters with respect thereto that were approved by the Commission." By this letter, ATSI provides the report pursuant to Paragraph No. 8 of the February 27 Application. All capitalized terms used in this letter, without definition, have the meanings assigned to them in the May 30 Order.

On September 27, 2018 ATSI completed the issuance of senior, unsecured Notes in the amount of \$100 million, which will mature on October 1, 2030, pursuant to an Indenture dated as of September 25, 2014 by and between ATSI and U.S. Bank National Association, as trustee. The aggregate principal amount of the new debt issued was \$100,000,000, which has the following associated terms:

Funding Date	September 27, 2018
Benchmark	2.875% due 08/15/2028
Quoted Yield	3.07%
Credit Spread (bps)	+125
Coupon	4.32%
Interest Payment Dates	April 1 and October 1
Final Maturity	October 1, 2030

1. The Notes will be redeemable in whole or in part, at ATSI's option, at any time prior to July 1, 2030 at 100% of the principal amount so prepaid, plus the make-whole amount determine for the prepayment date with respect to such principal amount and (ii) at any time on or after July 1, 2030, all the Notes at 100% of the principal amount so prepaid, together with, in each case, accrued interest to the redemption date.
2. The Notes are senior unsecured general obligations of ATSI and rank equally with all of ATSI's existing and future unsecured and unsubordinated indebtedness.
3. The net proceeds resulting from the issuance of the Notes were used (i) to repay existing indebtedness, including amounts under the FirstEnergy regulated money pool (ii) to fund capital expenditures, and (iii) for working capital needs and other general business purposes.
4. ATSI's net proceeds of \$99,382,144 from the sale of the Notes reflects the following fees and expenses:

Placement Agent fees	\$500,000
Trustee's fees and expenses	\$ 3,500
Counsel fees*	\$114,356

*Amount includes legal fees and expenses of placement agent, purchasers and ATSI.

Please file the letter in this proceeding and provide two copies to the Staff. Thank you.

Regards,



Stephanie J. Bencin

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

10/25/2018 3:05:16 PM

in

Case No(s). 18-0305-EL-AIS

Summary: Correspondence in the Matter of the Application of American Transmission Systems, Incorporated for authority to issue, sell, and enter into debt transactions. electronically filed by Mrs. Ashlee E Waite on behalf of American Transmission Systems, Incorporated and Mrs. Stephanie J. Bencin