



BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of )  
American Transmission Systems Incorporated )  
for Authority to Issue, Renew or )  
Assume Liability on Notes and )  
Other Evidences of Indebtedness )  
Pursuant to O.R.C. §4905.401 )

Case No. 10-~~2317~~ EL-AIS

Applicant, American Transmission Systems Incorporated (the "Company") respectfully represents:

1. The Company, an Ohio corporation, is a "public utility" as defined in O.R.C. §4905.02, engaged primarily in the transmission of electric energy for sale, and is subject to the jurisdiction of this Commission.
2. Under provisions of O.R.C. §4905.401, the Company, without action by this Commission, could issue, renew or assume liability on notes and other evidences of indebtedness maturing not more than twelve months after the date of such issuance, renewal or assumption of liability (collectively, "Short-Term Notes") of not more than 5% of the par value of the other outstanding stocks, bonds, notes and other evidences of indebtedness of the Company (the "Statutory Exemption Limit"). The Statutory Exemption Limit for the Company at June 30, 2010 is \$34,086,806.00. During the period January 1, 2010 through December 31, 2010 (the "2010 Fiscal Year"), this Commission, in its Finding and Order in Case No. 09-984-EL-AIS, et al., authorized the Company to have short-term notes outstanding including the Statutory Exemption Limit, in aggregate principal

amount of not more than \$50,000,000. During the period January 1, 2011 through December 31, 2011 (the "2011 Fiscal Year"), the Company estimates that it may again need to exceed the Statutory Exemption Limit.

3. Pursuant to the provisions of O.R.C. §4905.401, the Company requests the Commission to authorize the Company to have Short-Term Notes outstanding at any one time during the 2011 Fiscal Year in an aggregate principal amount up to \$100,000,000 (the "Authorized Principal") (such Authorized Principal to include the Statutory Exemption Limit).
4. The Company further requests that the Commission approve that the Authorized Principal, or any part thereof issued, renewed or assumed or to be issued, renewed or assumed, be in addition to any long-term financing that the Company may require during the 2011 Fiscal Year and which this Commission may approve pursuant to O.R.C. §4905.40.
5. The Company respectfully represents that the issuance and renewal of, or assumption of liability on, Short-Term Notes, from time to time, and the money to be procured therefrom, are reasonably required and necessary for the Company's lawful capital purposes. Such Short-Term Notes may be issued to provide funds for regulated utility purposes including: current maturities of existing obligations, retirement of securities through open market purchases, redemption of securities through applicable redemption provisions, loans to the Money Pool (as defined in Paragraph 6 below), working capital and for general corporate purposes. Prior to their use, such funds may be invested in highly liquid short-term investments.

Pursuant to O.R.C. §4905.41, the Company incorporates herein by reference the following exhibits:

- a. "Exhibit A," Balance Sheet including Statement of Capitalization as of June 30, 2010, and
  - b. "Exhibit B," Statement of Income for the Twelve Months Ended June 30, 2010.
6. This Commission, in its Finding and Order in Case No. 09-984-EL-AIS, et al., previously approved a utility money pool contract (the "Money Pool") in order to establish an intra-system financing arrangement, by and among the Company, Ohio Edison Company ("OE"), OE's wholly-owned subsidiary, Pennsylvania Power Company ("Penn Power"), The Toledo Edison Company ("TE"), The Cleveland Electric Illuminating Company ("CEI"), FirstEnergy Corp., the Company's parent company, FirstEnergy Service Company, Jersey Central Power & Light Company, Pennsylvania Electric Company, Metropolitan Edison Company, York Haven Power Company<sup>1</sup> and Waverly Electric Power & Light Company, (each a "Participating Company", collectively called the "Participating Companies"), and the issuance and acquisition of Short-Term Notes of Participating Companies in connection therewith, through December 31, 2010. The Company hereby requests that the Commission's approval of the Money Pool be extended through December 31, 2011 and that the Authorized Principal shall include Short-Term Notes of the Company outstanding under the Money Pool by the Company.

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<sup>1</sup> Because York Haven Power Company is no longer owned by FirstEnergy Corp., the Company is not seeking to extend York Haven Power Company's status as a Participating Company.

7. The Participating Companies may contribute funds to the Money Pool from the following sources: (a) surplus funds from Participating Companies ("Internal Funds"), and (b) proceeds from bank borrowings or the sales of commercial paper by the Participating Companies for loan to the Money Pool ("External Funds").
8. The Commission, in its Finding and Order in Case No. 09-984-EL-AIS, et al., authorized the Company, through December 31, 2010, to have short-term notes outstanding including the Statutory Exemption, in the aggregate principal amount of not more than \$50,000,000 at any one time and to participate in the Money Pool. During the 2011 Fiscal Year, the Company estimates that it may again need to exceed the Statutory Exemption Limit. Thus, the Company hereby requests the Commission to permit the Company to have short-term notes outstanding including the Statutory Exemption, in the aggregate principal amount of not more than \$100,000,000 at any one time and to participate in the Money Pool by providing Internal or External Funds to Participating Companies through the Money Pool.
9. The Company hereby agrees that the aggregate amount it loans to the Money Pool will not when aggregated with the amounts loaned by OE, CEI and TE exceed the amount of \$700,000,000 outstanding to the Participating Companies (other than the Company, OE, CEI, and TE) at any one time.
10. The Company further agrees any loans to Participating Companies (other than OE, CEI and TE) made through the Money Pool shall be made only to those Participating Companies that have investment grade or higher credit ratings on their senior secured debt from at least one nationally recognized rating agency, or

in the absence of such rating, investment grade or higher credit ratings on their corporate credit rating. The Company agrees to continue to report the details of its participation in the Money Pool on a quarterly basis to the Director of the Utilities Department of the Commission.

WHEREFORE, the Company prays

(1) That this Commission approve the extension of the Company's participation in the Money Pool through December 31, 2011 and that the Authorized Principal shall include Short-Term Notes of the Company outstanding under the Money Pool by the Company

(2) That this Commission authorize the Company, during the 2011 Fiscal Year, to issue, renew or assume liability on Short-Term Notes, as requested in this Application, provided however, that the aggregate Short-Term Notes do not exceed \$100,000,000 outstanding at any one time, and provided further that such amount is exclusive of any long-term financing the Company may incur during said period with this Commission's approval.

(3) That this Commission authorize the Company, during the 2011 Fiscal Year, to provide Internal or External Funds to the Money Pool, as requested in this Application, provided however, that the aggregate amount loaned to the Money Pool by the Company, OE, CEI and TE to the Participating Companies (other than the Company, OE, CEI and TE) does not exceed \$700,000,000 outstanding at any one time.

(4) That due to the time sensitive nature of this request, that this Commission issue such Order approving this Application on or before December 3, 2010.

By: MARK T. CLARK  
Mark T. Clark  
Executive Vice President and Chief Financial Officer

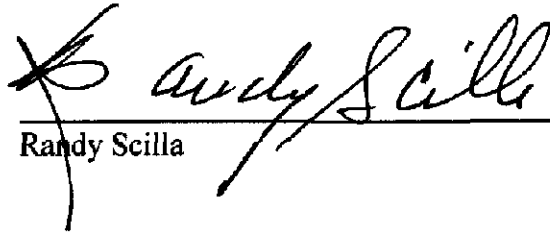
By: Randy Scilla  
Randy Scilla  
Assistant Treasurer

STATE OF OHIO     )  
                              ) ss.:  
SUMMIT COUNTY    )

Mark T. Clark and Randy Scilla, depose and say that they are Executive Vice President and Chief Financial Officer, and Assistant Treasurer, respectively, of American Transmission Systems Incorporated, Applicant in the above matter, and that they have read and are fully acquainted and familiar with the contents of the foregoing Application and that the statements therein are true as they verily believe.



Mark T. Clark

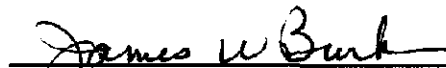


Randy Scilla

Subscribed and sworn to before me  
this 20<sup>th</sup> day of October, 2010



Michele A. Buchtel  
Notary Public, State of Ohio  
Resident of Summit County  
My Commission Expires August 28, 2011



James W. Burk  
Attorney for Applicant



**AMERICAN TRANSMISSION SYSTEMS, INCORPORATED**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

	June 30, 2010 (In thousands)
<b>ASSETS</b>	
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$ 131,569
Receivables-	20,108
Customers	16,451
Associated companies	62
Other	29,438
Notes receivable from associated companies	602
Prepayments and other	<u>198,226</u>
<b>PROPERTY, PLANT AND EQUIPMENT:</b>	
In service	1,547,810
Less - Accumulated provision for depreciation	<u>875,557</u>
	672,253
Construction work in progress	<u>35,891</u>
	<u>708,144</u>
<b>DEFERRED CHARGES AND OTHER ASSETS:</b>	
Regulatory assets	51,083
Property taxes	31,835
Other	<u>3,480</u>
	<u>86,398</u>
	<u>\$ 992,768</u>
<b>LIABILITIES AND CAPITALIZATION</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable to associated companies	\$ 5,938
Accrued taxes	26,050
Accrued interest	11,375
Other	<u>686</u>
	<u>44,049</u>
<b>CAPITALIZATION:</b>	
Common stockholder's equity-	
Common stock	1
Other paid-in capital	280,196
Accumulated other comprehensive income	(2,130)
Retained earnings	<u>115,364</u>
Total common stockholder's equity	393,431
Long-term debt and other long-term obligations	<u>399,671</u>
	<u>793,102</u>
<b>NONCURRENT LIABILITIES:</b>	
Accumulated deferred income taxes	78,497
Accumulated deferred investment tax credits	8,647
Property taxes	31,835
Other	<u>36,638</u>
	<u>155,617</u>
	<u>\$ 992,768</u>

**AMERICAN TRANSMISSION SYSTEMS, INCORPORATED**  
**CONSOLIDATED STATEMENT OF INCOME**  
**TWELVE MONTHS ENDED JUNE 30, 2010**

(Unaudited)  
(In thousands \$)

	<u>ACTUAL</u>
<b>REVENUES:</b>	
Operating Revenues	\$ 231,341
<b>EXPENSES:</b>	
Operating costs	59,388
Provision for depreciation	37,286
Amortization of regulatory assets	12,661
General Taxes	<u>30,602</u>
Total Expenses	139,937
<b>OPERATING INCOME</b>	<u>91,404</u>
<b>OTHER INCOME (EXPENSE)</b>	
Interest expense	(20,470)
Miscellaneous income	636
Capitalized interest	<u>1,504</u>
Total other expense	(18,330)
<b>INCOME BEFORE INCOME TAXES</b>	<u>73,074</u>
<b>INCOME TAXES</b>	<u>24,721</u>
<b>NET INCOME</b>	<u>\$ 48,353</u>