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November 25, 2014

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

**SUBJECT: Case No. 14-0777 -EL-AIS**

Dear Mrs. McNeal:

On June 11, 2014, the Public Utilities Commission of Ohio ("**Commission**") issued an order authorizing *American Transmission Systems, Incorporated* (the "**ATSI**") to issue promissory notes or debentures in an aggregate amount not to exceed \$450 million ("**June 11 Order**"). Ordering Paragraph No. 3 of the June 11 Order provided: "[t]hat after the New Debt authorized by this Order are issued, Applicant shall report to the Commission, as soon as practicable, but no later than 60 days after debt issuance, the terms and full particulars regarding the Securities." By this letter, ATSI provides the report pursuant to Ordering Paragraph No. 3 of the June 11 Order.

On September 25, 2014, ATSI completed a debt securities issuance of Senior Notes to mature on September 1, 2044, pursuant to an Indenture by and between ATSI and U.S. Bank National Association, as trustee. The principal amount of debt securities issued was \$400,000,000, which has the following associated Terms of Offering:

1. \$400 million in 5.00% Senior Notes maturing September 1, 2044; the coupon and issue price on the Senior Notes was determined as follows:

Reference Benchmark:	3.375% due May 15, 2044
Benchmark Yield:	3.285%
Re-offer Spread:	T + 178 bps
Re-offer Yield:	5.065%
Coupon:	5.000%
Re-offer/ Issue Price:	99.007%

2. Interest is payable semi-annually on each March 1 and September 1, beginning March 1, 2015.
3. The Senior Notes will be redeemable, in whole or in part, at ATSI's option, at any time prior to March 1, 2044 (the date that is six months prior to maturity) at a "make-whole"

redemption price equal to the greater of (i) 100% of the principal amount being redeemed or (ii) at a discount rate of T+30 bps, plus, in either case, accrued and unpaid interest, if any, to the redemption date and, on or after such date, at par.

4. The Senior Notes are senior unsecured general obligations of ATSI and rank equally with all of ATSI's existing and future unsecured and unsubordinated indebtedness.
5. The net proceeds resulting from the issuance of the Senior Notes were used to (i) to fund capital expenditures, including with respect to our transmission expansion plans, (ii) for working capital needs and other general business purposes, and (iii) repay short term borrowings, if any, incurred for such purposes.
6. ATSI's net proceeds of \$395,836,085.75 from the sale of the Senior Notes reflected a discount of \$3,500,000 to the Initial Purchasers, RBC Capital Markets, LLC, RBS Securities Inc., U.S. Bancorp Investments, Inc., Mizuho Securities USA, Inc., SMBC Nikko Securities America, Inc., TD Securities (USA) LLC, BBVA Securities Inc., The Huntington Investment Company, and Santander Investment Securities Inc, along with the following fees and expenses:

Printing expenses	\$ 9,078.62
Trustee's charges	\$ 3,500.00
Counsel fees	\$ 263,365.50
Accountant's fees	\$ 77,000.00
Electronic data room fees	\$ 12,970.13
Rating Agency fees	\$ 298,000.00

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

Regards,

*/s/ James A. Arcuri*

James A. Arcuri  
Attorney for ATSI

**This foregoing document was electronically filed with the Public Utilities**

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**Case No(s). 14-0777-EL-AIS**

Summary: Correspondence electronically filed by Ms. Carrie M Dunn on behalf of American Transmission Systems, Incorporated