Joint Applicants Statement No. 2

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

JOINT APPLICATION OF METROPOLITAN EDISON COMPANY, PENNSYLVANIA ELECTRIC COMPANY, PENNSYLVANIA POWER COMPANY, WEST PENN POWER COMPANY, MID-ATLANTIC INTERSTATE TRANSMISSION COMPANY, KEYSTONE APPALACHIAN TRANSMISSION COMPANY AND FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY

METROPOLITAN EDISON COMPANY
DOCKET NO. _____

PENNSYLVANIA ELECTRIC COMPANY
DOCKET NO. _____

PENNSYLVANIA POWER COMPANY
DOCKET NO. _____

WEST PENN POWER COMPANY
DOCKET NO. _____

MID-ATLANTIC INTERSTATE TRANSMISSION COMPANY
DOCKET NO. _____

KEYSTONE APPALACHIAN TRANSMISSION COMPANY
DOCKET NO. _____

FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY
DOCKET NO. _____

Direct Testimony
of
Amy S. Patterson

List of Topics Addressed

Accounting Implications of the Transaction
Tracking of Transaction-Related Costs
Accounting Benefits of the Proposed Transaction
Affiliated Interest Agreements

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DIRECT TESTIMONY
OF
AMY S. PATTERSON

I. INTRODUCTION AND PURPOSE

Q. Please state your name and business address.

A. My name is Amy Patterson, and my business address is 76 South Main Street, Akron, Ohio 44308.

Q. By whom are you employed and in what capacity?

A. I am employed by FirstEnergy Service Company ("FESC") as the Manager of the Property Accounting Department. This department, among other activities, provides accounting support for each of the electric distribution companies ("EDCs") and transmission companies that are subsidiaries of FirstEnergy Corp. ("FirstEnergy"). These Pennsylvania EDCs are Metropolitan Edison Company ("Met-Ed"), Pennsylvania Electric Company ("Penelec"), Pennsylvania Power Company ("Penn Power"), and West Penn Power Company ("West Penn") and are collectively referred to as the "Pennsylvania OpCos." I report directly to the Assistant Controller – Corporate and I am responsible for, among other things, ensuring that the accounting for the property, plant and equipment of FirstEnergy and its subsidiaries conforms with United States Generally Accepted Accounting Principles ("GAAP") and regulatory reporting requirements, including the Federal Energy Regulatory Commission's ("FERC") Uniform System of Accounts ("USofA"). I am also responsible for the cost tracking and accounting classification of construction projects and the maintenance of the continuing property records.

Q. What is your educational and professional background?

A. I received a Master of Accountancy and Bachelor of Science in Business from Miami University (Oxford, Ohio) and am a Certified Public Accountant, licensed in Ohio. I began working for FESC in 2013 as an Analyst in the Technical Accounting Research Department. I assumed my current position as Manager of the Property Accounting Department in March 2016. My work experience is more fully described in Appendix A of my testimony.

Q. On whose behalf are you testifying in this proceeding?

A. I am testifying on behalf of the Pennsylvania OpCos, as well as FirstEnergy Pennsylvania Electric Company ("FE PA"), Mid-Atlantic Interstate Transmission, LLC ("MAIT"), and Keystone Appalachian Transmission Company ("KATCo"). I will collectively refer to these entities as the "Companies" or the "Joint Applicants." My testimony equally applies to all of the Companies, unless otherwise stated.

Q. What is the purpose of your direct testimony?

A. The primary purpose of my testimony is to describe the accounting aspects of each part of the proposed transaction ("Transaction"). Specifically, I will describe the accounting aspects of: (1) the merger of Met-Ed, Penelec, Penn Power, and West Penn into a single Pennsylvania utility company (i.e., FE PA), a newly formed subsidiary of FirstEnergy Pennsylvania Holding Company LLC ("FE PA HoldCo"), which itself is a newly formed subsidiary of FirstEnergy,[1] (2) the sale of the passive Class B interests held by Met-Ed and

[1] The specific steps required to complete the merger and consolidation of the Pennsylvania OpCos into FE PA are identified and explained in the direct testimony of Mr. Ermal Fatusha (Joint Applicants Statement No. 3). As explained by Mr. Fatusha, before the Pennsylvania OpCos are merged with and into FE PA, FirstEnergy will first form three

Penelec in MAIT, to FirstEnergy, and (3) the contribution of West Penn's transmission assets to KATCo, a direct and wholly owned subsidiary of FirstEnergy. I will also provide the proposed accounting entries for the Transaction under GAAP and the USofA and identify "Transaction-related" costs and provide a description of how these costs will be tracked and excluded from distribution rates for the Pennsylvania OpCos and from transmission rates going forward. In addition, I will identify certain accounting benefits that will result from the proposed Transaction. Finally, I will discuss certain affiliate interest agreements that will be revised, rewritten or entered into as a result of the proposed Transaction.

Q. Are you sponsoring any exhibits to accompany your direct testimony?

A. Yes. I am sponsoring the following exhibits with my testimony[2]:

- Joint Applicants Exhibit No. AP-1 is an excerpt of Met-Ed's FERC Form No. 1 containing the comparative balance sheet and statement of income for this entity for the year ended December 31, 2021.[3]
- Joint Applicants Exhibit No. AP-2 is an excerpt of Penelec's FERC Form No. 1 containing the comparative balance sheet and statement of income for this entity for the year ended December 31, 2021.[4]

transitory limited liability companies ("LLCs") (i.e., "Penelec LLC," "Met-Ed LLC," and "West Penn LLC"). Each of Penelec, Met-Ed, and West Penn will be merged with and into the associated limited liability company as a part of this initial step. The use of transitory LLCs does not create any additional accounting implications. In addition, and as explained in detail by Mr. Fatusha, Penn Power will merge with and into FE PA, with FE PA as the surviving corporation, such that Penn Power is no longer a direct subsidiary of Ohio Edison Company ("Ohio Edison").

[2] Where FERC Form No. 1 data is provided, it will be provided for the most current available reports, which are for the year ended December 31, 2021. Data for the year ended December 31, 2022 will not be available until approximately one month following the date of this filing and will be provided as appropriate under the procedure established by the presiding officer.

[3] The full document is publicly accessible at: https://s27.q4cdn.com/655807321/files/doc_downloads/FERC-Form1/2022/FERC-Form-1-2021-ME.pdf.

[4] The full document is publicly accessible at: https://s27.q4cdn.com/655807321/files/doc_downloads/FERC-Form1/2022/FERC-Form-1-2021-PN.pdf.

- Joint Applicants Exhibit No. AP-3 is an excerpt of Penn Power's FERC Form No. 1 containing the comparative balance sheet and statement of income for this entity for the year ended December 31, 2021.[5]
- Joint Applicants Exhibit No. AP-4 is an excerpt of West Penn's FERC Form No. 1 containing the comparative balance sheet and statement of income for this entity for the year ended December 31, 2021.[6]
- Joint Applicants Exhibit No. AP-5 contains a *pro forma* FERC Form No.1 balance sheet and income statement for FE PA as of December 31, 2021.
- Joint Applicants Exhibit No. AP-6(a) contains the proposed accounting entries to record the consolidation of the Pennsylvania OpCos in the accounts of FE PA and FE PA HoldCo.[7]
- Joint Applicants Exhibit No. AP-6(b) contains the proposed accounting entries to record FirstEnergy's purchase of the passive Class B interests in MAIT from Met-Ed LLC and Penelec LLC.
- Joint Applicants Exhibit No. AP-6(c) contains the proposed accounting entries to record the contribution of West Penn's transmission assets to KATCo.
- Joint Applicants Exhibit No. AP-7 is the Capital Contribution Agreement which identifies the "transmission assets" to be contributed to KATCo from West Penn LLC[8]

[5] The full document is publicly accessible at: https://s27.q4cdn.com/655807321/files/doc_downloads/FERC-Form1/2022/FERC-Form-1-2021-PP.pdf.
[6] The full document is publicly accessible at: https://s27.q4cdn.com/655807321/files/doc_downloads/FERC-Form1/2022/FERC-Form-1-2021-WPP.pdf.
[7] No accounting entries will be recorded on the books of Penn Power as a result of Ohio Edison's sale of Penn Power to FE PA. Accounting entries will be recorded on the books of Ohio Edison. The Ohio Edison entries are not included as an exhibit to this testimony because Ohio Edison is not a Pennsylvania public utility.
[8] *See* note 1, *supra*. As explained by Mr. Fatusha (Joint Applicants Statement No. 3), West Penn will merge with and into West Penn LLC prior to the contemplated transfer of transmission assets to KATCo.

as of December 31, 2021 and will be updated for the final transmission asset amounts prior to the closing of the Transaction.

- Joint Applicants Exhibit No. AP-8 is the proposed Ground Lease to be entered into by KATCo and FE PA.
- Joint Applicants Exhibit No. AP-9 is the FirstEnergy Service Agreement, which has been rewritten to include KATCo and FE PA as parties, remove various entities that are no longer FirstEnergy subsidiaries, and more accurately reflect FESC operations with its affiliates.
- Joint Applicants Exhibit No. AP-10 is the Revised Amended and Restated Mutual Assistance Agreement ("MAA"), which has been rewritten to include KATCo and FE PA as parties, remove various entities that are no longer FirstEnergy subsidiaries, and more accurately reflect how operations are conducted among affiliates.

II. ACCOUNTING

A. Pennsylvania OpCos Consolidation

Q. What is the current accounting for the Pennsylvania OpCos?

A. Each of the Pennsylvania OpCos is a stand-alone Pennsylvania public utility with its own sets of books and records. Joint Applicants Exhibit Nos. AP-1 through AP-4 provide relevant excerpts of FERC Form No. 1 for each of the Pennsylvania OpCos as of December 31, 2021.[9]

[9] As noted above, the entirety of each FERC Form No. 1 is publicly available at the provided hyperlink.

Q. Will consolidation of the Pennsylvania OpCos have any accounting implications?

A. Yes, it will have accounting implications from both an internal and external accounting perspective. I will describe the difference between internal and external accounting perspectives, and then discuss the specific internal and external accounting implications associated with the consolidation of the Pennsylvania OpCos.

Q. What is the difference between an internal accounting perspective and an external accounting perspective?

A. An internal accounting perspective reflects how the accounting will be accomplished and recognized on the Pennsylvania OpCos' books and records. An external accounting perspective reflects how financial information will be presented to external users on the financial statements.

Q. Please describe the accounting implications of the proposed consolidation of the Pennsylvania OpCos from an external accounting perspective.

A. As more fully described in the direct testimony of Ms. Joanne M. Savage (Joint Applicants Statement No. 1) and Mr. Ermal Fatusha (Joint Applicants Statement No. 3), the Transaction represents a legal merger of the Pennsylvania OpCos into FE PA. From an external accounting perspective, the individual Pennsylvania OpCos will cease to exist and will no longer issue regulatory financial reports or financial statements, whereas FE PA will begin issuing regulatory financial reports and financial statements as a Pennsylvania utility, such as FERC Form 1 and FERC Form 3/Qs and the Electric Annual Report issued to the Pennsylvania Public Utility Commission ("PaPUC" or "Commission").

Q. Please describe the accounting implications of the proposed consolidation of the Pennsylvania OpCos from an internal accounting perspective.

A. As more fully described in the testimony of Ms. Savage (Joint Applicants Statement No. 1), the current rates for each operating company will be maintained for "rate districts" that will be established and which will mirror the current operating companies' territorial footprints. These rate districts and their current rates will remain in effect until FE PA receives approval from the PaPUC to consolidate or otherwise change the individual rates into a single rate in future base rate filings. From an internal accounting perspective, the individual accounting records for each of the rate districts will maintain separate accounting until full rate unity is approved by the PaPUC.[10] While these separate rate districts will continue to exist, an internal accounting consolidation of the separate accounting will also be necessary in order to prepare and submit regulatory financial reports and financial statements for FE PA.

Q. How will the consolidation of the Pennsylvania OpCos be accomplished and what is the resulting impact on the Pennsylvania OpCos' financial statements?

A. The consolidation of the Pennsylvania OpCos will be accomplished in multiple steps as described in the direct testimony of Mr. Ermal Fatusha (Joint Applicants Statement No. 3). As a result of the proposed consolidation of the Pennsylvania OpCos, FE PA will have a consolidated income statement and balance sheet. Joint Applicants Exhibit No. AP-5

[10] As described in detail by Mr. Fatusha (Joint Applicants Statement No. 3), each of the LLCs to be formed with respect to Met-Ed, Penelec, and West Penn will be transitory entities. Therefore, for purposes of maintaining individual accounting records and rate districts, references in the appropriate accounting records maintained for these rate districts will reflect the historical EDC name and not the transitory LLC.

contains a *pro forma* balance sheet and income statement on a FERC Form 1 basis representing the merged utilities into FE PA as of December 31, 2021.

Q. Are you providing proposed accounting entries to reflect the accounting effects associated with the consolidation of the Pennsylvania OpCos?

A. Yes. Proposed accounting entries to record in the accounts of FE PA and FE PA HoldCo are provided as Joint Applicants Exhibit No. AP-6(a), which lists the affected accounts and provides a general description of the entries from an internal accounting perspective. The entries represent account balances as of December 31, 2021 and will be updated prior to the closing of the Transaction.

B. FirstEnergy's Purchase Of MAIT Class B Interests From Met-Ed LLC And Penelec LLC

Q. Please summarize the aspect of the Transaction that involves FirstEnergy's purchase of the passive MAIT Class B membership interests from Penelec LLC and Met-Ed LLC.

A. As explained in the direct testimony of Mr. Ermal Fatusha (Joint Applicants Statement No. 3), in the fourth step of the Transaction, FirstEnergy will purchase Penelec LLC's and Met-Ed LLC's passive Class B membership interests in MAIT in exchange for cash consideration.[11]

Q. Will FirstEnergy's purchase of the MAIT Class B membership interests result in specific entries on the accounts of FirstEnergy, Penelec LLC and Met-Ed LLC?

A. Yes.

[11] *See* note 1, *supra*. This purchase will occur after LLCs associated with each of Penelec, Met-Ed, and West Penn are formed, and each of these entities merges with and into its associated LLC.

Q. What are the accounting entries that will result from FirstEnergy's purchase of MAIT Class B membership interests?

A. The proposed accounting entries to record this aspect of the Transaction in the accounts of FirstEnergy, Met-Ed LLC, and Penelec LLC are provided as Joint Applicants Exhibit No. AP-6(b). This exhibit lists the affected accounts and provides a general description of the entries. The values of the MAIT investment included with the entries represent account balances as of December 31, 2021 and will be updated at the time of the closing of the Transaction.

C. <u>Contribution Of West Penn LLC Transmission Assets To KATCo</u>

Q. Please summarize the aspect of the Transaction that involves the proposed contribution of transmission assets by West Penn LLC[12] to KATCo.

A. As explained by Mr. Fatusha (Joint Applicants Statement No. 3), this aspect of the Transaction will be accomplished pursuant to the terms of the Capital Contribution Agreement, which is provided as Joint Applicants Exhibit No. AP-7.

Q. Are there accounting implications for the proposed contribution of West Penn LLC's transmission assets to KATCo?

A. Yes, and I will discuss them with respect to the following three components of the proposed transfer: (1) the contribution of transmission assets by West Penn LLC to KATCo; (2) the transfer of accumulated deferred income taxes ("ADIT") associated with the contribution of transmission assets by West Penn LLC to KATCo; and (3) FirstEnergy's purchase of West Penn LLC's Class B common stock interest in KATCo.

[12] *See* note 1, *supra*. As explained by Mr. Fatusha (Joint Applicants Statement No. 1), the proposed transfer of transmission assets currently owned by West Penn will occur after West Penn merges with and into West Penn LLC.

Q. Please describe the accounting implications for the first component of the transfer, involving the contribution of transmission assets.

A. Under the terms of the Capital Contribution Agreement (Joint Applicants Exhibit No. AP-7), West Penn LLC will contribute its "transmission assets" to KATCo. "Transmission assets" are defined in the Capital Contribution Agreement ("Transmission Assets"). The Transmission Assets being contributed consist of FERC-jurisdictional facilities recorded in West Penn LLC's FERC transmission accounts. These Transmission Assets exclude land and land rights and generally include facilities operating at 100 kilovolts ("kV") and above. In addition, West Penn LLC's regulatory assets and liabilities, and any construction work in process associated with the FERC jurisdictional transmission facilities are included in the assets to transfer, as defined in the Capital Contribution Agreement.

From an accounting perspective, West Penn LLC will contribute the Transmission Assets in return for an equity investment in KATCo. Likewise, KATCo will receive the Transmission Assets and will issue Class B common stock to West Penn LLC.

Under GAAP, the Transmission Assets will be contributed to KATCo at their carrying value[13] at the date the Transaction is executed. GAAP, specifically Accounting Standards Codification ("ASC") 805-50, *Business Combinations*, requires that assets and liabilities transferred between companies under common control be transferred to the receiving entity at their carrying value in the accounts of the transferring entity at the date of transfer. Accounting under the FERC USofA will follow GAAP. Because FirstEnergy owns all of the membership units of FE PA HoldCo, which, in turn, owns all of the common stock of

[13] When discussing transmission plant and equipment, carrying value is net book value (original cost less accumulated depreciation). For all other assets and liabilities, carrying value is the value recorded on West Penn LLC's balance sheet.

FE PA, and because FirstEnergy also owns all of the common stock of KATCo, the Transaction is considered a common control transaction and, therefore, the contribution of the transmission assets is required to be accounted for at carrying value.

Q. Please describe the accounting implications for the second component, involving the transfer of ADIT.

A. Based on the structure of the Transaction and in accordance with the accounting requirements, ADIT associated with the contribution of transmission assets will be transferred to KATCo by West Penn LLC. West Penn LLC's contribution of transmission assets, including both transmission plant and equipment and transmission-related regulatory assets, will be a tax-free transaction resulting in KATCo having the same tax basis in the contributed assets as they had in the hands of West Penn LLC. Therefore, the ADIT associated with the Transmission Assets will also be transferred from West Penn LLC to KATCo, which will reduce West Penn LLC's investment in KATCo. Likewise, KATCo will record the ADIT associated with the Transmission Assets, proportionally reducing the value of the Class B common stock it would otherwise have issued.

Q. Please describe the accounting implications for the third component, involving the purchase of Class B stock in KATCo.

A. Upon completion of the contribution of Transmission Assets from West Penn LLC to KATCo, FirstEnergy will purchase West Penn LLC's Class B common stock interest in KATCo for cash in an amount equivalent to the carrying value of West Penn LLC's interest in KATCo. After the completion of this aspect of the Transaction, FirstEnergy will own 100% of the interests in KATCo.

Q. Will West Penn LLC contribute land or other real estate interests associated with the transferred transmission assets?

A. No, as noted above and described by Mr. Fatusha (Joint Applicants Statement No. 3), KATCo will enter into a ground lease ("Ground Lease") with FE PA, which is provided as Joint Applicants Exhibit No. AP-8. As described by Mr. Fatusha in his testimony (Joint Applicants Statement No. 3), all of West Penn LLC's rights and obligations under the Ground Lease will transfer to FE PA by operation of law following the merger of West Penn LLC with and into FE PA.

Q. What are the tax implications for West Penn LLC and KATCo?

A. As I discussed earlier, the contribution of West Penn LLC's Transmission Assets to KATCo will be structured as a tax-free contribution of assets as opposed to a taxable asset sale. Provisions of the Internal Revenue Code permit one or more shareholders to achieve a non-taxable transfer of assets to a corporation in exchange for stock, which results in a "carry over" of the existing tax basis in the assets being transferred. By contrast, in an asset sale, the tax basis of the assets being transferred would be "stepped-up" to the amount of consideration paid for the assets. Therefore, because the book basis of the transmission assets will be contributed at their carrying value and the tax basis will be "carried over," the ADIT, representing the deferred taxes associated with the difference between the book and tax basis of the transmission assets being contributed, will be transferred from West Penn LLC to KATCo.

Q. Are you providing proposed accounting entries showing the accounting effects of the contribution of West Penn LLC's Transmission Assets to KATCo, as explained above?

A. Yes. Proposed accounting entries to record the contribution of West Penn LLC's Transmission Assets in the accounts of West Penn LLC and KATCo, as well as the sale of West Penn LLC's interest in KATCo to FirstEnergy, are provided as Joint Applicants Exhibit No. AP-6(c), which lists the accounts affected and provides a general description of the entries. The values of assets and liabilities included with the entries represent account balances as of December 31, 2021 and will be updated based on the balances at time of closing of the Transaction.

Q. How will FirstEnergy reflect its ownership interest in KATCo?

A. Under ASC 810, Consolidation, a reporting entity must consolidate any entity in which it has a controlling financial interest. Because FirstEnergy has a controlling financial interest in KATCo through its ownership of 100% of KATCo's common stock, FirstEnergy will consolidate KATCo.

Q. How does FirstEnergy expect to account for future earnings and dividends of KATCo?

A. As noted earlier, FirstEnergy will consolidate KATCo. The earnings generated and dividends declared and paid by KATCo will be allocated to FirstEnergy with total equity of KATCo representing the summation of Class A and Class B common stock.

III. ACCOUNTING FOR TRANSACTION-RELATED COSTS

Q. Will the Joint Applicants track "transaction-related" costs for the proposed Transaction?

A. Yes.

Q. What are transaction-related costs?

A. Transaction-related costs are all costs, including internal labor and other than labor costs, beginning with costs incurred to discuss, gather information, and investigate the feasibility of the proposed Transaction and continuing through the completion of the Transaction.

Q. How will Transaction-related costs be tracked?

A. All Transaction-related costs are being charged to work orders and are recorded to FERC Account 426.5 – Other Deductions on the financial statements of the Pennsylvania OpCos prior to the Transaction, and on the financial statements of FE PA and KATCo after the completion of the proposed Transaction

Q. Will Transaction-related costs impact rates charged by FE PA or KATCo?

A. No. Transaction-related costs will not impact rates charged by FE PA or KATCo. The Joint Applicants are committed to excluding all Transaction-related costs from rates charged to customers of all affected companies.

IV. ACCOUNTING BENEFITS OF THE PROPOSED TRANSACTION

Q. Are there accounting benefits associated with the proposed Transaction?

A. Yes. There are both short-term and long-term accounting benefits associated with the proposed Transaction. I discuss each below.

Q. What are the short-term accounting benefits of the consolidation of the Pennsylvania OpCos?

A. In the short-term, four separate sets of financial and regulatory reports will be replaced with a single set of financial and regulatory reports for FE PA. For example, each of the Pennsylvania OpCos currently files a quarterly FERC Form No. 3-Q and files an annual FERC Form No. 1 – representing sixteen filings per year. Upon closing of the Transaction, these filings will be replaced by a single filing for FE PA – representing only four filings per year. Reducing the number of regulatory filings from sixteen to four will increase financial reporting efficiency while also reducing the administrative burden on the reviewing regulator. In addition, each of the Pennsylvania OpCos currently issues annual audited financial statements. Following closing of the Transaction, only one set of annual audited financial statements will be required.

Q. What are the long-term accounting benefits of the consolidation of the Pennsylvania OpCos?

A. In addition to the short-term benefits noted above, accounting efficiencies will be realized when the individual accounting for the rate districts is fully consolidated. In the long term, reducing the number of rate districts from four to one will increase accounting staff efficiency as there will be reductions in the number of account reconciliations, journal entries, and other tasks associated with the reduced number of separate books and records.

Q. Are there accounting benefits associated with the contribution of West Penn LLC's Transmission Assets to KATCo?

A. Yes, there are accounting benefits associated with the contribution of West Penn LLC's Transmission Assets to KATCo. Contribution of the Transmission Assets to KATCo, will

simplify the preparation of annual transmission filings and revenue requirement calculations. A stand-alone transmission company allows for more inputs to revenue requirement calculations to be obtained directly from the FERC Form 1, which increases efficiency and simplifies review. Additionally, contributing the Transmission Assets to KATCo will make the process to calculate and report transmission revenue requirements similar to the transmission assets owned by ATSI and MAIT, in their respective Pennsylvania districts.

V. AFFILIATED INTEREST AGREEMENTS

Q. Will KATCo, FE PA and FE PA HoldCo have a contractual relationship with other FirstEnergy companies?

A. Yes. KATCo is a wholly owned subsidiary of FirstEnergy and an affiliate of FESC. Similar to the Pennsylvania OpCos today, KATCo will become a party to certain affiliated interest agreements following closure of the Transaction. FE PA and FE PA HoldCo are also affiliates of FESC and will be party to certain of the affiliated interest agreements. My testimony discusses the following affiliated interest agreements: (1) the FirstEnergy Service Agreement; (2) the MAA; (3) the Ground Lease; (4) the Capital Contribution Agreement; and (5) the Income Tax Allocation Agreement.

Q. Please describe the FirstEnergy Service Agreement.

A. The FirstEnergy Service Agreement is an agreement as between FirstEnergy and its subsidiaries, under which FESC provides corporate services such as accounting, legal, data processing, administrative, management, and other services to those subsidiaries. FESC files the cost allocation methodology reflected in the FirstEnergy Service Agreement annually in FERC Form No. 60. The use of a service agreement of this nature is a common

practice among holding companies. A copy of the FirstEnergy Service Agreement that the Joint Applicants are requesting that the PaPUC approve is attached to my testimony as Joint Applicants Exhibit No. AP-9. Joint Applicants Exhibit No. AP-9 contains changes to the FirstEnergy Service Agreement.

Q. What changes have been made to the FirstEnergy Service Agreement?

A. As compared to the current agreement, the FirstEnergy Service Agreement reflects the fact that, if the proposed Transaction is approved, then the Pennsylvania OpCos will no longer be parties to this agreement, whereas FE PA HoldCo, FE PA and KATCo will be parties.

The FirstEnergy Service Agreement has also undergone a general update and has been rewritten to reflect changes in both the law and current affiliates. Specifically, the FirstEnergy Service Agreement has been updated to remove reference to the Public Utility Holding Company Act of 1935, as that has been repealed and replaced by other statutes and regulations with respect to service companies within a holding company system. The updated FirstEnergy Service Agreement refers to applicable laws, rules, and regulations, of federal and state regulatory bodies whose approval is necessary for the FirstEnergy Service Agreement. It has also been updated to differentiate and further explain the "basic" and "additional" services that will be provided by FESC to its client companies. The FirstEnergy Service Agreement provides that FESC will continue to provide personnel and services at cost and has now been updated to more accurately reflect fully allocated costs. Finally, the FirstEnergy Service Agreement has also been updated to include standard agreement provisions appropriate under the circumstances.

Q. Are those updates reasonable?

A. Yes. These updates are reasonable because they are necessary to reflect the impacts of the proposed Transaction. In addition, the updates are necessary to reflect the changes in law and affiliates to avoid confusion and to provide additional clarity of the service provided to client companies moving forward.

Q. Please describe the MAA.

A. A copy of the MAA is provided as Joint Applicants Exhibit No. AP-10. Under the MAA, FirstEnergy subsidiaries are able to request and receive non-power goods and services from their affiliates consistent with the terms and conditions of the MAA. Pricing for the services and goods are consistent with the agreement and FERC accounting and affiliate restrictions standards.

Q. What are the updates that have been made to the MAA?

A. The MAA has also been rewritten and the updates are largely the same as those explained above with respect to the FirstEnergy Service Agreement. The MAA will also contain an updated corporate structure, which reflects the impacts of the proposed Transaction. If the proposed Transaction is approved, then the Pennsylvania OpCos will no longer be parties to this agreement, whereas FE PA and KATCo will be parties.

Q. Are these updates reasonable?

A. Yes. Those updates are reasonable because they are necessary to keep the agreement up to date with various federal and state laws regulations, and current corporate structure. Those updates will also help to provide clarity and avoid confusion with respect to the

exchange of goods and services between FE PA and KATCo and their FirstEnergy affiliates, upon approval of the proposed Transaction.

Q. Will KATCo, FE PA HoldCo and FE PA pay for the services provided pursuant to the FirstEnergy Service Agreement and the MAA, as applicable?

A. Yes. Under the FirstEnergy Service Agreement, FESC will charge KATCo, FE PA and FE PA HoldCo for corporate services in the same manner it charges the Pennsylvania OpCos for similar services today. For services provided under the MAA, FirstEnergy affiliates will charge KATCo and FE PA in the same manner the Pennsylvania OpCos are currently charged. All of these transactions will be subject to FERC's USofA and affiliate pricing rules, which regulate the sale of power and non-power goods and services among affiliates.[14]

Q. Please describe the Ground Lease.

A. The Ground Lease is the agreement between KATCo and, ultimately, FE PA that governs the going-forward actions between these entities with respect to certain real estate interests and access rights that KATCo needs to operate and maintain existing transmission facilities. A copy of the Ground Lease is provided as Joint Applicants Exhibit No. AP-8.

Q. Why would West Penn LLC enter into the Ground Lease rather than contribute land or other real estate to KATCo?

A. The use of the Ground Lease is an administratively more efficient way to effectuate the transfer of those certain real estate interests and access rights that are necessary for KATCo to operate and maintain the transmission facilities going forward. It is also consistent with

[14] 18 C.F.R. §§ 35.39, 35.43, 35.44.

the way transmission facilities located in western Pennsylvania and Ohio were transferred to American Transmission Systems, Incorporated ("ATSI") in 1999 and 2000, respectively,[15] and to MAIT in 2017.[16] Those examples have shown that this approach provided ATSI and MAIT all of the interests in real estate needed to furnish transmission service safely, reliably, and efficiently. In summary, the use of the Ground Lease to provide KATCo the existing interests in real estate it needs to operate and maintain the transmission facilities enables a quicker transfer of property rights by avoiding the need for extensive surveys, deed recordings, and easement negotiations. For all new access rights and other real estate needs for projects and construction that occur following closure of the Transaction, KATCo will own or establish such rights under its own name.

Q. Please explain how the annual base rent amount that KATCo will pay to West Penn LLC under the Ground Lease will be derived.

A. The annual base rent amount will be equivalent to the revenue requirement related to the net book value of land and land rights classified in West Penn LLC's FERC transmission accounts. This method assures that the rate charged to transmission customers is based on the amount actually paid for land and land rights and, therefore, is consistent with FERC ratemaking principles. The annual revenue requirement will consist of a return on rate base

[15] Penn Power transferred its transmission assets to ATSI pursuant to the Commission's approval as evidenced by a certificate of public convenience issued in 2000. *Application Of Pennsylvania Power Co. For (1) A Certificate Of Public Convenience Authorizing The Transfer Of Certain Transmission Assets To American Transmission Systems, Inc., And (2) Approval Of Certain Affiliated Interest Agreements Necessary To Effect The Transfer*, Docket No. A-110450F0016 (July 14, 2000).

[16] Met-Ed and Penelec transferred their transmission assets to MAIT pursuant to the Commission's approval as evidenced by a certificate of public convenience issued in 2016. *Joint Application of MAIT, Met-Ed and Penelec for: (1) a Certificate of Public Convenience Authorizing the Transfer of Certain Transmission Assets from Met-Ed and Penelec to MAIT; (2) a Certificate of Public Convenience Conferring Upon MAIT the Status of a Pennsylvania Public Utility and (3) Approval of Certain Affiliate Interest Agreements*, Docket Nos. A-2015-2488903, A-2015-2488904, A-2015-2488905, G-2015-2488906, G-2015-2488907, G-2015-2489542, G-2015-2489543, G-2015-2489544, G-2015-2489545, G-2015-2489547, G-2015-2490801, G-2015-2490802 (August 24, 2016).

related to land and land rights, applicable depreciation expense, income taxes, and taxes other than income taxes.

Q. Please describe the Capital Contribution Agreement and explain why it is reasonable.

A. As discussed above, under the Capital Contribution Agreement, West Penn LLC will contribute its Transmission Assets to KATCo. The Capital Contribution Agreement is reasonable for the reasons discussed above.

Q. Please describe the Income Tax Allocation Agreement.

A. FirstEnergy and its subsidiaries (each, a "Member") are parties to the Income Tax Allocation Agreement dated January 26, 2023 (the "Income Tax Allocation Agreement").[17] The Income Tax Allocation Agreement addresses the allocation of the consolidated tax liability of FirstEnergy and its subsidiaries among the Members, reimbursement of FirstEnergy for payment of such tax liability, compensation of any Member for use of its tax losses or credits, and the allocation and payment of any refund arising from the carryback to a prior taxable year of tax losses or credits, and similar rules with respect to certain tax liabilities.

Q. Are revisions to the Income Tax Allocation Agreement required due to the proposed Transaction?

A. No.

[17] On September 1, 2022, Met-Ed, Penelec, Penn Power, and West Penn filed pursuant to Chapter 21 of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 2102 to request approval of the Income Tax Allocation Agreement. The Commission approved the request on January 3, 2023. *Request for the approval of affiliated interest agreement between Metropolitan Edison Co., Pennsylvania Electric Co., Pennsylvania Power Co., West Penn Power Co., and FirstEnergy Corp., regarding a Revised Amended and Restated Income Tax Allocation Agreement*, Docket No. G-2022-3034933.

Q. Please explain why not.

A. KATCo is a party to the Income Tax Allocation Agreement, and FE PA and FE PA HoldCo will become parties to the agreement upon their formation pursuant to the terms of the agreement.[18]

VI. CONCLUSION

Q. Does this conclude your testimony?

A. Yes.

[18] The Income Tax Allocation Agreement contemplates that to the extent FirstEnergy or any of its subsidiaries organizes a new subsidiary that is required to be included in the FirstEnergy consolidated tax group (such as FE PA HoldCo and FE PA), the new subsidiary shall join and become bound by it.

AMY S. PATTERSON

APPENDIX A

Experience and Education

My name is Amy Patterson and my business address is 76 South Main Street, Akron, Ohio 44308. I am employed by FirstEnergy Service Corporation as the Manager of the Property Accounting Department. I am responsible for ensuring that the property, plant and equipment of FirstEnergy and its subsidiaries are accounted for in conformity with generally accepted accounting requirements and regulatory accounting requirements. I am also responsible for cost analysis and accounting classification of construction projects and maintenance of the continuing property records.

From January 2013 to March 2016, I served as an Analyst in the Technical Accounting Research Department, prior to being promoted into my current role. From 2010 to 2013, I was with Cincinnati Bell Inc. as a Financial Reporting Manager. From 2006 to 2010, I was with PricewaterhouseCoopers, LLP where I served in various client service positions.

I received a Bachelor of Science in Business and Masters of Accountancy Degree from Miami University. I am a licensed certified public accountant in Ohio.

JOINT APPLICANTS

EXHIBIT AP-1

THIS FILING IS
Item 1: ☑ An Initial (Original) Submission OR ☐ Resubmission No.

FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)	Year/Period of Report
Metropolitan Edison Company	End of: 2021/ Q4

FERC FORM NO. 1 (REV. 02-04)

Name of Respondent: Metropolitan Edison Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/01/2022	Year/Period of Report End of: 2021/ Q4

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**UTILITY PLANT**			
2	Utility Plant (101-106, 114)	200	3,108,948,407	2,975,111,093
3	Construction Work in Progress (107)	200	67,891,595	71,262,631
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		3,176,840,002	3,046,373,724
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200	945,181,587	901,974,607
6	Net Utility Plant (Enter Total of line 4 less 5)		2,231,658,415	2,144,399,117
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202		
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)			
9	Nuclear Fuel Assemblies in Reactor (120.3)			
10	Spent Nuclear Fuel (120.4)			
11	Nuclear Fuel Under Capital Leases (120.6)			
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202		
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)			
14	Net Utility Plant (Enter Total of lines 6 and 13)		2,231,658,415	2,144,399,117
15	Utility Plant Adjustments (116)			
16	Gas Stored Underground - Noncurrent (117)			
17	**OTHER PROPERTY AND INVESTMENTS**			
18	Nonutility Property (121)		1,223,874	1,223,874
19	(Less) Accum. Prov. for Depr. and Amort. (122)		627,342	612,886
20	Investments in Associated Companies (123)			
21	Investment in Subsidiary Companies (123.1)	224	304,303,830	301,998,048
23	Noncurrent Portion of Allowances	228		

24	Other Investments (124)		47,786	42,151
25	Sinking Funds (125)			
26	Depreciation Fund (126)			
27	Amortization Fund - Federal (127)			
28	Other Special Funds (128)		5,268,971	1,005,953
29	Special Funds (Non Major Only) (129)			
30	Long-Term Portion of Derivative Assets (175)			
31	Long-Term Portion of Derivative Assets - Hedges (176)			
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		310,217,119	303,657,140
33	**CURRENT AND ACCRUED ASSETS**			
34	Cash and Working Funds (Non-major Only) (130)			
35	Cash (131)			
36	Special Deposits (132-134)		119,198	119,198
37	Working Fund (135)			
38	Temporary Cash Investments (136)			
39	Notes Receivable (141)			
40	Customer Accounts Receivable (142)		91,050,229	104,881,065
41	Other Accounts Receivable (143)		11,920,395	11,033,592
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		21,746,669	21,928,927
43	Notes Receivable from Associated Companies (145)			95,533,029
44	Accounts Receivable from Assoc. Companies (146)		27,832,699	28,364,870
45	Fuel Stock (151)	227		
46	Fuel Stock Expenses Undistributed (152)	227		
47	Residuals (Elec) and Extracted Products (153)	227		
48	Plant Materials and Operating Supplies (154)	227		
49	Merchandise (155)	227		
50	Other Materials and Supplies (156)	227		
51	Nuclear Materials Held for Sale (157)	202/227		

52	Allowances (158.1 and 158.2)	228		
53	(Less) Noncurrent Portion of Allowances	228		
54	Stores Expense Undistributed (163)	227		
55	Gas Stored Underground - Current (164.1)			
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)			
57	Prepayments (165)		12,537,112	12,624,090
58	Advances for Gas (166-167)			
59	Interest and Dividends Receivable (171)			
60	Rents Receivable (172)		6,596,826	8,431,990
61	Accrued Utility Revenues (173)		60,276,839	56,863,616
62	Miscellaneous Current and Accrued Assets (174)		42,047	312,623
63	Derivative Instrument Assets (175)			
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)			
65	Derivative Instrument Assets - Hedges (176)			
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)			
67	Total Current and Accrued Assets (Lines 34 through 66)		188,628,676	296,235,146
68	**DEFERRED DEBITS**			
69	Unamortized Debt Expenses (181)		4,066,575	4,960,880
70	Extraordinary Property Losses (182.1)	230a		
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b		
72	Other Regulatory Assets (182.3)	232	284,406,044	257,826,301
73	Prelim. Survey and Investigation Charges (Electric) (183)		51,343	45,254
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)			
75	Other Preliminary Survey and Investigation Charges (183.2)			
76	Clearing Accounts (184)		544,300	62,849
77	Temporary Facilities (185)		203,872	124,911
78	Miscellaneous Deferred Debits (186)	233	334,745,234	336,591,709

79	Def. Losses from Disposition of Utility Plt. (187)			
80	Research, Devel. and Demonstration Expend. (188)	352	26,878	26,878
81	Unamortized Loss on Reaquired Debt (189)		337,813	564,995
82	Accumulated Deferred Income Taxes (190)	234	262,958,110	270,235,754
83	Unrecovered Purchased Gas Costs (191)			
84	Total Deferred Debits (lines 69 through 83)		887,340,169	870,439,531
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		3,617,844,379	3,614,730,934

Name of Respondent: Metropolitan Edison Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/01/2022	Year/Period of Report End of: 2021/ Q4

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**PROPRIETARY CAPITAL**			
2	Common Stock Issued (201)	250	841,546,520	838,638,747
3	Preferred Stock Issued (204)	250		
4	Capital Stock Subscribed (202, 205)			
5	Stock Liability for Conversion (203, 206)			
6	Premium on Capital Stock (207)			
7	Other Paid-In Capital (208-211)	253		
8	Installments Received on Capital Stock (212)	252		
9	(Less) Discount on Capital Stock (213)	254		
10	(Less) Capital Stock Expense (214)	254b		
11	Retained Earnings (215, 215.1, 216)	118	243,653,391	174,271,961
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118	5,855,755	3,663,671
13	(Less) Reaquired Capital Stock (217)	250		
14	Noncorporate Proprietorship (Non-major only) (218)			
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	(818,154)	449,899
16	Total Proprietary Capital (lines 2 through 15)		1,090,237,512	1,017,024,278
17	**LONG-TERM DEBT**			
18	Bonds (221)	256		
19	(Less) Reaquired Bonds (222)	256		
20	Advances from Associated Companies (223)	256		
21	Other Long-Term Debt (224)	256	1,050,000,000	1,050,000,000
22	Unamortized Premium on Long-Term Debt (225)			

23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		688,637	855,549
24	Total Long-Term Debt (lines 18 through 23)		1,049,311,363	1,049,144,451
25	**OTHER NONCURRENT LIABILITIES**			
26	Obligations Under Capital Leases - Noncurrent (227)		37,914,100	39,269,489
27	Accumulated Provision for Property Insurance (228.1)			
28	Accumulated Provision for Injuries and Damages (228.2)		499,946	156,814
29	Accumulated Provision for Pensions and Benefits (228.3)		25,313,446	66,421,145
30	Accumulated Miscellaneous Operating Provisions (228.4)			
31	Accumulated Provision for Rate Refunds (229)			
32	Long-Term Portion of Derivative Instrument Liabilities			
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges			
34	Asset Retirement Obligations (230)		1,413,520	1,326,885
35	Total Other Noncurrent Liabilities (lines 26 through 34)		65,141,012	107,174,333
36	**CURRENT AND ACCRUED LIABILITIES**			
37	Notes Payable (231)			100,000,000
38	Accounts Payable (232)		57,748,117	54,449,301
39	Notes Payable to Associated Companies (233)		24,372,625	
40	Accounts Payable to Associated Companies (234)		2,021,700	1,249,840
41	Customer Deposits (235)		30,967,663	28,354,131
42	Taxes Accrued (236)	262	13,977,915	11,827,759
43	Interest Accrued (237)		15,606,153	15,835,771
44	Dividends Declared (238)			
45	Matured Long-Term Debt (239)			
46	Matured Interest (240)			
47	Tax Collections Payable (241)		649,333	416,595
48	Miscellaneous Current and Accrued Liabilities (242)		20,970,434	21,139,756
49	Obligations Under Capital Leases-Current (243)		4,481,778	8,108,375
50	Derivative Instrument Liabilities (244)			

51	(Less) Long-Term Portion of Derivative Instrument Liabilities			
52	Derivative Instrument Liabilities - Hedges (245)			
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges			
54	Total Current and Accrued Liabilities (lines 37 through 53)		170,795,718	241,381,528
55	**DEFERRED CREDITS**			
56	Customer Advances for Construction (252)			
57	Accumulated Deferred Investment Tax Credits (255)	266	1,587,367	1,913,528
58	Deferred Gains from Disposition of Utility Plant (256)			
59	Other Deferred Credits (253)	269	211,304,748	214,488,898
60	Other Regulatory Liabilities (254)	278	329,072,997	319,276,984
61	Unamortized Gain on Reaquired Debt (257)		201,547	296,536
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272		
63	Accum. Deferred Income Taxes-Other Property (282)		523,829,041	504,796,160
64	Accum. Deferred Income Taxes-Other (283)		176,363,074	159,234,238
65	Total Deferred Credits (lines 56 through 64)		1,242,358,774	1,200,006,344
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		3,617,844,379	3,614,730,934

Name of Respondent: Metropolitan Edison Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/01/2022	Year/Period of Report End of: 2021/ Q4

STATEMENT OF INCOME

Quarterly

1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
5. If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable

Do not report fourth quarter data in columns (e) and (f)
Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over Lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
Use page 122 for important notes regarding the statement of income for any account thereof.
Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.
Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended - Quarterly Only - No 4th Quarter (e)	Prior 3 Months Ended - Quarterly Only - No 4th Quarter (f)	Electric Utility Current Year to Date (in dollars) (g)	Electric Utility Previous Year to Date (in dollars) (h)	Gas Utiity Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)	Other Utility Previous Year to Date (in dollars) (l)
1	UTILITY OPERATING INCOME											
2	Operating Revenues (400)	300	864,029,300	808,260,299			864,029,300	808,260,299				
3	Operating Expenses											
4	Operation Expenses (401)	320	388,959,340	421,357,983			388,959,340	421,357,983				
5		320	69,460,565	70,680,807			69,460,565	70,680,807				

	Maintenance Expenses (402)											
6	Depreciation Expense (403)	336	72,708,933	70,568,848			72,708,933	70,568,848				
7	Depreciation Expense for Asset Retirement Costs (403.1)	336	2,625	2,625			2,625	2,625				
8	Amort. & Depl. of Utility Plant (404-405)	336	7,764,671	8,409,661			7,764,671	8,409,661				
9	Amort. of Utility Plant Acq. Adj. (406)	336										
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)											
11	Amort. of Conversion Expenses (407.2)											
12	Regulatory Debits (407.3)		755,860	8,082,975			755,860	8,082,975				
13	(Less) Regulatory Credits (407.4)		10,240,175	34,317,754			10,240,175	34,317,754				
14	Taxes Other Than Income Taxes (408.1)	262	54,094,146	50,926,908			54,094,146	50,926,908				
15	Income Taxes - Federal (409.1)	262	16,554,391	10,291,907			16,554,391	10,291,907				
16	Income Taxes - Other (409.1)	262	6,690,783	5,419,656			6,690,783	5,419,656				
17	Provision for Deferred Income Taxes (410.1)	234, 272	112,889,763	287,294,937			112,889,763	287,294,937				
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272	84,223,664	286,235,540			84,223,664	286,235,540				
19	Investment Tax Credit Adj. - Net (411.4)	266	(326,161)	(326,161)			(326,161)	(326,161)				
20	(Less) Gains from Disp. of Utility Plant (411.6)											
21	Losses from Disp. of Utility Plant (411.7)											
22												

	(Less) Gains from Disposition of Allowances (411.8)											
23	Losses from Disposition of Allowances (411.9)											
24	Accretion Expense (411.10)		86,635	17,580,870			86,635	17,580,870				
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		635,177,712	629,737,722			635,177,712	629,737,722				
27	Net Util Oper Inc (Enter Tot line 2 less 25)		228,851,588	178,522,577			228,851,588	178,522,577				
28	Other Income and Deductions											
29	Other Income											
30	Nonutilty Operating Income											
31	Revenues From Merchandising, Jobbing and Contract Work (415)		2,896,467	5,435,516								
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		1,733,515	1,793,526								
33	Revenues From Nonutility Operations (417)											
34	(Less) Expenses of Nonutility Operations (417.1)		31									
35	Nonoperating Rental Income (418)		(14,457)	(17,707)								
36	Equity in Earnings of Subsidiary Companies (418.1)	119	24,163,794	24,697,001								
37	Interest and Dividend Income (419)		2,932,894	1,870,896								
38	Allowance for Other Funds Used During Construction (419.1)		1,284,185	2,355,640								
39	Miscellaneous Nonoperating Income (421)		1,516,812	1,479,035								

40	Gain on Disposition of Property (421.1)		177,740	1,061,371								
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		31,223,889	35,088,226								
42	Other Income Deductions											
43	Loss on Disposition of Property (421.2)		215,231	53,860								
44	Miscellaneous Amortization (425)											
45	Donations (426.1)		532,777	166,294								
46	Life Insurance (426.2)		(539,189)	(688,720)								
47	Penalties (426.3)		685,635	3,390,298								
48	Exp. for Certain Civic, Political & Related Activities (426.4)		156,309	204,924								
49	Other Deductions (426.5)		(5,328)	(6,948,062)								
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		1,045,435	(3,821,406)								
51	Taxes Applic. to Other Income and Deductions											
52	Taxes Other Than Income Taxes (408.2)	262										
53	Income Taxes-Federal (409.2)	262	1,551,832	3,002,082								
54	Income Taxes-Other (409.2)	262	820,163	1,586,638								
55	Provision for Deferred Inc. Taxes (410.2)	234, 272	134,542	332,363								
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272	862,436	61,178								
57	Investment Tax Credit Adj.-Net (411.5)											
58												

	(Less) Investment Tax Credits (420)											
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		1,644,101	4,859,905								
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		28,534,353	34,049,727								
61	Interest Charges											
62	Interest on Long-Term Debt (427)		42,000,000	42,000,000								
63	Amort. of Debt Disc. and Expense (428)		1,061,217	1,061,217								
64	Amortization of Loss on Reaquired Debt (428.1)		227,182	247,467								
65	(Less) Amort. of Premium on Debt-Credit (429)											
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)		94,989	143,636								
67	Interest on Debt to Assoc. Companies (430)		16,105	2,412								
68	Other Interest Expense (431)		8,558,891	6,012,016								
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		955,979	1,105,700								
70	Net Interest Charges (Total of lines 62 thru 69)		50,812,427	48,073,776								
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		206,573,514	164,498,528								
72	Extraordinary Items											
73	Extraordinary Income (434)											
74	(Less) Extraordinary Deductions (435)											

75	Net Extraordinary Items (Total of line 73 less line 74)											
76	Income Taxes-Federal and Other (409.3)	262	0									
77	Extraordinary Items After Taxes (line 75 less line 76)											
78	Net Income (Total of line 71 and 77)		206,573,514	164,498,528								

FERC FORM No. 1 (REV. 02-04)

Page 114-117

Name of Respondent: Metropolitan Edison Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/01/2022	Year/Period of Report End of: 2021/ Q4

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly report.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
4. State the purpose and amount for each reservation or appropriation of retained earnings.
5. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown for Account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, attach them at page 122.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		174,271,961	125,656,147
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4	Adjustments to Retained Earnings Credit			
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10	Adjustments to Retained Earnings Debit			
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		182,409,720	139,801,527
17	Appropriations of Retained Earnings (Acct. 436)			
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
30.1	Dividends on Common Stock		135,000,000	115,000,000
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		135,000,000	115,000,000

37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings		21,971,710	23,814,287
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		243,653,391	174,271,961
39	APPROPRIATED RETAINED EARNINGS (Account 215)			
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		243,653,391	174,271,961
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account Report only on an Annual Basis, no Quarterly)			
49	Balance-Beginning of Year (Debit or Credit)		3,663,671	2,780,957
50	Equity in Earnings for Year (Credit) (Account 418.1)		24,163,794	24,697,001
51	(Less) Dividends Received (Debit)		21,971,710	23,814,287
52	TOTAL other Changes in unappropriated undistributed subsidiary earnings for the year			
53	Balance-End of Year (Total lines 49 thru 52)		5,855,755	3,663,671

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Name of Respondent: Metropolitan Edison Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/01/2022	Year/Period of Report End of: 2021/ Q4

STATEMENT OF CASH FLOWS

1. Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
2. Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
3. Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
4. Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instructions No.1 for explanation of codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 78(c) on page 117)	206,573,514	164,498,528
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	80,562,864	96,562,004
5	Amortization of (Specify) (footnote details)		
5.1	Amortization (Deferral) of Regulatory Assets, Net	(8,156,088)	(24,897,653)
5.2	Pension and OPEB Mark-to-Market Adjustment	(27,194,459)	41,272,011
5.3	Retirement Benefits, Net of Payments	(33,768,509)	(26,339,703)
8	Deferred Income Taxes (Net)	27,938,205	1,330,582
9	Investment Tax Credit Adjustment (Net)	(326,161)	(326,161)
10	Net (Increase) Decrease in Receivables	13,752,542	(13,774,943)
11	Net (Increase) Decrease in Inventory		
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	6,018,088	14,575,569
14	Net (Increase) Decrease in Other Regulatory Assets		
15	Net Increase (Decrease) in Other Regulatory Liabilities		
16	(Less) Allowance for Other Funds Used During Construction	1,284,185	2,355,640

17	(Less) Undistributed Earnings from Subsidiary Companies	2,305,783	883,275
18	Other (provide details in footnote):		
18.1	Other (provide details in footnote):	1,368,991	(1,888,300)
18.2	Changes in Prepayments and Other Current Assets	86,978	3,723,677
18.3	Changes in Cash Collateral, Net	2,425,576	(1,424,856)
18.4	Contributions in Aid of Construction	10,305,958	2,181,775
22	Net Cash Provided by (Used in) Operating Activities (Total of Lines 2 thru 21)	275,997,531	252,253,615
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	(146,347,695)	(155,383,436)
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	(1,284,185)	(2,355,640)
31	Other (provide details in footnote):		
31.1	Other (provide details in footnote):		
34	Cash Outflows for Plant (Total of lines 26 thru 33)	(145,063,510)	(153,027,796)
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
39	Investments in and Advances to Assoc. and Subsidiary Companies		(64,487,147)
40	Contributions and Advances from Assoc. and Subsidiary Companies	95,533,029	
41	Disposition of Investments in (and Advances to)		
42	Disposition of Investments in (and Advances to) Associated and Subsidiary Companies		
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		
46	Loans Made or Purchased		
47	Collections on Loans		

49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
53.1	Dividends from MAIT Equity Investment		
53.2	Asset Removal Costs	(14,607,280)	(15,640,660)
53.3	Other (provide details in footnote):	571,059	3,593,167
53.4	Sale of Investment Securities Held in Trusts		77,544,811
53.5	Purchases of Investment Securities Held in Trusts		(81,359,025)
57	Net Cash Provided by (Used in) Investing Activities (Total of lines 34 thru 55)	(63,566,702)	(233,376,650)
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
64.1	Other (provide details in footnote):		
66	Net Increase in Short-Term Debt (c)	24,372,625	100,000,000
67	Other (provide details in footnote):		
67.1	Other (provide details in footnote):		
70	Cash Provided by Outside Sources (Total 61 thru 69)	24,372,625	100,000,000
72	Payments for Retirement of:		
73	Long-term Debt (b)		
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):		
76.1	Other (provide details in footnote):	(1,803,454)	(3,876,965)

78	Net Decrease in Short-Term Debt (c)	(100,000,000)	
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	(135,000,000)	(115,000,000)
83	Net Cash Provided by (Used in) Financing Activities (Total of lines 70 thru 81)	(212,430,829)	(18,876,965)
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	Net Increase (Decrease) in Cash and Cash Equivalents (Total of line 22, 57 and 83)		
88	Cash and Cash Equivalents at Beginning of Period		
90	Cash and Cash Equivalents at End of Period		

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Name of Respondent: Metropolitan Edison Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/01/2022	Year/Period of Report End of: 2021/ Q4

NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

GLOSSARY OF TERMS

The following abbreviations and acronyms may be used in these financial statements to identify Metropolitan Edison Company and its current and former affiliated companies:

AE Supply	Allegheny Energy Supply Company, LLC, an unregulated generation subsidiary of FE
AGC	Allegheny Generating Company, a generation subsidiary of MP
ATSI	American Transmission Systems, Incorporated, a subsidiary of FET, which owns and operates transmission facilities
CEI	The Cleveland Electric Illuminating Company, an Ohio electric utility operating subsidiary of FE
FE	FirstEnergy Corp., a public utility holding company
FENOC	Energy Harbor Nuclear Corp. (formerly known as FirstEnergy Nuclear Operating Company), a subsidiary of EH, which operates NG's nuclear generating facilities
FES	Energy Harbor LLC. (formerly known as FirstEnergy Solutions Corp.), a subsidiary of EH, which provides energy related products and services
FESC	FirstEnergy Service Company, which provides legal, financial, and other corporate support services
FET	FirstEnergy Transmission, LLC, the parent company of ATSI, KATCo, MAIT and TrAIL, and has a joint venture in PATH
FEV	FirstEnergy Ventures Corp., which invests in certain unregulated enterprises and business ventures
FirstEnergy	FirstEnergy Corp., together with its consolidated subsidiaries
GPU	GPU, Inc., former parent of JCP&L, ME and PN, that merged with FE on November 7, 2001
GPUN	GPU Nuclear, Inc., a subsidiary of FE, which formerly operated TMI-2
JCP&L	Jersey Central Power & Light Company, a New Jersey electric utility operating company
KATCo	Keystone Appalachian Transmission Company, a subsidiary of FET
MAIT	Mid-Atlantic Interstate Transmission, LLC, a subsidiary of FET, which owns and operates transmission facilities
ME	Metropolitan Edison Company, a Pennsylvania electric utility operating subsidiary of FE
MP	Monongahela Power Company, a West Virginia electric utility operating subsidiary of FE
NG	FirstEnergy Nuclear Generation, LLC, a subsidiary of FES, which owns nuclear generating facilities
OE	Ohio Edison Company, an Ohio electric utility operating subsidiary of FE
Ohio Companies	CEI, OE and TE
PATH	Potomac-Appalachian Transmission Highline, LLC, a joint venture between FE and a subsidiary of AEP
PATH-Allegheny	PATH Allegheny Transmission Company, LLC
PATH-WV	PATH West Virginia Transmission Company, LLC
PE	The Potomac Edison Company, a Maryland and West Virginia electric utility operating subsidiary of FE
Penn	Pennsylvania Power Company, a Pennsylvania electric utility operating subsidiary of OE
Pennsylvania Companies	ME, PN, Penn and WP

Pennsylvania Companies	ME, PN, Penn and WP
PN	Pennsylvania Electric Company, a Pennsylvania electric utility operating subsidiary of FE
TE	The Toledo Edison Company, an Ohio electric utility operating subsidiary of FE
TrAIL	Trans-Allegheny Interstate Line Company, a subsidiary of FET, which owns and operates transmission facilities
Transmission Companies	ATSI, MAIT and TrAIL
Utilities	OE, CEI, TE, Penn, JCP&L, ME, PN, MP, PE and WP
WP	West Penn Power Company, a Pennsylvania electric utility operating subsidiary of FE

The following abbreviations and acronyms may be used to identify frequently used terms in these financial statements:

2021 Credit Facilities	Collectively, the six separate senior unsecured five-year syndicated revolving credit facilities entered into by FE, FET, the Utilities, and the Transmission Companies, on October 18, 2021
ACE	Affordable Clean Energy
ADIT	Accumulated Deferred Income Taxes
AEP	American Electric Power Company, Inc.
AFS	Available-for-sale
AFUDC	Allowance for Funds Used During Construction
AMI	Advance Metering Infrastructure
AOCI	Accumulated Other Comprehensive Income (Loss)
ARO	Asset Retirement Obligation
ARP	Alternative Revenue Program
ASC	Accounting Standard Codification
ASU	Accounting Standards Update
Bath Power Station	Bath County Pumped Storage Hydro-Power Station
BGS	Basic Generation Service
BRA	Base Residual Auction
Brookfield	North American Transmission Company II LLC, a controlled investment vehicle entity of Brookfield Infrastructure Partners
Brookfield Guarantors	Brookfield Super-Core Infrastructure Partners L.P., Brookfield Super-Core Infrastructure Partners (NUS) L.P., and Brookfield Super-Core Infrastructure Partners (ER) SCSp
CAA	Clean Air Act
CCR	Coal Combustion Residuals
CFIUS	Committee on Foreign Investments in the United States
CO2	Carbon Dioxide
COVID-19	Coronavirus disease
CPP	EPA's Clean Power Plan
CSAPR	Cross-State Air Pollution Rule
CSR	Conservation Support Rider
CTA	Consolidated Tax Adjustment
CWA	Clean Water Act
CWIP	Construction Work in Progress
D.C. Circuit	United States Court of Appeals for the District of Columbia Circuit
DCR	Delivery Capital Recovery
DMR	Distribution Modernization Rider
DPA	Deferred Prosecution Agreement entered into on July 21, 2021 between FE and S.D. Ohio
DSIC	Distribution System Improvement Charge
DSP	Default Service Plan
EDC	Electric Distribution Company
EDIS	Electric Distribution Investment Surcharge
EE&C	Energy Efficiency and Conservation
EGS	Electric Generation Supplier
EH	Energy Harbor Corp.
EmPOWER Maryland	EmPOWER Maryland Energy Efficiency Act
ENEC	Expanded Net Energy Cost
EPA	United States Environmental Protection Agency
ERO	Electric Reliability Organization
ESP	Electric Security Plan
ESP IV	Electric Security Plan IV
Exchange Act	Securities and Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FE Board	FE Board of Directors
FE Revolving Facility	FE and the Utilities' former five-year syndicated revolving credit facility, as amended, and replaced by the 2021 Credit Facilities on October 18, 2021
FERC	Federal Energy Regulatory Commission
FET Board	The Board of Directors of FET
FET LLC Agreement	Third Amended and Restated Limited Liability Company Operating Agreement of FET
FET P&SA	Purchase and Sale Agreement entered into on November 6, 2021, by and between FE, FET, Brookfield and Brookfield Guarantors
FET Revolving Facility	FET and certain of its subsidiaries' former five-year syndicated revolving credit facility, as amended, and replaced by the 2021 Credit Facilities on October 18, 2021
Fitch	Fitch Ratings Service
FMB	First Mortgage Bond

FMB	First Mortgage Bond
FPA	Federal Power Act
FTR	Financial Transmission Right
GAAP	Accounting Principles Generally Accepted in the United States of America
GHG	Greenhouse Gases
HB 128	House Bill 128, as passed by Ohio's 134th General Assembly
HB 6	House Bill 6, as passed by Ohio's 133rd General Assembly
ICE	IntercontinentalExchange, Inc.
IRS	Internal Revenue Service
kV	Kilovolt
KWH	Kilowatt-hour
LTIIP	Long-Term Infrastructure Improvement Plan
LTIIPs	Long-Term Infrastructure Improvement Plans
MDPSC	Maryland Public Service Commission
MGP	Manufactured Gas Plants
MISO	Midcontinent Independent System Operator, Inc.
MW	Megawatt
MWH	Megawatt-hour
N.D. Ohio	Northern District of Ohio
NAAQS	National Ambient Air Quality Standards
NDT	Nuclear Decommissioning Trust
NERC	North American Electric Reliability Corporation
NJ Rate Counsel	New Jersey Division of Rate Counsel
NJBPU	New Jersey Board of Public Utilities
NOL	Net Operating Loss
NOx	Nitrogen Oxide
NPDES	National Pollutant Discharge Elimination System
NUG	Non-Utility Generation
NYPSC	New York State Public Service Commission
OAG	Ohio Attorney General
OCA	Office of Consumer Advocate
OCC	Ohio Consumers' Counsel
ODSA	Ohio Development Service Agency
Ohio Stipulation	On November 1, 2021, the Ohio Companies, together with the OCC, PUCO Staff, and several other signatories, entered into a unanimous Stipulation and Recommendation with the intent of resolving the ongoing energy efficiency rider audits, various SEET proceedings, including the Ohio Companies' 2017 SEET proceeding, and the Ohio Companies' quadrennial ESP review, each of which was pending before the PUCO
OPEB	Other Post-Employment Benefits
OPIC	Other Paid-in Capital
OVEC	Ohio Valley Electric Corporation
PA DEP	Pennsylvania Department of Environmental Protection
PJM	PJM Interconnection, LLC
PJM Region	The aggregate of the zones within PJM
PJM Tariff	PJM Open Access Transmission Tariff
POLR	Provider of Last Resort
PPA	Purchase Power Agreement
PPUC	Pennsylvania Public Utility Commission
PUCO	Public Utilities Commission of Ohio
PURPA	Public Utility Regulatory Policies Act of 1978
RCRA	Resource Conservation and Recovery Act
REC	Renewable Energy Credit
RFC	ReliabilityFirst Corporation
RFP	Request for Proposal
RGGI	Regional Greenhouse Gas Initiative
ROE	Return on Equity
RTO	Regional Transmission Organization
S.D. Ohio	Southern District of Ohio
SCOH	Supreme Court of Ohio
SEC	United States Securities and Exchange Commission
SEET	Significantly Excessive Earnings Test
SIP	State Implementation Plan(s) Under the Clean Air Act
SLC	Special Litigation Committee of the FE Board
SO2	Sulfur Dioxide
SOS	Standard Offer Service
SPE	Special Purpose Entity
SREC	Solar Renewable Energy Credit

SREC	Solar Renewable Energy Credit
SVC	Static Var Compensator
Tax Act	Tax Cuts and Jobs Act adopted December 22, 2017
TMI-1	Three Mile Island Unit 1
TMI-2	Three Mile Island Unit 2
U.S. Supreme Court	United States Supreme Court
VEPCO	Virginia Electric and Power Company
VIE	Variable Interest Entity
VMS	Vegetation Management Surcharge
VSCC	Virginia State Corporation Commission
WVPSC	Public Service Commission of West Virginia

1. ORGANIZATION AND BASIS OF PRESENTATION

ME is a wholly owned subsidiary of FE, a public utility holding company, and is incorporated in Pennsylvania. ME conducts business in Pennsylvania, providing regulated electric distribution services to its customers. ME is subject to regulation by the PPUC and FERC.

BASIS OF PRESENTATION

The accompanying financial statements have been prepared in accordance with FERC accounting requirements as set forth in the Uniform System of Accounts and accounting releases, which differ from GAAP. The significant differences between FERC and GAAP related to these financial statements include the following:

- The current portion of long-term debt, long-term assets or long-term liabilities is not reported separately on the FERC balance sheet.
- Deferred income taxes are recorded on a gross basis on the FERC balance sheet with deferred tax assets and deferred tax liabilities being reported separately.
- For income statement purposes, there are differences in items included in Operating Income and Other Income and Deductions under GAAP and FERC reporting, including costs which are recorded in operating expenses for GAAP and non-operating expenses for FERC.
- Regulatory Assets and Liabilities per GAAP differ from Regulatory Assets and Liabilities per FERC because Account 189, Unamortized loss on reacquired debt and Account 257, Unamortized gain on reacquired debt are regulatory assets and liabilities for GAAP statements but not for FERC statements.
- Cost of removal expenses are recorded in operating expenses for GAAP purposes and depreciation expense for FERC purposes.
- Unbilled revenue is included in Accrued utility revenue on the FERC balance sheet and Customer accounts receivable on the GAAP balance sheet.
- Finance and operating leases are recorded on a net basis in Plant in Service on the FERC balance sheet.
- Finance lease liabilities are included within other current and non-current liabilities on the FERC balance sheet while these amounts are included as a part of debt on the GAAP balance sheet.
- Estimated interest and penalties related to uncertain tax positions are recorded as part of interest expense and penalties respectively under FERC and as a component of income tax expense under GAAP.
- Unamortized debt issuance costs are included in deferred charges on the FERC balance sheet and an offset to long-term debt on the GAAP balance sheet.
- Regulatory Assets and Liabilities presented on a gross basis on the FERC balance sheet with regulatory Assets and Liabilities netted for GAAP.
- Asset removal costs are classified as accumulated depreciation on the FERC balance sheet and Regulatory Liability for GAAP.
- Pension and OPEB non-service costs are reported in Operation and Maintenance expenses on the FERC income statement and within Miscellaneous income, net on the GAAP income statement.
- Payments related to finance leases are included in the Operating Section of the FERC statement of cash flows and within the Financing Section of the GAAP statement of cash flows.

ME complies with the regulations, orders, policies and practices prescribed by FERC and the PPUC. The preparation of financial statements requires management to make periodic estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. Actual results could differ from these estimates. The reported results of operations are not indicative of results of operations for any future period.

ACCOUNTING FOR THE EFFECTS OF REGULATION

ME reviews the probability of recovery of regulatory assets, and settlement of regulatory liabilities, at each balance sheet date and whenever new events occur. Factors that may affect probability include changes in the regulatory environment, issuance of a regulatory commission order, or passage of new legislation. Upon material changes to these factors, where applicable, ME will record new regulatory assets or liabilities and will assess whether it is probable that currently recorded regulatory assets and liabilities will be recovered or settled in future rates. If recovery of a regulatory asset is no longer probable, ME will write off that regulatory asset as a charge against earnings.

REVENUES AND RECEIVABLES

ME's principal business is providing electric service to customers in Pennsylvania. ME's retail customers are metered on a cycle basis. Electric revenues are recorded based on energy delivered through the end of the calendar month. An estimate of unbilled revenues is calculated to recognize electric service provided from the last meter reading through the end of the month. This estimate includes many factors, among which are historical customer usage, load profiles, estimated weather impacts, customer shopping activity and prices in effect for each class of customer. In each accounting period, ME accrues the estimated unbilled amount as revenue and reverses the related prior period estimate. Unbilled customer receivables were $60 million and $57 million as of December 31, 2021 and 2020, respectively. Receivables from customers include retail electric sales and distribution deliveries to residential, commercial and industrial customers.

The allowance for uncollectible customer receivables is based on historical loss information comprised of a rolling 36-month average net write-off percentage of revenues, in conjunction with a qualitative assessment of elements that impact the collectability of receivables to determine if allowances for uncollectible accounts should be further adjusted in accordance with the accounting guidance for credit losses. Management contemplates available current information such as changes in economic factors, regulatory matters, industry trends, customer credit factors, amount of receivable balances that are past-due, payment options and programs available to customers, and the methods that the Utilities are able to utilize to ensure payment. FirstEnergy reviews its allowance for uncollectible customer receivables utilizing a quantitative and qualitative assessment, which includes consideration of the outbreak of COVID-19 and the impact on customer receivable balances outstanding and write-offs since the pandemic began.

During 2020, FirstEnergy analyzed the likelihood of loss based on increases in customer accounts in arrears since the pandemic began in mid-March 2020 as well as what collection methods at the time were suspended, and historically been utilized to ensure payment. Based on this assessment, and consideration of other qualitative factors described above, ME recognized incremental uncollectible expense of $15 million in the year 2020, of which approximately $3 million was deferred for future recovery.

During 2021, arrears levels continue to be elevated above 2019 pre-pandemic levels. Various regulatory actions have impacted the growth and recovery of past due balances including extensions on moratoriums, significant restrictions regarding disconnections, and extended installment plans. FirstEnergy has experienced a reduction in the amount of receivables that are past due by greater than 30 days since the end of 2020. While total customer arrears balances continue to decrease in 2021, balances that are over 120 days past due continue to be elevated. FirstEnergy considered other factors as part of its qualitative assessment, such as certain federal stimulus and state funding being made available to assist with past due utility bills. As a result of this qualitative analysis, ME did not recognize any incremental uncollectible expense for the twelve months ended December 31, 2021. Additionally, as a result of the pandemic-related moratoriums and certain customer installment or extended payment plans offered, the allowance for uncollectible accounts on receivables in 2021 and 2020 are elevated due to the extension of when certain write-offs would have otherwise occurred.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment reflects original cost (net of any impairments recognized), including payroll and related costs such as taxes, employee benefits, administrative and general costs, and financing costs incurred to place the assets in service. The costs of normal maintenance, repairs and minor replacements are expensed as incurred. ME recognizes liabilities for planned major maintenance projects as they are incurred.

ME provides for depreciation on a straight-line basis at various rates over the estimated lives of property included in plant in service. Depreciation expense was approximately 2.7% of average depreciable property in both 2021 and 2020, respectively.

ME evaluates long-lived assets classified as held and used for impairment when events or changes in circumstances indicate that the carrying value of the long-lived assets may not be recoverable. First, the estimated undiscounted future cash flows attributable to the assets is compared with the carrying value of the assets. If the carrying value is greater than the undiscounted future cash flows, an impairment charge is recognized equal to the amount the carrying value of the assets exceeds its estimated fair value

On October 15, 2019, JCP&L, ME, PN and GPUN executed an asset purchase and sale agreement with TMI-2 Solutions, LLC, a subsidiary of EnergySolutions, LLC, concerning the transfer and dismantlement of TMI-2. With the receipt of all required regulatory approvals, the transaction was consummated, including the transfer of external trusts for the decommissioning and environmental remediation of TMI-2, on December 18, 2020. As a result, during the fourth quarter of 2020 ME recognized an after tax-gain of approximately $13 million, primarily associated with the write-off of a tax related regulatory liability.

GOODWILL

In a business combination, the excess of the purchase price over the estimated fair value of the assets acquired and liabilities assumed is recognized as goodwill. ME evaluates goodwill for impairment annually on July 31 and more frequently if indicators of impairment arise. In evaluating goodwill for impairment, ME assesses qualitative factors to determine whether it is more likely than not (that is, likelihood of more than 50%) that the fair value of a reporting unit is less than its carrying value (including goodwill). If ME concludes that it is not more likely than not that the fair value of a reporting unit is less than its carrying value, then no further testing is required. However, if ME concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying value or bypasses the qualitative assessment, then the quantitative goodwill impairment test is performed to identify a potential goodwill impairment and measure the amount of impairment to be recognized, if any.
No impairment of goodwill was indicated as a result of testing in 2021 and 2020. In 2021 and 2020, ME performed a qualitative assessment, assessing economic, industry and market considerations in addition to ME's overall financial performance. Key factors used in the assessment included: growth rates, interest rates, expected capital investments, utility sector market performance, regulatory and legal developments, and other market considerations. It was determined that the fair value was, more likely than not, greater than its carrying value and a quantitative analysis was not necessary.

INVESTMENT IN UNCONSOLIDATED AFFILIATE

Following receipt of necessary regulatory approvals, on January 31, 2017, MAIT issued membership interests to FET, PN and ME in exchange for their respective cash and transmission asset contributions. MAIT, a transmission-only subsidiary of FET, owns and operates all of the FERC-jurisdictional transmission assets previously owned by ME and PN, consisting of approximately 4,300 circuit miles of transmission lines with nominal voltages of 500 kV, 345 kV, 230 kV, 138 kV, 115 kV, 69 kV and 46 kV in the PJM Region.

ME's investment in an unconsolidated affiliate consisted of a 20% ownership of MAIT, which is accounted for under the equity method of accounting.

COMMON STOCK

In addition to paying dividends from retained earnings, ME has authorization from the FERC to pay cash dividends to FirstEnergy Corp. (together with its consolidated subsidiaries FirstEnergy) from paid-in capital accounts, as long as its FERC-defined equity-to-total-capitalization ratio remains above 35%.

NEW ACCOUNTING PRONOUNCEMENTS

Recently Adopted Pronouncements

ASU 2019-12, "*Simplifying the Accounting for Income Taxes*" (Issued in December 2019): ASU 2019-12 enhances and simplifies various aspects of the income tax accounting guidance, including the elimination of certain exceptions related to the approach for intra-period tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The new guidance also simplifies aspects of the accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. ME adopted the guidance as of January 1, 2021, with no material impact to the financial statements.

Recently Issued Pronouncements - ME has assessed new authoritative accounting guidance issued by the FASB that has not yet been adopted and none are currently expected to have a material impact to the financial statements.

2. REVENUE

ME accounts for revenues from contracts with customers under ASC 606, "*Revenue from Contracts with Customers*." Revenue from leases, financial instruments, other contractual rights or obligations and other revenues that are not from contracts with customers are outside the scope of the standard and accounted for under other existing GAAP. ME has elected to exclude sales taxes and other similar taxes collected on behalf of third parties from revenue as prescribed in the new standard. As a result, tax collections and remittances within the scope of this election are excluded from recognition in the income statement and instead recorded through the balance sheet. Gross receipts taxes that are assessed on ME are not subject to the election and are included in revenue.

ME's principal business is providing electric service to customers in Pennsylvania. ME's distribution customers are metered on a cycle basis. An estimate of unbilled revenues is calculated to recognize electric service provided from the last meter reading through the end of the month. This estimate includes many factors, among which are historical customer usage, load profiles, estimated weather impacts and prices in effect for each class of customer. In each accounting period, ME accrues the estimated unbilled amount as revenue and reverses the related prior period estimate. Customer payments are generally due within 30 days. Retail generation sales relate to generation sales in Pennsylvania that are regulated by the PPUC.

ME earns revenue from state-regulated rate tariffs under which it provides distribution services to residential, commercial and industrial customers in its service territory. ME is obligated under the regulated construct to deliver power to customers reliably, as it is needed, which creates an implied monthly contract with the end-use customer. See Note 5, "Regulatory Matters," for additional information on rate recovery mechanisms. Distribution revenues are recognized over time as electricity is distributed and delivered to the customer and the customers consume the electricity immediately as delivery occurs.

Retail generation sales relate to SOS requirements in Pennsylvania. Certain of the Utilities have default service obligations to provide power to non-shopping customers who have elected to continue to receive service under regulated retail tariffs. The volume of these sales varies depending on the level of shopping that occurs. Supply plans vary by state and by service
territory. Default service ME is provided through a competitive procurement process approved by the state commission. Retail generation revenues are recognized over time as electricity is delivered and consumed immediately by the customer.

3. PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

FirstEnergy provides noncontributory qualified defined benefit pension plans that cover substantially all of its employees and non-qualified pension plans that cover certain employees, including employees of ME. The plans provide defined benefits based on years of service and compensation levels. Under the cash-balance portion of the pension plan (for employees hired on or after January 1, 2014), FirstEnergy makes contributions to eligible employee retirement accounts based on a pay credit and an interest credit. In addition, FirstEnergy provides a minimum amount of noncontributory life insurance to retired employees in addition to optional contributory insurance. Health care benefits, which include certain employee contributions, deductibles and co-payments, are also available upon retirement to certain employees, their dependents and, under certain circumstances, their survivors. ME recognizes its allocated portion of the expected cost of providing pension and OPEB to employees and their beneficiaries and covered dependents from the time employees are hired until they become eligible to receive those benefits. ME also recognizes its allocated portion of obligations to former or inactive employees after employment, but before retirement, for disability-related benefits.

FirstEnergy's pension and OPEB funding policy is based on actuarial computations using the projected unit credit method. On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021, which among other things, extended shortfall amortization periods and modification of the interest rate stabilization rules for single-employer plans thereby impacting funding requirements. As a result, FirstEnergy does not currently expect to have a required contribution to the pension plan based on various assumptions including annual expected rate of returns for assets of 7.50%. However, FirstEnergy may elect to contribute to the pension plan voluntarily

Pension and OPEB costs are affected by employee demographics (including age, compensation levels and employment periods), the level of contributions made to the plans and earnings on plan assets. Pension and OPEB costs may also be affected by changes in key assumptions, including anticipated rates of return on plan assets, the discount rates and health care trend rates used in determining the projected benefit obligations for pension and OPEB costs. FirstEnergy uses a December 31 measurement date for its pension and OPEB plans. The fair value of the plan assets represents the actual market value as of the measurement date.

Discount Rate - In selecting an assumed discount rate, FirstEnergy considers currently available rates of return on high-quality fixed income investments expected to be available during the period to maturity of the pension and OPEB obligations. The assumed rates of return on plan assets consider historical market returns and economic forecasts for the types of investments held by FirstEnergy's pension trusts. The long-term rate of return is developed considering the portfolio's asset allocation strategy. FirstEnergy utilizes a spot rate approach in the estimation of the components of benefit cost by applying specific spot rates along the full yield curve to the relevant projected cash flows.

Rate of Return - FirstEnergy's assumed rate of return on pension plan assets considers historical market returns and economic forecasts for the types of investments held by the pension trusts. In 2021, FirstEnergy's qualified pension and OPEB plan assets experienced gains of $689 million or 7.9%, compared to gains of $1,225 million, or 14.7% in 2020 and assumed a 7.50% rate of return on plan assets in 2021 and 2020 which generated $688 million and $651 million of expected returns on plan assets, respectively. The expected return on pension and OPEB assets is based on input from investment consultants, including the trusts' asset allocation targets and the historical performance of risk-based and fixed income securities. The gains or losses generated as a result of the difference between expected and actual returns on plan assets is recognized as a pension and OPEB mark-to-market adjustment in the fourth quarter of each fiscal year and whenever a plan is determined to qualify for remeasurement.

Mortality Rates - During 2021, the Society of Actuaries published new mortality tables that include more current data than the RP-2014 tables as well as new improvement scales. An analysis of plan mortality data indicated the use of the Pri-2012 mortality table with projection scale MP-2021, actuarially adjusted to reflect increased mortality rates due to COVID-19 based on mortality experience reported by the Center for Disease and Control Prevention in 2020 and 2021, was most appropriate and such was utilized to determine the 2021 benefit cost and obligation as of December 31, 2021, for the FirstEnergy pension and OPEB plans. The impact of using the Pri-2012 mortality table with projection scale MP-2021 (adjusted by FirstEnergy's actuary for COVID-19 impacts) resulted in a decrease to the projected benefit obligation of approximately $32 million and $2 million for the pension and OPEB plans, respectively, and was included in the 2021 pension and OPEB mark-to-market adjustment.

Net Periodic Benefit Costs - In addition to service costs, interest on obligations, expected return on plan assets, and prior service costs, FirstEnergy recognizes in net periodic benefit costs a pension and OPEB mark-to-market adjustment for the change in the fair value of plan assets and net actuarial gains and losses annually in the fourth quarter of each fiscal year and whenever a plan is determined to qualify for a remeasurement. Service costs, net of capitalization, are reported within Other operating expenses.

The annual pension and OPEB mark-to-market adjustments, (gains) or losses, for the years ended December 31, 2021 and 2020 were $(382) million and $477 million (including $423 million in the first quarter of 2020), respectively. Under the approved bankruptcy settlement agreement, upon emergence, FES and FENOC employees ceased earning years of service under the FirstEnergy pension and OPEB plans. The emergence on February 27, 2020, triggered a remeasurement of the affected pension and OPEB plans and as a result, FirstEnergy recognized a pension and OPEB mark-to-market adjustment in the first quarter of 2020 in addition to the annual remeasurement in December 2020. ME's pension and OPEB mark-to-market adjustments, (gains) or losses, for the years ended December 31, 2021 and 2020, were $(27) million and $41 million, respectively

ME's allocated share of pension and OPEB costs (credits) and ME's share of net liability, including the mark-to-market adjustment was as follows:

	Pension		OPEB	
For the Years Ended	**2021**	**2020**	**2021**	**2020**
			(in millions)	
ME's share of net liability [1]	$ 23	$ 51	$ (5)	$ 13
ME's share of net periodic costs (credits)[2]	(28)	15	(17)	1

(1) Excludes $130 million and $135 million as of December 31, 2021 and 2020, respectively, of affiliated non-current liabilities related to pension and OPEB mark-to-market costs allocated to ME.

(2) Includes annual pension and OPEB mark-to-market adjustment.

4. LEASES

ME primarily leases vehicles as well as land, and other property and equipment under cancelable and noncancelable leases.

In addition, MAIT has a ground lease with ME under an operating lease agreement. ME reserves the right to use (and to permit authorized others to use) the land for any purpose that does not cause a violation of electrical safety code or applicable law, or does not impair MAIT's ability to satisfy its service obligations. Additional uses of such land for MAIT's facilities requires prior written approval from the applicable operating company. MAIT purchases directly any new property acquired for transmission use. MAIT makes variable quarterly lease payments through January 1, 2043, unless terminated prior to maturity, or extended by MAIT for up to two additional successive periods of 25 years each and one successive term of 24 years. Revenue associated with this agreement was approximately $3 million for 2021 and 2020.

ME accounts for leases under, *"Leases (Topic 842)"*. Leases with an initial term of 12 months or less are recognized as lease expense on a straight-line basis over the lease term and not recorded on the balance sheet. Most leases include one or more, options to renew, with renewal terms that can extend the lease term from 1 to 40 years, and certain leases include options to terminate. The exercise of lease renewal options is at ME's sole discretion. Renewal options are included within the lease liability if they are reasonably certain based on various factors relative to the contract. Certain leases also include options to purchase the leased property. The depreciable life of leased assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. ME has elected a policy to not separate lease components from non-lease components for all asset classes.

Adoption of the accounting guidance had no impact on ME's existing ratemaking treatment or FERC jurisdiction cost-of-service rates. Amounts included in the capital lease balance sheet accounts that relate to operating leases are as follows:

(In millions)	***2021***	***2020***
Property Under Capital Lease *(Account 101.1)*	$22	$20
Obligations Under Capital Leases - Current *(Account 243)*	$3	$6
Obligations Under Capital Leases - Noncurrent *(Account 227)*	$37	$37

Lease terms and discount rates were as follows:

	As of December 31, 2021	**As of December 31, 2020**
Weighted-average remaining lease terms (years)		
Operating leases	8.96	9.90
Finance leases	1.43	2.21
Weighted-average discount rate [1]		
Operating leases	6.40 %	6.60 %
Finance leases	3.42 %	3.37 %

(1) When an implicit rate is not readily determinable, an incremental borrowing rate is utilized, determining the present value of lease payments. The rate is determined based on expected term and information available at the commencement date.

Supplemental cash flow information related to leases was as follows:

	For the Years Ended,	
(In millions)	**December 31, 2021**	**December 31, 2020**
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 3	$ 6
Operating cash flows from finance leases	—	—

Finance cash flows from finance leases	2	2
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	$ 6	$ 6
Finance leases	—	—

Maturities of lease liabilities as of December 31, 2021, were as follows:

(In millions)	Operating Leases	Finance Leases	Total
2022	$ 7	$ 2	$ 9
2023	7	—	7
2024	7	—	7
2025	6	—	6
2026	6	—	6
Thereafter	24	—	24
Total lease payments [1]	57	2	59
Less imputed interest	17	—	17
Total net present value	$ 40	$ 2	$ 42

(1) Operating lease payments related to a reservoir are offset by sublease receipts of $2 million over 11 years

5. REGULATORY MATTERS

STATE REGULATION

ME's retail rates, conditions of service, issuance of securities and other matters are subject to regulation in Pennsylvania by the PPUC. The key terms of ME's current rate orders for distribution customer billings, which have been effective since January 2017, include an allowed debt/equity ratio of 48.8%/51.2% (reflecting the filed debt/equity as final settlement/orders do not specifically include capital structure). The PPUC-approved settlement agreement for such rates did not disclose ROE.

PENNSYLVANIA

The Pennsylvania Companies operate under rates approved by the PPUC, effective as of January 27, 2017. On November 18, 2021, the PPUC issued orders to each of the Pennsylvania Companies directing they operate under DSPs for the June 1, 2019 through May 31, 2023 delivery period, which DSPs provide for the competitive procurement of generation supply for customers who do not receive service from an alternative EGS. Under the 2019-2023 DSPs, supply will be provided by wholesale suppliers through a mix of 3, 12 and 24-month energy contracts, as well as two RFPs for 2-year SREC contracts for ME, PN and Penn. On December 14, 2021, the Pennsylvania Companies filed proposed DSPs for provision of generation for the June 1, 2023 through May 31, 2027 delivery period, to be sourced through competitive procurements for customers who do not receive service from an alternative EGS. Evidentiary hearings are scheduled for April 13 and 14, 2022. Under the 2023-2027 DSPs, supply is proposed to be provided through a mix of 12 and 24-month energy contracts, as well as long-term solar PPAs.

In March 2018, the PPUC approved adjusted customer rates of the Pennsylvania Companies to reflect the net impact of the Tax Act. As a result, the Pennsylvania Companies established riders that, beginning July 1, 2018, refunded to customers tax savings attributable to the Tax Act as compared to the amounts established in their most recent base rate proceedings on a current and going forward basis. The amounts recorded as savings for the total period of January 1 through June 30, 2018, were tracked and were to be addressed for treatment in a future proceeding. On May 17, 2021, the Pennsylvania Companies filed petitions with the PPUC proposing to refund the net savings for the January through June 2018 period to customers beginning January 1, 2022. On November 18, 2021, the PPUC approved the Pennsylvania Companies' proposed refunds, but also revised a previous methodology for calculating the net tax savings, which resulted in additional tax savings attributable to the Tax Act to be refunded to customers and directed the Pennsylvania Companies to file new petitions to propose the timing and methodology to provide these additional refunds to customers. The Pennsylvania Companies recalculated the net impact for 2018 through 2021 under the revised PPUC methodology in comparison to amounts already refunded to customers under the existing riders, which resulted in an additional $61 million in savings, with interest, to be provided to customers. As a result, FirstEnergy recognized a pre-tax charge of $61 million in the fourth quarter of 2021, $16 million at ME, within Amortization (deferral) of Regulatory Assets, net, on the Consolidated Statement of Income associated with the additional refund associated with the November 2021 PPUC order and methodology. The Pennsylvania Companies filed petitions to propose the timing and methodology of the refund of these amounts on February 17, 2022.

Pursuant to Pennsylvania Act 129 of 2008 and PPUC orders, Pennsylvania EDCs implement energy efficiency and peak demand reduction programs. The Pennsylvania Companies' Phase III EE&C plans for the June 2016 through May 2021 period, which were approved in March 2016, with expected costs up to $390 million, are designed to achieve the targets established in the PPUC's Phase III Final Implementation Order with full recovery through the reconcilable EE&C riders. On June 18, 2020, the PPUC entered a Final Implementation Order for a Phase IV EE&C Plan, operating from June 2021 through May 2026. The Final Implementation Order set demand reduction targets, relative to 2007 to 2008 peak demands at 2.9% megawatt for ME; and energy consumption reduction targets, as a percentage of the Pennsylvania Companies' historic 2009 to 2010 reference load at 3.1% megawatt-hour for ME. The Pennsylvania Companies' Phase IV plans were filed November 30, 2020 and subsequently approved by PPUC without modification on March 25, 2021.

Pennsylvania EDCs are permitted to seek PPUC approval of an LTIIP for infrastructure improvements and costs related to highway relocation projects, after which a DSIC may be approved to recover LTIIP costs. On January 16, 2020, the PPUC approved the Pennsylvania Companies' LTIIPs for the five-year period beginning January 1, 2020 and ending December 31, 2024 for a total capital investment of approximately $572 million for certain infrastructure improvement initiatives. On June 25, 2021, the Pennsylvania OCA filed a complaint against Penn's quarterly DSIC rate, disputing the recoverability of the Companies' automated distribution management system investment under the DSIC mechanism. On January 26, 2022, the parties filed a joint petition for settlement that resolves all issues in this matter pending PPUC approval.

Following the Pennsylvania Companies' 2016 base rate proceedings, the PPUC ruled in a separate proceeding related to the DSIC mechanisms that the Pennsylvania Companies were not required to reflect federal and state income tax deductions related to DSIC-eligible property in DSIC rates. The decision was appealed to the Pennsylvania Supreme Court and in July 2021 the court upheld the Pennsylvania Commonwealth Court's reversal of the PPUC's decision and remanded the matter back to the PPUC for determination as to how DSIC calculations shall account for accumulated deferred income taxes and state taxes. The matter awaits further action by the PPUC. The adverse ruling by the Pennsylvania Supreme Court is not expected to result in a material impact to ME.

The PPUC issued an order on March 13, 2020, forbidding utilities from terminating service for non-payment for the duration of the COVID-19 pandemic. On May 13, 2020, the PPUC issued a Secretarial letter directing utilities to track all prudently incurred incremental costs arising from the COVID-19 pandemic, and to create a regulatory asset for future recovery of incremental uncollectibles incurred as a result of the COVID-19 pandemic and termination moratorium. On October 13, 2020, the PPUC entered an order lifting the service termination moratorium effective November 9, 2020, subject to certain additional notification, payment procedures and exceptions, and permits the Pennsylvania Companies to create a regulatory asset for all incremental expenses associated with their compliance with the order. On March 19, 2021, the PPUC entered an order lifting the moratorium in total effective March 31, 2021, subject to certain additional guidelines regarding the duration of payment arrangements and reporting obligations.

FERC REGULATORY MATTERS

Under the FPA, FERC regulates rates for interstate wholesale sales, accounting and other matters. With respect to its wholesale services and rates, ME is subject to regulation by FERC. FERC regulates the sale of power for resale in interstate commerce in part by granting authority to public utilities to sell wholesale power at market-based rates upon showing that the seller cannot exert market power in generation or transmission or erect barriers to entry into markets. ME has been authorized by FERC to sell wholesale power in interstate commerce at market-based rates and have a market-based rate tariff on file with FERC, although major wholesale purchases remain subject to review and regulation by the PPUC.

Federally-enforceable mandatory reliability standards apply to the bulk electric system and impose certain operating, record-keeping and reporting requirements on ME. NERC is the Electric Reliability Organization designated by FERC to establish and enforce these

reliability standards, although NERC has delegated day-to-day implementation and enforcement of these reliability standards to six regional entities, including RFC. All of the facilities that FirstEnergy operates, including those of ME, are located within RFC. FirstEnergy actively participates in the NERC and RFC stakeholder processes, and otherwise monitors and manages its companies, including ME, in response to the ongoing development, implementation and enforcement of the reliability standards implemented and enforced by RFC.

FirstEnergy, including ME, believes that it is in material compliance with all currently-effective and enforceable reliability standards. Nevertheless, in the course of operating its extensive electric utility systems and facilities, FirstEnergy, including ME, occasionally learns of isolated facts or circumstances that could be interpreted as excursions from the reliability standards. If and when such occurrences are found, FirstEnergy, including ME, develops information about the occurrence and develops a remedial response to the specific circumstances, including in appropriate cases "self-reporting" an occurrence to RFC. Moreover, it is clear that NERC, RFC and FERC will continue to refine existing reliability standards as well as to develop and adopt new reliability standards. Any inability on FirstEnergy's, including ME's, part to comply with the reliability standards for its bulk electric system could result in the imposition of financial penalties, or obligations to upgrade or build electric facilities that could have a material adverse effect on ME's financial condition, results of operations and cash flows.

FERC Audit

FERC's Division of Audits and Accounting initiated a nonpublic audit of FESC in February 2019. Among other matters, the audit is evaluating FirstEnergy's compliance with certain accounting and reporting requirements under various FERC regulations. On February 4, 2022, FERC filed the final audit report for the period of January 1, 2015 through September 30, 2021, which included several findings and recommendations. FirstEnergy has accepted recommendations of the final audit report. OCC and NJ Rate Counsel have each filed motions to intervene, which motions are pending before FERC for resolution. The audit report included a finding and related recommendation that FirstEnergy may have used an inappropriate methodology for allocation of certain costs to regulatory capital accounts under certain FERC regulations and reporting. As such, FirstEnergy is currently performing an analysis of these costs and how it impacted certain wholesale transmission customer rates. FirstEnergy is unable to predict or estimate the final outcome of this analysis and audit, however, it could result in refunds, with interest, to certain wholesale transmission customers and/or write-offs of previously capitalized costs if they are determined to be nonrecoverable.

6. COMMITMENTS AND CONTINGENCIES

ENVIRONMENTAL MATTERS

Various federal, state and local authorities regulate ME with regard to air and water quality, hazardous and solid waste disposal, and other environmental matters. While ME's environmental policies and procedures are designed to achieve compliance with applicable environmental laws and regulations, such laws and regulations are subject to periodic review and potential revision by the implementing agencies. ME cannot predict the timing or ultimate outcome of any of these reviews or how any future actions taken as a result thereof may materially impact its business, results of operations, cash flows and financial condition.

Prior to November 1999, ME owned and operated electric generation facilities in Pennsylvania. In response to federal and state deregulation initiatives, it separated its electric generation business from its transmission and distribution businesses by transferring all of its generation assets to an affiliate. However, ME retained responsibility for certain liabilities and obligations
arising under environmental laws up to the date of transfer. As a historic owner and operator of generation facilities, ME has been subject to claims alleging violations of environmental law and could have exposure for fines and penalties.

OTHER LEGAL PROCEEDINGS

United States v. Larry Householder, et al.

On July 21, 2020, a complaint and supporting affidavit containing federal criminal allegations were unsealed against the now former Ohio House Speaker Larry Householder and other individuals and entities allegedly affiliated with Mr. Householder. Also, on July 21, 2020, and in connection with the investigation, FirstEnergy received subpoenas for records from the U.S. Attorney's Office for the S.D. Ohio. FirstEnergy was not aware of the criminal allegations, affidavit or subpoenas before July 21, 2020.

On July 21, 2021, FE entered into a three-year DPA with the U.S. Attorney's Office that, subject to court proceedings, resolves this matter. Under the DPA, FE has agreed to the filing of a criminal information charging FE with one count of conspiracy to commit honest services wire fraud. The DPA requires that FirstEnergy, among other obligations: (i) continue to cooperate with the U.S. Attorney's Office in all matters relating to the conduct described in the DPA and other conduct under investigation by the U.S. government; (ii) pay a criminal monetary penalty totaling $230 million within sixty days, which shall consist of (x) $115 million paid by FE to the United States Treasury and (y) $115 million paid by FE to the ODSA to fund certain assistance programs, as determined by the ODSA, for the benefit of low-income Ohio electric utility customers; (iii) publish a list of all payments made in 2021 to either 501(c)(4) entities or to entities known by FirstEnergy to be operating for the benefit of a public official, either directly or indirectly, and update the same on a quarterly basis during the term of the DPA; (iv) issue a public statement, as dictated in the DPA, regarding FE's use of 501(c)(4) entities; and (v) continue to implement and review its compliance and ethics program, internal controls, policies and procedures designed, implemented and enforced to prevent and detect violations of the U.S. laws throughout its operations, and to take certain related remedial measures. The $230 million payment will neither be recovered in rates or charged to FirstEnergy customers nor will FirstEnergy seek any tax deduction related to such payment. The entire amount of the monetary penalty was recognized as expense in the second quarter of 2021, and paid in the third quarter of 2021. Under the terms of the DPA, the criminal information will be dismissed after FirstEnergy fully complies with its obligations under the DPA.

Legal Proceedings Relating to United States v. Larry Householder, et al.

On August 10, 2020, the SEC, through its Division of Enforcement, issued an order directing an investigation of possible securities laws violations by FE, and on September 1, 2020, issued subpoenas to FE and certain FE officers. On April 28, 2021, the SEC issued an additional subpoena to FE. While no contingency has been reflected in its consolidated financial statements, FE believes that it is probable that it will incur a loss in connection with the resolution of the SEC investigation. Given the ongoing nature and complexity of the review, inquiries and investigations, FE cannot yet reasonably estimate a loss or range of loss that may arise from the resolution of the SEC investigation.

In addition to the subpoenas referenced above under "—United States v. Larry Householder, et. al." and the SEC investigation, certain FE stockholders and FirstEnergy customers filed several lawsuits against FirstEnergy and certain current and former directors, officers and other employees, and the complaints in each of these suits is related to allegations in the complaint and supporting affidavit relating to HB 6 and the now former Ohio House Speaker Larry Householder and other individuals and entities allegedly affiliated with Mr. Householder. The plaintiffs in each of the below cases seek, among other things, to recover an unspecified amount of damages (unless otherwise noted). Unless otherwise indicated, no contingency has been reflected in FirstEnergy's consolidated financial statements with respect to these lawsuits as a loss is neither probable, nor is a loss or range of a loss reasonably estimable.

- *In re FirstEnergy Corp. Securities Litigation* (Federal District Court, S.D. Ohio); on July 28, 2020 and August 21, 2020, purported stockholders of FE filed putative class action lawsuits alleging violations of the federal securities laws. Those actions have been consolidated and a lead plaintiff, the Los Angeles County Employees Retirement Association, has been appointed by the court. A consolidated complaint was filed on February 26, 2021. The consolidated complaint alleges, on behalf of a proposed class of persons who purchased FE securities between February 21, 2017 and July 21, 2020, that FE and certain current or former FE officers violated Sections 10(b) and 20(a) of the Exchange Act by issuing misrepresentations or omissions concerning FE's business and results of operations. The consolidated complaint also alleges that FE, certain current or former FE officers and directors, and a group of underwriters violated Sections 11, 12(a)(2) and 15 of the Securities Act of 1933 as a result of alleged misrepresentations or omissions in connection with offerings of senior notes by FE in February and June 2020. FE believes that it is probable that it will incur a loss in connection with the resolution of this lawsuit. Given the ongoing nature and complexity of such litigation, FE cannot yet reasonably estimate a loss or range of loss.
- *MFS Series Trust I, et al. v. FirstEnergy Corp., et al.* (Federal District Court, S.D. Ohio) on December 17, 2021, purported stockholders of FE filed a complaint against FE, certain current and former officers, and certain current and former officers of EH. The complaint alleges that the defendants violated Sections 10(b) and 20(a) of the Exchange Act by issuing alleged misrepresentations or omissions regarding FE's business and its results of operations, and seeks the same relief as the *In re FirstEnergy Corp. Securities Litigation* described above. FE believes that it is probable that it will incur a loss in connection with the resolution of this lawsuit. Given the ongoing nature and complexity of such litigation, FE cannot yet reasonably estimate a loss or range of loss.
- *State of Ohio ex rel. Dave Yost, Ohio Attorney General v. FirstEnergy Corp., et al. and City of Cincinnati and City of Columbus v. FirstEnergy Corp.* (Common Pleas Court, Franklin County, OH, all actions have been consolidated); on September 23, 2020 and October 27, 2020, the OAG and the cities of Cincinnati and Columbus, respectively, filed complaints against several parties including FE (the OAG also named FES as a defendant), each alleging civil violations of the Ohio Corrupt Activity Act in connection with the passage of HB 6. On January 13, 2021, the OAG filed a motion for a temporary restraining order and preliminary injunction against FirstEnergy seeking to enjoin FirstEnergy from collecting the Ohio Companies' decoupling rider. On January 31, 2021, FE reached a partial settlement with the OAG and the cities of Cincinnati and Columbus with respect to the temporary restraining order and preliminary injunction request and related issues. In connection with the partial settlement, the Ohio Companies filed an application on February 1, 2021, with the PUCO to set their respective decoupling riders (CSR) to zero. On February 2, 2021, the PUCO approved the application of the Ohio Companies setting the rider to zero and no additional customer bills will include new decoupling rider charges after February 8, 2021. The cases are stayed pending final resolution of the United States v. Larry Householder, et al. criminal proceeding described above, although on August 13, 2021, new defendants were added to the complaint, including two former officers of FirstEnergy. On November 9, 2021, the OAG filed a motion to lift the agreed-upon stay, which FE opposed on November 19, 2021; the motion remains pending. On December 2, 2021, the cities and FE entered a stipulated dismissal with prejudice of the cities' suit.
- *Smith v. FirstEnergy Corp. et al., Buldas v. FirstEnergy Corp. et al., and Hudock and Cameo Countertops, Inc. v. FirstEnergy Corp. et al.* (Federal District Court, S.D. Ohio, all actions have been consolidated); on July 27, 2020, July 31, 2020, and August 5, 2020,

respectively, purported customers of FE filed putative class action lawsuits against FE and FESC, as well as certain current and former FE officers, alleging civil Racketeer Influenced and Corrupt Organizations Act violations and related state law claims. The court denied FE's motions to dismiss and stay discovery on February 10 and 11, 2021, respectively, and the defendants submitted answers to the complaint on March 10, 2021. The plaintiffs moved to certify the case as a class action on June 28, 2021, and moved for leave to amend the complaint to add FES as a defendant on September 27, 2021. The court granted the motion to amend on November 10, 2021. On November 9, 2021, the court issued an order granting Plaintiffs' motion for class certification, but vacated that order on November 19, 2021, to allow defendants to take the named plaintiffs' depositions and to file an opposition to the motion, which they filed on December 14, 2021. On November 19, 2021, FE and FESC moved for judgment on the pleadings. One of the individual defendants moved to dismiss the amended complaint on November 24, 2021. On December 28, 2021, the parties jointly moved the court to stay consideration of the pending motions for class certification, to dismiss, and for judgment on the pleadings for 45 days. The court granted the motion on December 29, 2021, and the cases are currently stayed. FE is engaged with the parties in settlement discussions, and believes that it is probable that it will incur a loss in connection with the resolution of these lawsuits. As a result, FirstEnergy recognized in the fourth quarter of 2021 a pre-tax reserve of $37.5 million in the aggregate with respect to these lawsuits and the *Emmons* lawsuit below; no impact to ME is anticipated.

- *Emmons v. FirstEnergy Corp. et al.* (Common Pleas Court, Cuyahoga County, OH); on August 4, 2020, a purported customer of FirstEnergy filed a putative class action lawsuit against FE, FESC, the Ohio Companies, along with FES, alleging several causes of action, including negligence and/or gross negligence, breach of contract, unjust enrichment, and unfair or deceptive consumer acts or practices. On October 1, 2020, plaintiffs filed a First Amended Complaint, adding as a plaintiff a purported customer of FirstEnergy and alleging a civil violation of the Ohio Corrupt Activity Act and civil conspiracy against FE, FESC and FES. On May 4, 2021, the court granted the defendants' motion to dismiss plaintiffs' breach of contract claims and denied the remainder of the motions to dismiss. The defendants submitted answers to the complaint on June 1, 2021. Discovery is proceeding. On December 30, 2021, the plaintiff filed a Second Amended Complaint removing one of the named plaintiffs and updating the class definition. FE is engaged with the parties in settlement discussions, and believes that it is probable that it will incur a loss in connection with the resolution of these lawsuits. As a result, FirstEnergy recognized in the fourth quarter of 2021 a pre-tax reserve of $37.5 million in the aggregate with respect to this lawsuit and the lawsuits above consolidated with *Smith* in the S.D. Ohio alleging, among other things, civil violations of the Racketeer Influenced and Corrupt Organizations Act; no impact to ME is anticipated.

On February 9, 2022, FE, acting through the SLC, agreed to a settlement term sheet to resolve the following shareholder derivative lawsuits relating to HB 6 and the now former Ohio House Speaker Larry Householder and other individuals and entities allegedly affiliated with Mr. Householder that were filed in the S.D. Ohio, the N.D. Ohio, and the Ohio Court of Common Pleas, Summit County:

- *Gendrich v. Anderson, et al. and Sloan v. Anderson, et al.* (Common Pleas Court, Summit County, OH, all actions have been consolidated); on July 26, 2020 and July 31, 2020, respectively, purported stockholders of FE filed shareholder derivative action lawsuits against certain FE directors and officers, alleging, among other things, breaches of fiduciary duty.
- *Miller v. Anderson, et al.* (Federal District Court, N.D. Ohio); *Bloom, et al. v. Anderson, et al.; Employees Retirement System of the City of St. Louis v. Jones, et al.; Electrical Workers Pension Fund, Local 103, I.B.E.W. v. Anderson et al.; Massachusetts Laborers Pension Fund v. Anderson et al.; The City of Philadelphia Board of Pensions and Retirement v. Anderson et al.; Atherton v. Dowling et al.; Behar v. Anderson, et al.* (Federal District Court, S.D. Ohio, all actions have been consolidated); beginning on August 7, 2020, purported stockholders of FE filed shareholder derivative actions alleging the FE Board and officers breached their fiduciary duties and committed violations of Section 14(a) of the Exchange Act.

The proposed settlement, which is subject to court approval, will fully resolve the shareholder derivative lawsuits above and stipulates a series of corporate governance enhancements, that is expected to result in the following:

- Six members of the FE Board, Messrs. Michael J. Anderson, Donald T. Misheff, Thomas N. Mitchell, Christopher D. Pappas and Luis A. Reyes, and Ms. Julia L. Johnson will not stand for re-election at FE's 2022 annual shareholder meeting;
- A special FE Board committee of at least three recently appointed independent directors will be formed to initiate a review process of the current senior executive team, to begin within 30 days of the 2022 annual shareholder meeting;
- The FE Board will oversee FE's lobbying and political activities, including periodically reviewing and approving political and lobbying action plans prepared by management;
- The FE Board will form another committee of recently appointed independent directors to oversee the implementation and third-party audits of the FE Board-approved action plans with respect to political and lobbying activities;
- FE will implement enhanced disclosure to shareholders of political and lobbying activities, including enhanced disclosure in its annual proxy statement; and
- FE will further align financial incentives of senior executives to proactive compliance with legal and ethical obligations.

The settlement also includes a payment to FirstEnergy of $180 million, to be paid by insurance after court approval, less any court-ordered attorney's fees awarded to plaintiffs. On March 11, 2022, the parties executed a stipulation and agreement of settlement, and filed a motion for preliminary approval in the S.D. Ohio the same day.

In letters dated January 26, and February 22, 2021, staff of FERC's Division of Investigations notified FirstEnergy that the Division is conducting an investigation of FirstEnergy's lobbying and governmental affairs activities concerning HB 6, and staff directed FirstEnergy to preserve and maintain all documents and information related to the same as such have been developed as part of an ongoing non-public audit being conducted by FERC's Division of Audits and Accounting. While no contingency has been reflected in the consolidated financial statements, FirstEnergy believes that it is probable that it will incur a loss in connection with the resolution of the FERC investigation. Given the ongoing nature and complexity of the review, inquiries and investigations, FirstEnergy cannot yet reasonably estimate a loss or range of loss that may arise from the resolution of the FERC investigation.

The outcome of any of these lawsuits, governmental investigations and audit is uncertain and could have a material adverse effect on FE's or ME's reputation, business, financial condition, results of operations, liquidity, and cash flows.

Other Legal Matters

There are various lawsuits, claims (including claims for asbestos exposure) and proceedings related to ME's normal business operations pending against ME. The loss or range of loss in these matters is not expected to be material to ME. The other potentially material items not otherwise discussed above are described under Note 5, "Regulatory Matters."

ME accrues legal liabilities only when it concludes that it is probable that it has an obligation for such costs and can reasonably estimate the amount of such costs. In cases where ME determines that it is not probable, but reasonably possible that it has a material obligation, it discloses such obligations and the possible loss or range of loss if such estimate can be made. If it were ultimately determined that ME has legal liability or is otherwise made subject to liability based on any of the matters referenced above, it could have a material adverse effect on ME's financial condition, results of operations and cash flows.

7. TRANSACTIONS WITH AFFILIATED COMPANIES

ME's operating revenues, operating expenses, miscellaneous income and interest expenses include transactions with affiliated companies. These affiliated company transactions include affiliated company power sales agreements between FirstEnergy's competitive and regulated companies, support service billings, interest on affiliated company notes including the money pools and other transactions.

The primary affiliated company transactions for ME during the years ended December 31, 2021 and 2020 are as follows:

	For the Years Ended December 31,	
	2021	2020
	(In millions)	
Revenues [1]	$ 9	$ 9
Expenses:		
Support services	52	57
Miscellaneous income	3	2

(1) Includes ground lease revenue from MAIT. See Note 4, "Leases" for additional information.

FirstEnergy does not bill directly or allocate any of its costs to any subsidiary company. Costs are charged to FE's subsidiaries for services received from FESC either through direct billing or through an allocation process. Allocated costs are for services that are provided on behalf of more than one company, or costs that cannot be precisely identified and are allocated using formulas developed by FESC. Intercompany transactions are generally settled under commercial terms within thirty days.

Affiliate accounts receivable and accounts payable balances relate to intercompany transactions that have not yet settled through the FirstEnergy money pool.

ME and FirstEnergy's other subsidiaries are parties to an intercompany income tax allocation agreement with FE and its other subsidiaries that provides for the allocation of consolidated tax liabilities. Net tax benefits attributable to FE are generally reallocated to the subsidiaries of FirstEnergy that have taxable income. That allocation is accounted for as a capital contribution to the company receiving the tax benefit.

8. STATEMENT OF CASH FLOWS

As of December 31,	**2021**	**2020**
Cash (Account 131)	$ —	$ —
Working Fund (Account 135)	—	—
Temporary Cash Investments (Account 136)	—	—
Cash and Cash Equivalents at End of Year	$ —	$ —

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

For the Twelve Months Ended December 31,	**2021**	**2020**
Cash paid:		
Interest – net of amount capitalized	$ 48,611,526	$ 44,237,801
Income Taxes	$ 20,268,961	$ 10,941,619

FERC FORM No. 1 (ED. 12-96)

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JOINT APPLICANTS

EXHIBIT AP-2

THIS FILING IS
Item 1: ☑ An Initial (Original) Submission OR ☐ Resubmission No.

FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)	Year/Period of Report
Pennsylvania Electric Company	End of: 2021/ Q4

FERC FORM NO. 1 (REV. 02-04)

Name of Respondent: Pennsylvania Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/01/2022	Year/Period of Report End of: 2021/ Q4

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**UTILITY PLANT**			
2	Utility Plant (101-106, 114)	200	3,447,352,577	3,320,902,314
3	Construction Work in Progress (107)	200	55,541,315	59,826,407
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		3,502,893,892	3,380,728,721
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200	1,069,528,942	1,035,480,248
6	Net Utility Plant (Enter Total of line 4 less 5)		2,433,364,950	2,345,248,473
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202		
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)			
9	Nuclear Fuel Assemblies in Reactor (120.3)			
10	Spent Nuclear Fuel (120.4)			
11	Nuclear Fuel Under Capital Leases (120.6)			
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202		
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)			
14	Net Utility Plant (Enter Total of lines 6 and 13)		2,433,364,950	2,345,248,473
15	Utility Plant Adjustments (116)			
16	Gas Stored Underground - Noncurrent (117)			
17	**OTHER PROPERTY AND INVESTMENTS**			
18	Nonutility Property (121)		2,609,139	2,609,139
19	(Less) Accum. Prov. for Depr. and Amort. (122)		1,770,843	1,730,502
20	Investments in Associated Companies (123)			
21	Investment in Subsidiary Companies (123.1)	224	454,375,697	450,932,898
23	Noncurrent Portion of Allowances	228		

24	Other Investments (124)		17,745	29,878
25	Sinking Funds (125)			
26	Depreciation Fund (126)			
27	Amortization Fund - Federal (127)			
28	Other Special Funds (128)		92,949	421,020
29	Special Funds (Non Major Only) (129)			
30	Long-Term Portion of Derivative Assets (175)			
31	Long-Term Portion of Derivative Assets - Hedges (176)			
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		455,324,687	452,262,433
33	**CURRENT AND ACCRUED ASSETS**			
34	Cash and Working Funds (Non-major Only) (130)			
35	Cash (131)			
36	Special Deposits (132-134)			
37	Working Fund (135)			
38	Temporary Cash Investments (136)			
39	Notes Receivable (141)			
40	Customer Accounts Receivable (142)		91,353,993	108,177,417
41	Other Accounts Receivable (143)		10,575,269	11,026,217
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		23,299,051	23,448,050
43	Notes Receivable from Associated Companies (145)			23,453,323
44	Accounts Receivable from Assoc. Companies (146)		26,351,627	32,860,888
45	Fuel Stock (151)	227		
46	Fuel Stock Expenses Undistributed (152)	227		
47	Residuals (Elec) and Extracted Products (153)	227		
48	Plant Materials and Operating Supplies (154)	227		
49	Merchandise (155)	227		
50	Other Materials and Supplies (156)	227		
51	Nuclear Materials Held for Sale (157)	202/227		

52	Allowances (158.1 and 158.2)	228		
53	(Less) Noncurrent Portion of Allowances	228		
54	Stores Expense Undistributed (163)	227		
55	Gas Stored Underground - Current (164.1)			
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)			
57	Prepayments (165)		5,380,003	10,999,248
58	Advances for Gas (166-167)			
59	Interest and Dividends Receivable (171)			
60	Rents Receivable (172)		5,889,816	4,650,422
61	Accrued Utility Revenues (173)		54,376,074	53,576,648
62	Miscellaneous Current and Accrued Assets (174)			
63	Derivative Instrument Assets (175)			
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)			
65	Derivative Instrument Assets - Hedges (176)			
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)			
67	Total Current and Accrued Assets (Lines 34 through 66)		170,627,731	221,296,113
68	**DEFERRED DEBITS**			
69	Unamortized Debt Expenses (181)		7,024,207	7,779,163
70	Extraordinary Property Losses (182.1)	230a		
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b		
72	Other Regulatory Assets (182.3)	232	227,010,246	218,117,093
73	Prelim. Survey and Investigation Charges (Electric) (183)		(40,978)	(47,075)
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)			
75	Other Preliminary Survey and Investigation Charges (183.2)			
76	Clearing Accounts (184)		587,326	12,131
77	Temporary Facilities (185)		3,625	32,356
78	Miscellaneous Deferred Debits (186)	233	643,559,858	643,418,221

79	Def. Losses from Disposition of Utility Plt. (187)			
80	Research, Devel. and Demonstration Expend. (188)	352	25,996	25,996
81	Unamortized Loss on Reaquired Debt (189)		1,167,951	1,301,191
82	Accumulated Deferred Income Taxes (190)	234	342,618,903	358,780,461
83	Unrecovered Purchased Gas Costs (191)			
84	Total Deferred Debits (lines 69 through 83)		1,221,957,134	1,229,419,537
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		4,281,274,502	4,248,226,556

Name of Respondent: Pennsylvania Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/01/2022	Year/Period of Report End of: 2021/ Q4

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**PROPRIETARY CAPITAL**			
2	Common Stock Issued (201)	250	88,551,540	88,551,540
3	Preferred Stock Issued (204)	250		
4	Capital Stock Subscribed (202, 205)			
5	Stock Liability for Conversion (203, 206)			
6	Premium on Capital Stock (207)		697,751,295	886,868,324
7	Other Paid-In Capital (208-211)	253	167,705,865	165,217,650
8	Installments Received on Capital Stock (212)	252		
9	(Less) Discount on Capital Stock (213)	254		
10	(Less) Capital Stock Expense (214)	254b		
11	Retained Earnings (215, 215.1, 216)	118	357,156,582	208,824,634
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118	8,749,210	5,476,177
13	(Less) Reaquired Capital Stock (217)	250		
14	Noncorporate Proprietorship (Non-major only) (218)			
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	779,782	2,337,480
16	Total Proprietary Capital (lines 2 through 15)		1,320,694,274	1,357,275,805
17	**LONG-TERM DEBT**			
18	Bonds (221)	256		
19	(Less) Reaquired Bonds (222)	256		
20	Advances from Associated Companies (223)	256		
21	Other Long-Term Debt (224)	256	1,300,000,000	1,300,000,000
22	Unamortized Premium on Long-Term Debt (225)			

23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		1,153,770	1,320,850
24	Total Long-Term Debt (lines 18 through 23)		1,298,846,230	1,298,679,150
25	**OTHER NONCURRENT LIABILITIES**			
26	Obligations Under Capital Leases - Noncurrent (227)		26,927,143	29,216,499
27	Accumulated Provision for Property Insurance (228.1)			
28	Accumulated Provision for Injuries and Damages (228.2)		774,202	378,689
29	Accumulated Provision for Pensions and Benefits (228.3)		113,305,292	177,570,481
30	Accumulated Miscellaneous Operating Provisions (228.4)			
31	Accumulated Provision for Rate Refunds (229)			
32	Long-Term Portion of Derivative Instrument Liabilities			
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges			
34	Asset Retirement Obligations (230)		4,298,432	4,036,487
35	Total Other Noncurrent Liabilities (lines 26 through 34)		145,305,069	211,202,156
36	**CURRENT AND ACCRUED LIABILITIES**			
37	Notes Payable (231)			
38	Accounts Payable (232)		56,739,738	44,796,274
39	Notes Payable to Associated Companies (233)		85,151,241	
40	Accounts Payable to Associated Companies (234)		2,986,070	1,003,056
41	Customer Deposits (235)		26,329,504	24,875,316
42	Taxes Accrued (236)	262	8,244,913	13,843,910
43	Interest Accrued (237)		10,948,408	11,754,096
44	Dividends Declared (238)			
45	Matured Long-Term Debt (239)			
46	Matured Interest (240)			
47	Tax Collections Payable (241)		765,709	495,014
48	Miscellaneous Current and Accrued Liabilities (242)		20,057,140	21,232,586
49	Obligations Under Capital Leases-Current (243)		7,257,943	7,182,210
50	Derivative Instrument Liabilities (244)			

51	(Less) Long-Term Portion of Derivative Instrument Liabilities			
52	Derivative Instrument Liabilities - Hedges (245)			
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges			
54	Total Current and Accrued Liabilities (lines 37 through 53)		218,480,666	125,182,462
55	**DEFERRED CREDITS**			
56	Customer Advances for Construction (252)			
57	Accumulated Deferred Investment Tax Credits (255)	266		35,804
58	Deferred Gains from Disposition of Utility Plant (256)			
59	Other Deferred Credits (253)	269	177,623,764	191,808,167
60	Other Regulatory Liabilities (254)	278	391,022,240	368,263,252
61	Unamortized Gain on Reaquired Debt (257)		223,416	281,657
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272		
63	Accum. Deferred Income Taxes-Other Property (282)		574,111,604	552,691,420
64	Accum. Deferred Income Taxes-Other (283)		154,967,239	142,806,683
65	Total Deferred Credits (lines 56 through 64)		1,297,948,263	1,255,886,983
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		4,281,274,502	4,248,226,556

Name of Respondent: Pennsylvania Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/01/2022	Year/Period of Report End of: 2021/ Q4

STATEMENT OF INCOME

Quarterly

1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
5. If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable

Do not report fourth quarter data in columns (e) and (f)
Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over Lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
Use page 122 for important notes regarding the statement of income for any account thereof.
Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.
Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended - Quarterly Only - No 4th Quarter (e)	Prior 3 Months Ended - Quarterly Only - No 4th Quarter (f)	Electric Utility Current Year to Date (in dollars) (g)	Electric Utility Previous Year to Date (in dollars) (h)	Gas Utiity Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)	Other Utility Previous Year to Date (in dollars) (l)
1	UTILITY OPERATING INCOME											
2	Operating Revenues (400)	300	823,839,073	824,170,776			823,839,073	824,170,776				
3	Operating Expenses											
4	Operation Expenses (401)	320	327,716,170	405,714,474			327,716,170	405,714,474				
5		320	52,407,610	55,094,219			52,407,610	55,094,219				

	Maintenance Expenses (402)											
6	Depreciation Expense (403)	336	72,264,452	74,944,284			72,264,452	74,944,284				
7	Depreciation Expense for Asset Retirement Costs (403.1)	336	10,710	10,710			10,710	10,710				
8	Amort. & Depl. of Utility Plant (404-405)	336	7,923,381	8,076,278			7,923,381	8,076,278				
9	Amort. of Utility Plant Acq. Adj. (406)	336										
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)											
11	Amort. of Conversion Expenses (407.2)											
12	Regulatory Debits (407.3)		8,715,560	20,225,996			8,715,560	20,225,996				
13	(Less) Regulatory Credits (407.4)		(15,261,037)	6,111,991			(15,261,037)	6,111,991				
14	Taxes Other Than Income Taxes (408.1)	262	52,307,860	51,163,648			52,307,860	51,163,648				
15	Income Taxes - Federal (409.1)	262	12,862,236	18,560,364			12,862,236	18,560,364				
16	Income Taxes - Other (409.1)	262	3,363,059	3,977,129			3,363,059	3,977,129				
17	Provision for Deferred Income Taxes (410.1)	234, 272	114,874,672	206,968,445			114,874,672	206,968,445				
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272	81,900,857	217,915,203			81,900,857	217,915,203				
19	Investment Tax Credit Adj. - Net (411.4)	266	(35,804)	(406,506)			(35,804)	(406,506)				
20	(Less) Gains from Disp. of Utility Plant (411.6)											
21	Losses from Disp. of Utility Plant (411.7)											
22												

	(Less) Gains from Disposition of Allowances (411.8)											
23	Losses from Disposition of Allowances (411.9)											
24	Accretion Expense (411.10)		261,945	8,993,502			261,945	8,993,502				
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		586,032,031	629,295,349			586,032,031	629,295,349				
27	Net Util Oper Inc (Enter Tot line 2 less 25)		237,807,042	194,875,427			237,807,042	194,875,427				
28	Other Income and Deductions											
29	Other Income											
30	Nonutilty Operating Income											
31	Revenues From Merchandising, Jobbing and Contract Work (415)		3,706,266	2,690,433								
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		2,585,222	1,584,763								
33	Revenues From Nonutility Operations (417)		255									
34	(Less) Expenses of Nonutility Operations (417.1)		34	1,844								
35	Nonoperating Rental Income (418)		(40,341)	(44,917)								
36	Equity in Earnings of Subsidiary Companies (418.1)	119	36,079,329	36,875,469								
37	Interest and Dividend Income (419)		2,699,295	2,416,060								
38	Allowance for Other Funds Used During Construction (419.1)		1,762,737	2,409,566								
39	Miscellaneous Nonoperating Income (421)		1,318,023	1,127,784								

40	Gain on Disposition of Property (421.1)		177,515	7,449,974								
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		43,117,823	51,337,762								
42	Other Income Deductions											
43	Loss on Disposition of Property (421.2)		225,923	62,772								
44	Miscellaneous Amortization (425)											
45	Donations (426.1)		187,153	179,568								
46	Life Insurance (426.2)		(606,929)	(786,993)								
47	Penalties (426.3)		3,883	6,500								
48	Exp. for Certain Civic, Political & Related Activities (426.4)		125,127	231,149								
49	Other Deductions (426.5)		(6,603)	(3,514,410)								
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		(71,446)	(3,821,414)								
51	Taxes Applic. to Other Income and Deductions											
52	Taxes Other Than Income Taxes (408.2)	262										
53	Income Taxes-Federal (409.2)	262	2,617,671	1,865,971								
54	Income Taxes-Other (409.2)	262	1,374,076	979,652								
55	Provision for Deferred Inc. Taxes (410.2)	234, 272	533,369	2,318,944								
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272	2,458,061	320,889								
57	Investment Tax Credit Adj.-Net (411.5)											
58												

	(Less) Investment Tax Credits (420)											
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		2,067,055	4,843,678								
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		41,122,214	50,315,498								
61	Interest Charges											
62	Interest on Long-Term Debt (427)		53,375,000	53,854,583								
63	Amort. of Debt Disc. and Expense (428)		1,071,911	1,090,760								
64	Amortization of Loss on Reaquired Debt (428.1)		133,240	167,226								
65	(Less) Amort. of Premium on Debt-Credit (429)											
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)		58,240	88,716								
67	Interest on Debt to Assoc. Companies (430)		166,318	104,137								
68	Other Interest Expense (431)		3,663,591	3,289,799								
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		1,027,545	1,108,756								
70	Net Interest Charges (Total of lines 62 thru 69)		57,324,275	57,309,033								
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		221,604,981	187,881,892								
72	Extraordinary Items											
73	Extraordinary Income (434)											
74	(Less) Extraordinary Deductions (435)											

75	Net Extraordinary Items (Total of line 73 less line 74)											
76	Income Taxes-Federal and Other (409.3)	262	0									
77	Extraordinary Items After Taxes (line 75 less line 76)											
78	Net Income (Total of line 71 and 77)		221,604,981	187,881,892								

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Name of Respondent: Pennsylvania Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/01/2022	Year/Period of Report End of: 2021/ Q4

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly report.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
4. State the purpose and amount for each reservation or appropriation of retained earnings.
5. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown for Account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, attach them at page 122.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		208,824,634	172,260,735
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4	Adjustments to Retained Earnings Credit			
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10	Adjustments to Retained Earnings Debit			
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		185,525,652	151,006,423
17	Appropriations of Retained Earnings (Acct. 436)			
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
30.1	Dividends on Common Stock		70,000,000	150,000,000
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		70,000,000	150,000,000

37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings		32,806,296	35,557,476
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		357,156,582	208,824,634
39	APPROPRIATED RETAINED EARNINGS (Account 215)			
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		357,156,582	208,824,634
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account Report only on an Annual Basis, no Quarterly)			
49	Balance-Beginning of Year (Debit or Credit)		5,476,177	4,158,184
50	Equity in Earnings for Year (Credit) (Account 418.1)		36,079,329	36,875,469
51	(Less) Dividends Received (Debit)		32,806,296	35,557,476
52	TOTAL other Changes in unappropriated undistributed subsidiary earnings for the year			
53	Balance-End of Year (Total lines 49 thru 52)		8,749,210	5,476,177

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Name of Respondent: Pennsylvania Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/01/2022	Year/Period of Report End of: 2021/ Q4

STATEMENT OF CASH FLOWS

1. Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
2. Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
3. Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
4. Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instructions No.1 for explanation of codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 78(c) on page 117)	221,604,981	187,881,892
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	80,460,488	92,024,774
5	Amortization of (Specify) (footnote details)		
5.1	Amortization (Deferral) of Regulatory Assets, Net	25,048,514	15,161,108
5.2	Pension and OPEB Mark-to-Market Adjustment	(50,269,950)	37,221,385
5.3	Retirement Benefits, Net of Payments	(29,885,317)	(22,085,835)
8	Deferred Income Taxes (Net)	31,049,123	(8,948,703)
9	Investment Tax Credit Adjustment (Net)	(35,804)	(406,506)
10	Net (Increase) Decrease in Receivables	24,048,780	(17,387,514)
11	Net (Increase) Decrease in Inventory		
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	6,135,462	1,251,053
14	Net (Increase) Decrease in Other Regulatory Assets		
15	Net Increase (Decrease) in Other Regulatory Liabilities		
16	(Less) Allowance for Other Funds Used During Construction	1,762,737	2,409,566

17	(Less) Undistributed Earnings from Subsidiary Companies	3,442,799	1,318,831
18	Other (provide details in footnote):		
18.1	Other (provide details in footnote):	4,798,495	(295,965)
18.2	Changes to Prepaid Taxes and Other Current Assets	5,619,245	422,929
18.3	Deferred Purchase Power and Other Costs, Net		(18,775,816)
18.4	Change in Cash Collateral, Net	2,035,768	(1,859,734)
22	Net Cash Provided by (Used in) Operating Activities (Total of Lines 2 thru 21)	315,404,249	260,474,671
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	(143,382,880)	(155,561,570)
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	(1,762,737)	(2,409,566)
31	Other (provide details in footnote):		
31.1	Other (provide details in footnote):		
34	Cash Outflows for Plant (Total of lines 26 thru 33)	(141,620,143)	(153,152,004)
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies	23,453,323	61,726,713
41	Disposition of Investments in (and Advances to)		
42	Disposition of Investments in (and Advances to) Associated and Subsidiary Companies		
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		
46	Loans Made or Purchased		
47	Collections on Loans		

49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
53.1	Asset Removal Costs	(18,853,861)	(15,816,322)
53.2	Other (provide details in footnote):	(63,417)	3,988,226
53.3	Sale of Investment Securities Held in Trusts		28,252,734
53.4	Purchase of Investment Securities Held in Trusts		(29,744,115)
57	Net Cash Provided by (Used in) Investing Activities (Total of lines 34 thru 55)	(137,084,098)	(104,744,768)
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		250,000,000
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
64.1	Other (provide details in footnote):		
66	Net Increase in Short-Term Debt (c)	85,151,241	
67	Other (provide details in footnote):		
67.1	Other (provide details in footnote):		
70	Cash Provided by Outside Sources (Total 61 thru 69)	85,151,241	250,000,000
72	Payments for Retirement of:		
73	Long-term Debt (b)		(250,000,000)
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):		
76.1	Other (provide details in footnote):	(1,471,392)	(5,729,903)
76.2	Return of Capital Payments	(192,000,000)	

78	Net Decrease in Short-Term Debt (c)		
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	(70,000,000)	(150,000,000)
83	Net Cash Provided by (Used in) Financing Activities (Total of lines 70 thru 81)	(178,320,151)	(155,729,903)
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	Net Increase (Decrease) in Cash and Cash Equivalents (Total of line 22, 57 and 83)		
88	Cash and Cash Equivalents at Beginning of Period		
90	Cash and Cash Equivalents at End of Period		

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Name of Respondent: Pennsylvania Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/01/2022	Year/Period of Report End of: 2021/ Q4

NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

GLOSSARY OF TERMS

The following abbreviations and acronyms may be used in these financial statements to identify Pennsylvania Electric Company and its current and former affiliated companies:

AE Supply	Allegheny Energy Supply Company, LLC, an unregulated generation subsidiary of FE
AGC	Allegheny Generating Company, a generation subsidiary of MP
ATSI	American Transmission Systems, Incorporated, a subsidiary of FET, which owns and operates transmission facilities
CEI	The Cleveland Electric Illuminating Company, an Ohio electric utility operating subsidiary of FE
FE	FirstEnergy Corp., a public utility holding company
FENOC	Energy Harbor Nuclear Corp. (formerly known as FirstEnergy Nuclear Operating Company), a subsidiary of EH, which operates NG's nuclear generating facilities
FES	Energy Harbor LLC. (formerly known as FirstEnergy Solutions Corp.), a subsidiary of EH, which provides energy related products and services
FESC	FirstEnergy Service Company, which provides legal, financial, and other corporate support services
FET	FirstEnergy Transmission, LLC, the parent company of ATSI, KATCo, MAIT and TrAIL, and has a joint venture in PATH
FEV	FirstEnergy Ventures Corp., which invests in certain unregulated enterprises and business ventures
FirstEnergy	FirstEnergy Corp., together with its consolidated subsidiaries
GPU	GPU, Inc., former parent of JCP&L, ME and PN, that merged with FE on November 7, 2001
GPUN	GPU Nuclear, Inc., a subsidiary of FE, which formerly operated TMI-2
JCP&L	Jersey Central Power & Light Company, a New Jersey electric utility operating company
KATCo	Keystone Appalachian Transmission Company, a subsidiary of FET
MAIT	Mid-Atlantic Interstate Transmission, LLC, a subsidiary of FET, which owns and operates transmission facilities
ME	Metropolitan Edison Company, a Pennsylvania electric utility operating subsidiary of FE
MP	Monongahela Power Company, a West Virginia electric utility operating subsidiary of FE
NG	FirstEnergy Nuclear Generation, LLC, a subsidiary of FES, which owns nuclear generating facilities
OE	Ohio Edison Company, an Ohio electric utility operating subsidiary of FE
Ohio Companies	CEI, OE and TE
PATH	Potomac-Appalachian Transmission Highline, LLC, a joint venture between FE and a subsidiary of AEP
PATH-Allegheny	PATH Allegheny Transmission Company, LLC
PATH-WV	PATH West Virginia Transmission Company, LLC
PE	The Potomac Edison Company, a Maryland and West Virginia electric utility operating subsidiary of FE
Penn	Pennsylvania Power Company, a Pennsylvania electric utility operating subsidiary of OE
Pennsylvania Companies	ME, PN, Penn and WP

Pennsylvania Companies	ME, PN, Penn and WP
PN	Pennsylvania Electric Company, a Pennsylvania electric utility operating subsidiary of FE
TE	The Toledo Edison Company, an Ohio electric utility operating subsidiary of FE
TrAIL	Trans-Allegheny Interstate Line Company, a subsidiary of FET, which owns and operates transmission facilities
Transmission Companies	ATSI, MAIT and TrAIL
Utilities	OE, CEI, TE, Penn, JCP&L, ME, PN, MP, PE and WP
WP	West Penn Power Company, a Pennsylvania electric utility operating subsidiary of FE

The following abbreviations and acronyms may be used to identify frequently used terms in these financial statements:

2021 Credit Facilities	Collectively, the six separate senior unsecured five-year syndicated revolving credit facilities entered into by FE, FET, the Utilities, and the Transmission Companies, on October 18, 2021
ACE	Affordable Clean Energy
ADIT	Accumulated Deferred Income Taxes
AEP	American Electric Power Company, Inc.
AFS	Available-for-sale
AFUDC	Allowance for Funds Used During Construction
AMI	Advance Metering Infrastructure
AOCI	Accumulated Other Comprehensive Income (Loss)
ARO	Asset Retirement Obligation
ARP	Alternative Revenue Program
ASC	Accounting Standard Codification
ASU	Accounting Standards Update
Bath Power Station	Bath County Pumped Storage Hydro-Power Station
BGS	Basic Generation Service
BRA	Base Residual Auction
Brookfield	North American Transmission Company II LLC, a controlled investment vehicle entity of Brookfield Infrastructure Partners
Brookfield Guarantors	Brookfield Super-Core Infrastructure Partners L.P., Brookfield Super-Core Infrastructure Partners (NUS) L.P., and Brookfield Super-Core Infrastructure Partners (ER) SCSp
CAA	Clean Air Act
CCR	Coal Combustion Residuals
CFIUS	Committee on Foreign Investments in the United States
CO2	Carbon Dioxide
COVID-19	Coronavirus disease
CPP	EPA's Clean Power Plan
CSAPR	Cross-State Air Pollution Rule
CSR	Conservation Support Rider
CTA	Consolidated Tax Adjustment
CWA	Clean Water Act
CWIP	Construction Work in Progress
D.C. Circuit	United States Court of Appeals for the District of Columbia Circuit
DCR	Delivery Capital Recovery
DMR	Distribution Modernization Rider
DPA	Deferred Prosecution Agreement entered into on July 21, 2021 between FE and S.D. Ohio
DSIC	Distribution System Improvement Charge
DSP	Default Service Plan
EDC	Electric Distribution Company
EDIS	Electric Distribution Investment Surcharge
EE&C	Energy Efficiency and Conservation
EGS	Electric Generation Supplier
EH	Energy Harbor Corp.
EmPOWER Maryland	EmPOWER Maryland Energy Efficiency Act
ENEC	Expanded Net Energy Cost
EPA	United States Environmental Protection Agency
ERO	Electric Reliability Organization
ESP	Electric Security Plan
ESP IV	Electric Security Plan IV
Exchange Act	Securities and Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FE Board	FE Board of Directors
FE Revolving Facility	FE and the Utilities' former five-year syndicated revolving credit facility, as amended, and replaced by the 2021 Credit Facilities on October 18, 2021
FERC	Federal Energy Regulatory Commission
FET Board	The Board of Directors of FET
FET LLC Agreement	Third Amended and Restated Limited Liability Company Operating Agreement of FET
FET P&SA	Purchase and Sale Agreement entered into on November 6, 2021, by and between FE, FET, Brookfield and Brookfield Guarantors
FET Revolving Facility	FET and certain of its subsidiaries' former five-year syndicated revolving credit facility, as amended, and replaced by the 2021 Credit Facilities on October 18, 2021
Fitch	Fitch Ratings Service
FMB	First Mortgage Bond

FMB	First Mortgage Bond
FPA	Federal Power Act
FTR	Financial Transmission Right
GAAP	Accounting Principles Generally Accepted in the United States of America
GHG	Greenhouse Gases
HB 128	House Bill 128, as passed by Ohio's 134th General Assembly
HB 6	House Bill 6, as passed by Ohio's 133rd General Assembly
ICE	IntercontinentalExchange, Inc.
IRS	Internal Revenue Service
kV	Kilovolt
KWH	Kilowatt-hour
LTIIP	Long-Term Infrastructure Improvement Plan
LTIIPs	Long-Term Infrastructure Improvement Plans
MDPSC	Maryland Public Service Commission
MGP	Manufactured Gas Plants
MISO	Midcontinent Independent System Operator, Inc.
MW	Megawatt
MWH	Megawatt-hour
N.D. Ohio	Northern District of Ohio
NAAQS	National Ambient Air Quality Standards
NDT	Nuclear Decommissioning Trust
NERC	North American Electric Reliability Corporation
NJ Rate Counsel	New Jersey Division of Rate Counsel
NJBPU	New Jersey Board of Public Utilities
NOL	Net Operating Loss
NOx	Nitrogen Oxide
NPDES	National Pollutant Discharge Elimination System
NUG	Non-Utility Generation
NYPSC	New York State Public Service Commission
OAG	Ohio Attorney General
OCA	Office of Consumer Advocate
OCC	Ohio Consumers' Counsel
ODSA	Ohio Development Service Agency
Ohio Stipulation	On November 1, 2021, the Ohio Companies, together with the OCC, PUCO Staff, and several other signatories, entered into a unanimous Stipulation and Recommendation with the intent of resolving the ongoing energy efficiency rider audits, various SEET proceedings, including the Ohio Companies' 2017 SEET proceeding, and the Ohio Companies' quadrennial ESP review, each of which was pending before the PUCO
OPEB	Other Post-Employment Benefits
OPIC	Other Paid-in Capital
OVEC	Ohio Valley Electric Corporation
PA DEP	Pennsylvania Department of Environmental Protection
PJM	PJM Interconnection, LLC
PJM Region	The aggregate of the zones within PJM
PJM Tariff	PJM Open Access Transmission Tariff
POLR	Provider of Last Resort
PPA	Purchase Power Agreement
PPUC	Pennsylvania Public Utility Commission
PUCO	Public Utilities Commission of Ohio
PURPA	Public Utility Regulatory Policies Act of 1978
RCRA	Resource Conservation and Recovery Act
REC	Renewable Energy Credit
RFC	ReliabilityFirst Corporation
RFP	Request for Proposal
RGGI	Regional Greenhouse Gas Initiative
ROE	Return on Equity
RTO	Regional Transmission Organization
S.D. Ohio	Southern District of Ohio
SCOH	Supreme Court of Ohio
SEC	United States Securities and Exchange Commission
SEET	Significantly Excessive Earnings Test
SIP	State Implementation Plan(s) Under the Clean Air Act
SLC	Special Litigation Committee of the FE Board
SO2	Sulfur Dioxide
SOS	Standard Offer Service
SPE	Special Purpose Entity
SREC	Solar Renewable Energy Credit

SREC	Solar Renewable Energy Credit
SVC	Static Var Compensator
Tax Act	Tax Cuts and Jobs Act adopted December 22, 2017
TMI-1	Three Mile Island Unit 1
TMI-2	Three Mile Island Unit 2
U.S. Supreme Court	United States Supreme Court
VEPCO	Virginia Electric and Power Company
VIE	Variable Interest Entity
VMS	Vegetation Management Surcharge
VSCC	Virginia State Corporation Commission
WVPSC	Public Service Commission of West Virginia

1. ORGANIZATION AND BASIS OF PRESENTATION

PN is a wholly owned subsidiary of FE, and is incorporated in Pennsylvania. PN operates an electric distribution system in Pennsylvania and New York. PN is subject to regulation by the PPUC, NYPSC and FERC.

BASIS OF PRESENTATION

The accompanying financial statements have been prepared in accordance with FERC accounting requirements as set forth in the Uniform System of Accounts and accounting releases, which differ from GAAP. The significant differences between FERC and GAAP related to these financial statements include the following:

- The current portion of long-term debt, long-term assets or long-term liabilities is not reported separately on the FERC balance sheet.
- Deferred income taxes are recorded on a gross basis on the FERC balance sheet with deferred tax assets and deferred tax liabilities being reported separately.
- For income statement purposes, there are differences in items included in Operating Income and Other Income and Deductions under GAAP and FERC reporting, including costs which are recorded in operating expenses for GAAP and non-operating expenses for FERC, such as interest expense related to finance leases.
- Regulatory Assets and Liabilities per GAAP differ from Regulatory Assets and Liabilities per FERC because Account 189, Unamortized loss on reacquired debt and Account 257, Unamortized gain on reacquired debt are regulatory assets and liabilities for GAAP statements but not for FERC statements.
- Cost of removal expenses are recorded in operating expenses for GAAP purposes and depreciation expense for FERC purposes.
- Unbilled revenue is included in Accrued utility revenue on the FERC balance sheet and Customer accounts receivable on the GAAP balance sheet.
- Finance and operating leases are recorded on a net basis in Plant in Service on the FERC balance sheet.
- Finance lease liabilities are included within other current and non-current liabilities on the FERC balance sheet while these amounts are included as a part of debt on the GAAP balance sheet.
- Estimated interest and penalties related to uncertain tax positions are recorded as part of interest expense and penalties respectively under FERC and as a component of income tax expense under GAAP.
- Unamortized debt issuance costs are included in deferred charges on the FERC balance sheet and an offset to long-term debt on the GAAP balance sheet.
- Regulatory Assets and Liabilities presented on a gross basis on the FERC balance sheet with regulatory Assets and Liabilities netted for GAAP.
- Asset removal costs are classified as accumulated depreciation on the FERC balance sheet and Regulatory Liability for GAAP.
- Pension and OPEB non-service costs are reported in Operation and Maintenance expenses on the FERC income statement and within Miscellaneous income, net on the GAAP income statement.
- Payments related to finance leases are included in the Operating Section of the FERC statement of cash flows and within the Financing Section of the GAAP statement of cash flows.

PN complies with the regulations, orders, policies and practices prescribed by FERC, NYPSC and the PPUC. The preparation of financial statements requires management to make periodic estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. Actual results could differ from these estimates. The reported results of operations are not indicative of results of operations for any future period.

ACCOUNTING FOR THE EFFECTS OF REGULATION

PN reviews the probability of recovery of regulatory assets, and settlement of regulatory liabilities, at each balance sheet date and whenever new events occur. Factors that may affect probability include changes in the regulatory environment, issuance of a regulatory commission order, or passage of new legislation. Upon material changes to these factors, where applicable, PN will record new regulatory assets or liabilities and will assess whether it is probable that currently recorded regulatory assets and liabilities will be recovered or settled in future rates. If recovery of a regulatory asset is no longer probable, PN will write off that regulatory asset as a charge against earnings.

REVENUES AND RECEIVABLES

PN's principal business is providing electric service to customers in Pennsylvania. PN's retail customers are metered on a cycle basis. Electric revenues are recorded based on energy delivered through the end of the calendar month. An estimate of unbilled revenues is calculated to recognize electric service provided from the last meter reading through the end of the month. This estimate includes many factors, among which are historical customer usage, load profiles, estimated weather impacts, customer shopping activity and prices in effect for each class of customer. In each accounting period, PN accrues the estimated unbilled amount as revenue and reverses the related prior period estimate. Unbilled customer receivables were $54 million and $53 million as of December 31, 2021 and 2020, respectively. Receivables from customers include retail electric sales and distribution deliveries to residential, commercial and industrial customers.
The allowance for uncollectible customer receivables is based on historical loss information comprised of a rolling 36-month average net write-off percentage of revenues, in conjunction with a qualitative assessment of elements that impact the collectability of receivables to determine if allowances for uncollectible accounts should be further adjusted in accordance with the accounting guidance for credit losses. Management contemplates available current information such as changes in economic factors, regulatory matters, industry trends, customer credit factors, amount of receivable balances that are past-due, payment options and programs available to customers, and the methods that the Utilities are able to utilize to ensure payment. FirstEnergy reviews its allowance for uncollectible customer receivables utilizing a quantitative and qualitative assessment, which includes consideration of the outbreak of COVID-19 and the impact on customer receivable balances outstanding and write-offs since the pandemic began.

During 2020, FirstEnergy analyzed the likelihood of loss based on increases in customer accounts in arrears since the pandemic began in mid-March 2020 as well as what collection methods at the time were suspended, and historically been utilized to ensure payment. Based on this assessment, and consideration of other qualitative factors described above, PN recognized incremental uncollectible expense of $17 million in the year 2020, of which approximately $7 million was deferred for future recovery.

During 2021, arrears levels continue to be elevated above 2019 pre-pandemic levels. Various regulatory actions have impacted the growth and recovery of past due balances including extensions on moratoriums, significant restrictions regarding disconnections, and extended installment plans. FirstEnergy has experienced a reduction in the amount of receivables that are past due by greater than 30 days since the end of 2020. While total customer arrears balances continue to decrease in 2021, balances that are over 120 days past due continue to be elevated. FirstEnergy considered other factors as part of its qualitative assessment, such as certain federal stimulus and state funding being made available to assist with past due utility bills. As a result of this qualitative analysis, PN did not recognize any incremental uncollectible expense for the twelve months ended December 31, 2021. Additionally, as a result of the pandemic-related moratoriums and certain customer installment or extended payment plans offered, the allowance for uncollectible accounts on receivables in 2021 and 2020 are elevated due to the extension of when certain write-offs would have otherwise occurred.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment reflects original cost (net of any impairments recognized), including payroll and related costs such as taxes, employee benefits, administrative and general costs, and financing costs incurred to place the assets in service. The costs of normal maintenance, repairs and minor replacements are expensed as incurred. PN recognizes liabilities for planned major maintenance projects as they are incurred.

PN provides for depreciation on a straight-line basis at various rates over the estimated lives of property included in plant in service. Depreciation expense was approximately 2.5% and 2.6% of average depreciable property in 2021 and 2020, respectively.

PN evaluates long-lived assets classified as held and used for impairment when events or changes in circumstances indicate that the carrying value of the long-lived assets may not be recoverable. First, the estimated undiscounted future cash flows attributable to the

assets is compared with the carrying value of the assets. If the carrying value is greater than the undiscounted future cash flows, an impairment charge is recognized equal to the amount the carrying value of the assets exceeds its estimated fair value

PN, as lessee of the property of its subsidiary, the Waverly Electric Light & Power Company, serves approximately 4,000 customers in the Waverly, New York vicinity. On February 10, 2021, PN entered into an agreement to transfer its customers and the related assets in Waverly, New York to Tri-County Rural Electric Cooperative; the completion of such transfer is subject to several closing conditions including regulatory approval.

On October 15, 2019, JCP&L, ME, PN and GPUN executed an asset purchase and sale agreement with TMI-2 Solutions, LLC, a subsidiary of EnergySolutions, LLC, concerning the transfer and dismantlement of TMI-2. With the receipt of all required regulatory approvals, the transaction was consummated, including the transfer of external trusts for the decommissioning and environmental remediation of TMI-2, on December 18, 2020. As a result, during the fourth quarter of 2020 PN recognized an after tax-gain of approximately $22 million, primarily associated with the write-off of a tax related regulatory liability.

ASSET RETIREMENT OBLIGATIONS (ARO)

PN has recognized retirement obligations, primarily conditional retirement obligations for asbestos remediation. PN uses an expected cash flow approach to measure the fair value of its AROs.
PN recognizes an ARO for its legal obligation to perform asset retirement activities associated with its long-lived assets. The ARO liability represents an estimate of the fair value of PN's current obligation such that the ARO is accreted monthly to reflect the time value of money.

A fair value measurement inherently involves uncertainty in the amount and timing of settlement of the liability. PN uses an expected cash flow approach to measure the fair value of the remediation AROs, considering the expected timing of settlement of the ARO based on the expected economic useful life of associated asset and/or regulatory requirements. The fair value of an ARO is recognized in the period in which it is incurred. The associated asset retirement costs are capitalized as part of the carrying value of the long-lived asset and are depreciated over the life of the related asset.

Conditional retirement obligations associated with tangible long-lived assets are recognized at fair value in the period in which they are incurred if a reasonable estimate can be made, even though there may be uncertainty about timing or method of settlement. When settlement is conditional on a future event occurring, it is reflected in the measurement of the liability, not the timing of the liability recognition.

The following table summarizes the changes to PN's ARO balances during 2021 and 2020:

ARO Reconciliation	*(In millions)*
Balance, January 1, 2020	$ 176
Accretion	9
Settlement [1]	(181)
Balance, December 31, 2020	4
Accretion	—
Balance, December 31, 2021	$ 4

[1] Includes $181 million related to the closing of the asset purchase and sale agreement with TMI-2 Solutions, LLC, a subsidiary of EnergySolutions, LLC, concerning the transfer and dismantlement of TMI-2. See Note 6, "Commitments and Contingencies," for further information.

GOODWILL

In a business combination, the excess of the purchase price over the estimated fair value of the assets acquired and liabilities assumed is recognized as goodwill. PN evaluates goodwill for impairment annually on July 31 and more frequently if indicators of impairment arise. In evaluating goodwill for impairment, PN assesses qualitative factors to determine whether it is more likely than not (that is, likelihood of more than 50%) that the fair value of a reporting unit is less than its carrying value (including goodwill). If PN concludes that it is not more likely than not that the fair value of a reporting unit is less than its carrying value, then no further testing is required. However, if PN concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying value or bypasses the qualitative assessment, then the quantitative goodwill impairment test is performed to identify a potential goodwill impairment and measure the amount of impairment to be recognized, if any.

No impairment of goodwill was indicated as a result of testing in 2021 and 2020. In 2021 and 2020, PN performed a qualitative assessment, assessing economic, industry and market considerations in addition to PN's overall financial performance. Key factors used in the assessment included: growth rates, interest rates, expected capital investments, utility sector market performance, regulatory and legal developments, and other market considerations. It was determined that the fair value was, more likely than not, greater than its carrying value and a quantitative analysis was not necessary.

INVESTMENT IN UNCONSOLIDATED AFFILIATE

Following receipt of necessary regulatory approvals, on January 31, 2017, MAIT issued membership interests to FET, PN and ME in exchange for their respective cash and transmission asset contributions. MAIT, a transmission-only subsidiary of FET, owns and operates all of the FERC-jurisdictional transmission assets previously owned by ME and PN, consisting of approximately 4,300 circuit miles of transmission lines with nominal voltages of 500 kV, 345 kV, 230 kV, 138 kV, 115 kV, 69 kV and 46 kV in the PJM Region.

PN's investment in an unconsolidated affiliate consists of a 31% ownership of MAIT, which is accounted for under the equity method of accounting.

COMMON STOCK
In addition to paying dividends from retained earnings, PN has authorization from the FERC to pay cash dividends to FirstEnergy Corp. (together with its consolidated subsidiaries FirstEnergy) from paid-in capital accounts, as long as its FERC-defined equity-to-total-capitalization ratio remains above 35%.

NEW ACCOUNTING PRONOUNCEMENTS

ASU 2019-12, "*Simplifying the Accounting for Income Taxes*" (Issued in December 2019): ASU 2019-12 enhances and simplifies various aspects of the income tax accounting guidance, including the elimination of certain exceptions related to the approach for intra-period tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The new guidance also simplifies aspects of the accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. PN adopted the guidance as of January 1, 2021, with no material impact to the financial statements.

Recently Issued Pronouncements - PN has assessed new authoritative accounting guidance issued by the FASB that has not yet been adopted and none are currently expected to have a material impact to the financial statements.

2. REVENUE

PN accounts for revenues from contracts with customers under ASC 606, "Revenue from Contracts with Customers." Revenue from leases, financial instruments, other contractual rights or obligations and other revenues that are not from contracts with customers are outside the scope of the standard and accounted for under other existing GAAP. PN has elected to exclude sales taxes and other similar taxes collected on behalf of third parties from revenue as prescribed in the new standard. As a result, tax collections and remittances within the scope of this election are excluded from recognition in the income statement and instead recorded through the balance sheet. Gross receipts taxes that are assessed on PN are not subject to the election and are included in revenue.

PN's principal business is providing electric service to customers in Pennsylvania. PN's distribution customers are metered on a cycle basis. An estimate of unbilled revenues is calculated to recognize electric service provided from the last meter reading through the end of the month. This estimate includes many factors, among which are historical customer usage, load profiles, estimated weather impacts and prices in effect for each class of customer. In each accounting period, PN accrues the estimated unbilled amount as revenue and reverses the related prior period estimate. Customer payments are generally due within 30 days. Retail generation sales relate to generation sales in Pennsylvania that are regulated by the PPUC.

PN earns revenue from state-regulated rate tariffs under which it provides distribution services to residential, commercial and industrial customers in its service territory. PN is obligated under the regulated construct to deliver power to customers reliably, as it is needed, which creates an implied monthly contract with the end-use customer. See Note 5, "Regulatory Matters," for additional information on rate recovery mechanisms. Distribution revenues are recognized over time as electricity is distributed and delivered to the customer and the customers consume the electricity immediately as delivery occurs.

Retail generation sales relate to Standard Offer Service requirements in Pennsylvania. Certain of the Utilities have default service obligations to provide power to non-shopping customers who have elected to continue to receive service under regulated retail tariffs. The volume of these sales varies depending on the level of shopping that occurs. Supply plans vary by state and by service territory. Default service for PN are provided through a competitive procurement process approved by the state commission. Retail generation revenues are recognized over time as electricity is delivered and consumed immediately by the customer.

Wholesale sales primarily consist of generation and capacity sales into the PJM market. PN may also purchase power from PJM to supply power to its customers. Generally, these power sales from generation and purchases to serve load are netted hourly and reported gross as either revenues or purchased power on the Statements of Income (Loss) based on whether the entity was a net seller or buyer each hour. Capacity revenues are recognized ratably over the PJM planning year at prices cleared in the annual PJM Residual Pricing Model Base Residual Auction and incremental auctions. Capacity purchases and sales through PJM capacity auctions are reported within revenues on the Statements of Income (Loss). Certain capacity income (bonuses) and charges (penalties) related to the availability of units that have cleared in the auctions are unknown and not recorded in revenue until, and unless, they occur.

3. PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

FirstEnergy provides noncontributory qualified defined benefit pension plans that cover substantially all of its employees and non-qualified pension plans that cover certain employees, including employees of PN. The plans provide defined benefits based on years of service and compensation levels. Under the cash-balance portion of the pension plan (for employees hired on or after January 1, 2014), FirstEnergy makes contributions to eligible employee retirement accounts based on a pay credit and an interest credit. In addition, FirstEnergy provides a minimum amount of noncontributory life insurance to retired employees in addition to optional contributory insurance. Health care benefits, which include certain employee contributions, deductibles and co-payments, are also available upon retirement to certain employees, their dependents and, under certain
circumstances, their survivors. PN recognizes its allocated portion of the expected cost of providing pension and OPEB to employees and their beneficiaries and covered dependents from the time employees are hired until they become eligible to receive those benefits. PN also recognizes its allocated portion of obligations to former or inactive employees after employment, but before retirement, for disability-related benefits.

FirstEnergy's pension and OPEB funding policy is based on actuarial computations using the projected unit credit method. On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021, which among other things, extended shortfall amortization periods and modification of the interest rate stabilization rules for single-employer plans thereby impacting funding requirements. As a result, FirstEnergy does not currently expect to have a required contribution to the pension plan based on various assumptions including annual expected rate of returns for assets of 7.50%. However, FirstEnergy may elect to contribute to the pension plan voluntarily

Pension and OPEB costs are affected by employee demographics (including age, compensation levels and employment periods), the level of contributions made to the plans and earnings on plan assets. Pension and OPEB costs may also be affected by changes in key assumptions, including anticipated rates of return on plan assets, the discount rates and health care trend rates used in determining the projected benefit obligations for pension and OPEB costs. FirstEnergy uses a December 31 measurement date for its pension and OPEB plans. The fair value of the plan assets represents the actual market value as of the measurement date.

Discount Rate - In selecting an assumed discount rate, FirstEnergy considers currently available rates of return on high-quality fixed income investments expected to be available during the period to maturity of the pension and OPEB obligations. The assumed rates of return on plan assets consider historical market returns and economic forecasts for the types of investments held by FirstEnergy's pension trusts. The long-term rate of return is developed considering the portfolio's asset allocation strategy. FirstEnergy utilizes a spot rate approach in the estimation of the components of benefit cost by applying specific spot rates along the full yield curve to the relevant projected cash flows.

Rate of Return - FirstEnergy's assumed rate of return on pension plan assets considers historical market returns and economic forecasts for the types of investments held by the pension trusts. In 2021, FirstEnergy's qualified pension and OPEB plan assets experienced gains of $689 million or 7.9%, compared to gains of $1,225 million, or 14.7% in 2020 and assumed a 7.50% rate of return on plan assets in 2021 and 2020 which generated $688 million and $651 million of expected returns on plan assets, respectively. The expected return on pension and OPEB assets is based on input from investment consultants, including the trusts' asset allocation targets and the historical performance of risk-based and fixed income securities. The gains or losses generated as a result of the difference between expected and actual returns on plan assets is recognized as a pension and OPEB mark-to-market adjustment in the fourth quarter of each fiscal year and whenever a plan is determined to qualify for remeasurement.

Mortality Rates - During 2021, the Society of Actuaries published new mortality tables that include more current data than the RP-2014 tables as well as new improvement scales. An analysis of plan mortality data indicated the use of the Pri-2012 mortality table with projection scale MP-2021, actuarially adjusted to reflect increased mortality rates due to COVID-19 based on mortality experience reported by the Center for Disease and Control Prevention in 2020 and 2021, was most appropriate and such was utilized to determine the 2021 benefit cost and obligation as of December 31, 2021, for the FirstEnergy pension and OPEB plans. The impact of using the Pri-2012 mortality table with projection scale MP-2021 (adjusted by FirstEnergy's actuary for COVID-19 impacts) resulted in a decrease to the projected benefit obligation of approximately $32 million and $2 million for the pension and OPEB plans, respectively, and was included in the 2021 pension and OPEB mark-to-market adjustment.

Net Periodic Benefit Costs - In addition to service costs, interest on obligations, expected return on plan assets, and prior service costs, FirstEnergy recognizes in net periodic benefit costs a pension and OPEB mark-to-market adjustment for the change in the fair value of plan assets and net actuarial gains and losses annually in the fourth quarter of each fiscal year and whenever a plan is determined to qualify for a remeasurement. Service costs, net of capitalization, are reported within Other operating expenses.

The annual pension and OPEB mark-to-market adjustments, (gains) or losses, for the years ended December 31, 2021 and 2020 were $(382) million and $477 million (including $423 million in the first quarter of 2020), respectively. Under the approved bankruptcy settlement agreement, upon emergence, FES and FENOC employees ceased earning years of service under the FirstEnergy pension and OPEB plans. The emergence on February 27, 2020, triggered a remeasurement of the affected pension and OPEB plans and as a result, FirstEnergy recognized a pension and OPEB mark-to-market adjustment in the first quarter of 2020 in addition to the annual remeasurement in December 2020. PN's pension and OPEB mark-to-market adjustments, (gains) or losses, for the years ended December 31, 2021 and 2020, were $(50) million and $37 million, respectively.
PN's allocated share of pension and OPEB costs (credits) and PN's share of net liability, including the mark-to-market adjustment was as follows:

	Pension		OPEB	
As of December 31,	**2021**	**2020**	**2021**	**2020**
			(in millions)	
PN's share of net liability [1]	$ 46	$ 85	$ 67	$ 93
PN's share of net periodic costs (credits)[2]	(40)	13	(28)	(2)

(1) Excludes $142 million and $147 million as of December 31, 2021 and 2020, respectively, of affiliated non-current liabilities related to pension and OPEB mark-to-market costs allocated to PN.

(2) Includes annual pension and OPEB mark-to-market adjustment.

4. LEASES

PN primarily leases vehicles as well as building space, land, and other property and equipment under cancelable and noncancelable leases.

In addition, MAIT has a ground lease with PN under an operating lease agreement. PN reserves the right to use (and to permit authorized others to use) the land for any purpose that does not cause a violation of electrical safety code or applicable law, or does not impair MAIT's ability to satisfy its service obligations. Additional uses of such land for MAIT's facilities requires prior written approval from the applicable operating company. MAIT purchases directly any new property acquired for transmission use. MAIT makes variable quarterly lease payments through January 1, 2043, unless terminated prior to maturity, or extended by MAIT for up to two additional successive periods of 25 years each and one successive term of 24 years. Revenue associated with this agreement was approximately $1 million for 2021 and 2020.

PN accounts for leases under, *"Leases (Topic 842)"*. Leases with an initial term of 12 months or less are recognized as lease expense on a straight-line basis over the lease term and not recorded on the balance sheet. Most leases include one or more, options to renew, with renewal terms that can extend the lease term from 1 to 40 years, and certain leases include options to terminate. The exercise of lease renewal options is at PN's sole discretion. Renewal options are included within the lease liability if they are reasonably certain based on various factors relative to the contract. Certain leases also include options to purchase the leased property. The depreciable life of leased assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. PN has elected a policy to not separate lease components from non-lease components for all asset classes.

Adoption of the accounting guidance had no impact on PN's existing ratemaking treatment or FERC jurisdiction cost-of-service rates. Amounts included in the capital lease balance sheet accounts that relate to operating leases are as follows:

(in millions)	2021	2020
Property Under Capital Lease *(Account 101.1)*	$32	$31
Obligations Under Capital Leases - Current *(Account 243)*	$5	$4
Obligations Under Capital Leases - Noncurrent *(Account 227)*	$26	$26

Supplemental cash flow information related to leases was as follows:

	For the Year Ended	
(In millions)	December 31, 2021	December 31, 2020
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 5	$ 4
Operating cash flows from finance leases	—	—
Finance cash flows from finance leases	3	3
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	$ 6	$ 13
Finance leases	—	—

Lease terms and discount rates were as follows:

	As of December 31, 2021	As of December 31, 2020
Weighted-average remaining lease terms (years)		
Operating leases	6.30	6.92
Finance leases	1.70	2.57
Weighted-average discount rate (1)		
Operating leases	2.98 %	2.91 %
Finance leases	3.59 %	3.53 %

(1) When an implicit rate is not readily determinable, an incremental borrowing rate is utilized, determining the present value of lease payments. The rate is determined based on expected term and information available at the commencement date.

Maturities of lease liabilities as of December 31, 2021, were as follows:

(In millions)	Operating Leases	Finance Leases	Total
2022	$ 6	$ 3	$ 9
2023	6	1	7
2024	6	—	6
2025	5	—	5
2026	4	—	4
Thereafter	7	—	7
Total lease payments	34	4	38
Less imputed interest	3	1	4
Total net present value	$ 31	$ 3	$ 34

As of December 31, 2021, additional operating leases agreements, primarily for vehicles, that have not yet commenced are $1 million. These leases are expected to commence within the next 18 months with lease terms of 2 to 10 years.

5. REGULATORY MATTERS

STATE REGULATION

PN's retail rates, conditions of service, issuance of securities and other matters are subject to regulation in Pennsylvania by the PPUC and in New York by the NYPSC. The key terms of PN's current rate orders for distribution customer billings, which have been effective since January 2017, include an allowed debt/equity ratio of 47.4%/52.6% (reflecting the filed debt/equity as final settlement/orders do not specifically include capital structure). The PPUC-approved settlement agreement for such rates did not disclose ROE.

PENNSYLVANIA

The Pennsylvania Companies operate under rates approved by the PPUC, effective as of January 27, 2017. On November 18, 2021, the PPUC issued orders to each of the Pennsylvania Companies directing they operate under DSPs for the June 1, 2019 through May 31, 2023 delivery period, which DSPs provide for the competitive procurement of generation supply for customers who do not receive service from an alternative EGS. Under the 2019-2023 DSPs, supply will be provided by wholesale suppliers through a mix of 3, 12 and 24-month energy contracts, as well as two RFPs for 2-year SREC contracts for ME, PN and Penn. On December 14, 2021, the Pennsylvania Companies filed proposed DSPs for provision of generation for the June 1, 2023 through May 31, 2027 delivery period, to be sourced through competitive procurements for customers who do not receive service from an alternative EGS. Evidentiary hearings are scheduled for April 13 and 14, 2022. Under the 2023-2027 DSPs, supply is proposed to be provided through a mix of 12 and 24-month energy contracts, as well as long-term solar PPAs.

In March 2018, the PPUC approved adjusted customer rates of the Pennsylvania Companies to reflect the net impact of the Tax Act. As a result, the Pennsylvania Companies established riders that, beginning July 1, 2018, refunded to customers tax savings attributable

In March 2018, the PPUC approved adjusted customer rates of the Pennsylvania Companies to reflect the net impact of the Tax Act. As a result, the Pennsylvania Companies established riders that, beginning July 1, 2018, refunded to customers tax savings attributable to the Tax Act as compared to the amounts established in their most recent base rate proceedings on a current and going forward basis. The amounts recorded as savings for the total period of January 1 through June 30, 2018, were tracked and were to be addressed for treatment in a future proceeding. On May 17, 2021, the Pennsylvania Companies filed petitions with the PPUC proposing to refund the net savings for the January through June 2018 period to customers beginning January 1, 2022. On November 18, 2021, the PPUC approved the Pennsylvania Companies' proposed refunds, but also revised a previous methodology for calculating the net tax savings, which resulted in additional tax savings attributable to the Tax Act to be refunded to customers and directed the Pennsylvania Companies to file new petitions to propose the timing and methodology to provide these additional refunds to customers. The Pennsylvania Companies recalculated the net impact for 2018 through 2021 under the revised PPUC methodology in comparison to amounts already refunded to customers under the existing riders, which resulted in an additional $61 million in savings, with interest, to be provided to customers. As a result, FirstEnergy recognized a pre-tax charge of $61 million in the fourth quarter of 2021, $26 million at PN, within Amortization (deferral) of Regulatory Assets, net, on the Consolidated Statement of Income associated with the additional refund associated with the November 2021 PPUC order and methodology. The Pennsylvania Companies filed petitions to propose the timing and methodology of the refund of these amounts on February 17, 2022.

Pursuant to Pennsylvania Act 129 of 2008 and PPUC orders, Pennsylvania EDCs implement energy efficiency and peak demand reduction programs. The Pennsylvania Companies' Phase III EE&C plans for the June 2016 through May 2021 period, which were approved in March 2016, with expected costs up to $390 million, are designed to achieve the targets established in the PPUC's Phase III Final Implementation Order with full recovery through the reconcilable EE&C riders. On June 18, 2020, the PPUC entered a Final Implementation Order for a Phase IV EE&C Plan, operating from June 2021 through May 2026. The Final Implementation Order set demand reduction targets, relative to 2007 to 2008 peak demands at 3.3% megawatt for PN; and energy consumption reduction targets, as a percentage of the Pennsylvania Companies' historic 2009 to 2010 reference load at 3.0% megawatt-hour for PN. The Pennsylvania Companies' Phase IV plans were filed November 30, 2020 and subsequently approved by PPUC without modification on March 25, 2021.

Pennsylvania EDCs are permitted to seek PPUC approval of an LTIIP for infrastructure improvements and costs related to highway relocation projects, after which a DSIC may be approved to recover LTIIP costs. On January 16, 2020, the PPUC approved the Pennsylvania Companies' LTIIPs for the five-year period beginning January 1, 2020 and ending December 31, 2024 for a total capital investment of approximately $572 million for certain infrastructure improvement initiatives. On June 25, 2021, the Pennsylvania OCA filed a complaint against Penn's quarterly DSIC rate, disputing the recoverability of the Companies' automated distribution management system investment under the DSIC mechanism. On January 26, 2022, the parties filed a joint petition for settlement that resolves all issues in this matter pending PPUC approval.

Following the Pennsylvania Companies' 2016 base rate proceedings, the PPUC ruled in a separate proceeding related to the DSIC mechanisms that the Pennsylvania Companies were not required to reflect federal and state income tax deductions related to DSIC-eligible property in DSIC rates. The decision was appealed to the Pennsylvania Supreme Court and in July 2021 the court upheld the Pennsylvania Commonwealth Court's reversal of the PPUC's decision and remanded the matter back to the PPUC for determination as to how DSIC calculations shall account for accumulated deferred income taxes and state taxes. The matter awaits further action by the PPUC. The adverse ruling by the Pennsylvania Supreme Court is not expected to result in a material impact to PN.

The PPUC issued an order on March 13, 2020, forbidding utilities from terminating service for non-payment for the duration of the COVID-19 pandemic. On May 13, 2020, the PPUC issued a Secretarial letter directing utilities to track all prudently incurred incremental costs arising from the COVID-19 pandemic, and to create a regulatory asset for future recovery of incremental uncollectibles incurred as a result of the COVID-19 pandemic and termination moratorium. On October 13, 2020, the PPUC entered an order lifting the service termination moratorium effective November 9, 2020, subject to certain additional notification, payment procedures and exceptions, and permits the Pennsylvania Companies to create a regulatory asset for all incremental expenses associated with their compliance with the order. On March 19, 2021, the PPUC entered an order lifting the moratorium in total effective March 31, 2021, subject to certain additional guidelines regarding the duration of payment arrangements and reporting obligations.

FERC REGULATORY MATTERS

Under the FPA, FERC regulates rates for interstate wholesale sales, accounting and other matters. With respect to its wholesale services and rates, PN is subject to regulation by FERC. FERC regulates the sale of power for resale in interstate commerce in part by granting authority to public utilities to sell wholesale power at market-based rates upon showing that the seller cannot exert market power in generation or transmission or erect barriers to entry into markets. PN has been authorized by FERC to sell wholesale power in interstate commerce at market-based rates and have a market-based rate tariff on file with FERC, although major wholesale purchases remain subject to review and regulation by the PPUC.

Federally-enforceable mandatory reliability standards apply to the bulk electric system and impose certain operating, record-keeping and reporting requirements on PN. NERC is the Electric Reliability Organization designated by FERC to establish and enforce these reliability standards, although NERC has delegated day-to-day implementation and enforcement of these reliability standards to six regional entities, including RFC. All of the facilities that FirstEnergy operates, including those of PN, are located within RFC. FirstEnergy actively participates in the NERC and RFC stakeholder processes, and otherwise monitors and manages its companies, including PN, in response to the ongoing development, implementation and enforcement of the reliability standards implemented and enforced by RFC.

FirstEnergy, including PN, believes that it is in material compliance with all currently-effective and enforceable reliability standards. Nevertheless, in the course of operating its extensive electric utility systems and facilities, FirstEnergy, including PN, occasionally learns of isolated facts or circumstances that could be interpreted as excursions from the reliability standards. If and when such occurrences are found, FirstEnergy, including PN, develops information about the occurrence and develops a remedial response to the specific circumstances, including in appropriate cases "self-reporting" an occurrence to RFC. Moreover, it is clear that NERC, RFC and FERC will continue to refine existing reliability standards as well as to develop and adopt new reliability standards. Any inability on FirstEnergy's, including PN's, part to comply with the reliability standards for its bulk electric system could result in the imposition of financial penalties, or obligations to upgrade or build electric facilities that could have a material adverse effect on PN's financial condition, results of operations and cash flows.

FERC Audit

FERC's Division of Audits and Accounting initiated a nonpublic audit of FESC in February 2019. Among other matters, the audit is evaluating FirstEnergy's compliance with certain accounting and reporting requirements under various FERC regulations. On February 4, 2022, FERC filed the final audit report for the period of January 1, 2015 through September 30, 2021, which included several findings and recommendations. FirstEnergy has accepted recommendations of the final audit report. OCC and NJ Rate Counsel have each filed motions to intervene, which motions are pending before FERC for resolution. The audit report included a finding and related recommendation that FirstEnergy may have used an inappropriate methodology for allocation of certain costs to regulatory capital accounts under certain FERC regulations and reporting. As such, FirstEnergy is currently performing an analysis of these costs and how it impacted certain wholesale transmission customer rates. FirstEnergy is unable to predict or estimate the final outcome of this analysis and audit, however, it could result in refunds, with interest, to certain wholesale transmission customers and/or write-offs of previously capitalized costs if they are determined to be nonrecoverable.

6. COMMITMENTS AND CONTINGENCIES

ENVIRONMENTAL MATTERS

Various federal, state and local authorities regulate PN with regard to air and water quality, hazardous and solid waste disposal, and other environmental matters. While PN's environmental policies and procedures are designed to achieve compliance with applicable environmental laws and regulations, such laws and regulations are subject to periodic review and potential revision by the implementing agencies. PN cannot predict the timing or ultimate outcome of any of these reviews or how any future actions taken as a result thereof may materially impact its business, results of operations, cash flows and financial condition.

Prior to November 1999, PN owned and operated electric generation facilities in Pennsylvania. In response to federal and state deregulation initiatives, it separated its electric generation business from its transmission and distribution businesses by transferring all of its generation assets to an affiliate. However, PN retained responsibility for certain liabilities and obligations arising under environmental laws up to the date of transfer. As more fully discussed below, as an historic owner and operator of generation facilities, PN has been subject to claims alleging violations of environmental law and could have exposure for fines and penalties.

OTHER LEGAL PROCEEDINGS

United States v. Larry Householder, et al.

On July 21, 2020, a complaint and supporting affidavit containing federal criminal allegations were unsealed against the now former Ohio House Speaker Larry Householder and other individuals and entities allegedly affiliated with Mr. Householder. Also, on July 21, 2020, and in connection with the investigation, FirstEnergy received subpoenas for records from the U.S. Attorney's Office for the S.D. Ohio. FirstEnergy was not aware of the criminal allegations, affidavit or subpoenas before July 21, 2020.

On July 21, 2021, FE entered into a three-year DPA with the U.S. Attorney's Office that, subject to court proceedings, resolves this matter. Under the DPA, FE has agreed to the filing of a criminal information charging FE with one count of conspiracy to commit honest

services wire fraud. The DPA requires that FirstEnergy, among other obligations: (i) continue to cooperate with the U.S. Attorney's Office in all matters relating to the conduct described in the DPA and other conduct under investigation by the U.S. government; (ii) pay a criminal monetary penalty totaling $230 million within sixty days, which shall consist of (x) $115 million paid by FE to the United States Treasury and (y) $115 million paid by FE to the ODSA to fund certain assistance programs, as determined by the ODSA, for the benefit of low-income Ohio electric utility customers; (iii) publish a list of all payments made in 2021 to either 501(c)(4) entities or to entities known by FirstEnergy to be operating for the benefit of a public official, either directly or indirectly, and update the same on a quarterly basis during the term of the DPA; (iv) issue a public statement, as dictated in the DPA, regarding FE's use of 501(c)(4) entities; and (v) continue to implement and review its compliance and ethics program, internal controls, policies and procedures designed, implemented and enforced to prevent and detect violations of the U.S. laws throughout its operations, and to take certain related remedial measures. The $230 million payment will neither be recovered in rates or charged to FirstEnergy customers nor will FirstEnergy seek any tax deduction related to such payment. The entire amount of the monetary penalty was recognized as expense in the second quarter of 2021, and paid in the third quarter of 2021. Under the terms of the DPA, the criminal information will be dismissed after FirstEnergy fully complies with its obligations under the DPA.

Legal Proceedings Relating to United States v. Larry Householder, et al.

On August 10, 2020, the SEC, through its Division of Enforcement, issued an order directing an investigation of possible securities laws violations by FE, and on September 1, 2020, issued subpoenas to FE and certain FE officers. On April 28, 2021, the SEC issued an additional subpoena to FE. While no contingency has been reflected in its consolidated financial statements, FE believes that it is probable that it will incur a loss in connection with the resolution of the SEC investigation. Given the ongoing nature and complexity of the review, inquiries and investigations, FE cannot yet reasonably estimate a loss or range of loss that may arise from the resolution of the SEC investigation.

In addition to the subpoenas referenced above under "—United States v. Larry Householder, et. al." and the SEC investigation, certain FE stockholders and FirstEnergy customers filed several lawsuits against FirstEnergy and certain current and former directors, officers and other employees, and the complaints in each of these suits is related to allegations in the complaint and supporting affidavit relating to HB 6 and the now former Ohio House Speaker Larry Householder and other individuals and entities allegedly affiliated with Mr. Householder. The plaintiffs in each of the below cases seek, among other things, to recover an unspecified amount of damages (unless otherwise noted). Unless otherwise indicated, no contingency has been reflected in FirstEnergy's consolidated financial statements with respect to these lawsuits as a loss is neither probable, nor is a loss or range of a loss reasonably estimable.

- *In re FirstEnergy Corp. Securities Litigation* (Federal District Court, S.D. Ohio); on July 28, 2020 and August 21, 2020, purported stockholders of FE filed putative class action lawsuits alleging violations of the federal securities laws. Those actions have been consolidated and a lead plaintiff, the Los Angeles County Employees Retirement Association, has been appointed by the court. A consolidated complaint was filed on February 26, 2021. The consolidated complaint alleges, on behalf of a proposed class of persons who purchased FE securities between February 21, 2017 and July 21, 2020, that FE and certain current or former FE officers violated Sections 10(b) and 20(a) of the Exchange Act by issuing misrepresentations or omissions concerning FE's business and results of operations. The consolidated complaint also alleges that FE, certain current or former FE officers and directors, and a group of underwriters violated Sections 11, 12(a)(2) and 15 of the Securities Act of 1933 as a result of alleged misrepresentations or omissions in connection with offerings of senior notes by FE in February and June 2020. FE believes that it is probable that it will incur a loss in connection with the resolution of this lawsuit. Given the ongoing nature and complexity of such litigation, FE cannot yet reasonably estimate a loss or range of loss.
- *MFS Series Trust I, et al. v. FirstEnergy Corp., et al.* (Federal District Court, S.D. Ohio) on December 17, 2021, purported stockholders of FE filed a complaint against FE, certain current and former officers, and certain current and former officers of EH. The complaint alleges that the defendants violated Sections 10(b) and 20(a) of the Exchange Act by issuing alleged misrepresentations or omissions regarding FE's business and its results of operations, and seeks the same relief as the *In re FirstEnergy Corp. Securities Litigation* described above. FE believes that it is probable that it will incur a loss in connection with the resolution of this lawsuit. Given the ongoing nature and complexity of such litigation, FE cannot yet reasonably estimate a loss or range of loss.
- *State of Ohio ex rel. Dave Yost, Ohio Attorney General v. FirstEnergy Corp., et al. and City of Cincinnati and City of Columbus v. FirstEnergy Corp.* (Common Pleas Court, Franklin County, OH, all actions have been consolidated); on September 23, 2020 and October 27, 2020, the OAG and the cities of Cincinnati and Columbus, respectively, filed complaints against several parties including FE (the OAG also named FES as a defendant), each alleging civil violations of the Ohio Corrupt Activity Act in connection with the passage of HB 6. On January 13, 2021, the OAG filed a motion for a temporary restraining order and preliminary injunction against FirstEnergy seeking to enjoin FirstEnergy from collecting the Ohio Companies' decoupling rider. On January 31, 2021, FE reached a partial settlement with the OAG and the cities of Cincinnati and Columbus with respect to the temporary restraining order and preliminary injunction request and related issues. In connection with the partial settlement, the Ohio Companies filed an application on February 1, 2021, with the PUCO to set their respective decoupling riders (CSR) to zero. On February 2, 2021, the PUCO approved the application of the Ohio Companies setting the rider to zero and no additional customer bills will include new decoupling rider charges after February 8, 2021. The cases are stayed pending final resolution of the United States v. Larry Householder, et al. criminal proceeding described above, although on August 13, 2021, new defendants were added to the complaint, including two former officers of FirstEnergy. On November 9, 2021, the OAG filed a motion to lift the agreed-upon stay, which FE opposed on November 19, 2021; the motion remains pending. On December 2, 2021, the cities and FE entered a stipulated dismissal with prejudice of the cities' suit.
- *Smith v. FirstEnergy Corp. et al., Buldas v. FirstEnergy Corp. et al., and Hudock and Cameo Countertops, Inc. v. FirstEnergy Corp. et al.* (Federal District Court, S.D. Ohio, all actions have been consolidated); on July 27, 2020, July 31, 2020, and August 5, 2020, respectively, purported customers of FE filed putative class action lawsuits against FE and FESC, as well as certain current and former FE officers, alleging civil Racketeer Influenced and Corrupt Organizations Act violations and related state law claims. The court denied FE's motions to dismiss and stay discovery on February 10 and 11, 2021, respectively, and the defendants submitted answers to the complaint on March 10, 2021. The plaintiffs moved to certify the case as a class action on June 28, 2021, and moved for leave to amend the complaint to add FES as a defendant on September 27, 2021. The court granted the motion to amend on November 10, 2021. On November 9, 2021, the court issued an order granting Plaintiffs' motion for class certification, but vacated that order on November 19, 2021, to allow defendants to take the named plaintiffs' depositions and to file an opposition to the motion, which they filed on December 14, 2021. On November 19, 2021, FE and FESC moved for judgment on the pleadings. One of the individual defendants moved to dismiss the amended complaint on November 24, 2021. On December 28, 2021, the parties jointly moved the court to stay consideration of the pending motions for class certification, to dismiss, and for judgment on the pleadings for 45 days. The court granted the motion on December 29, 2021, and the cases are currently stayed. FE is engaged with the parties in settlement discussions, and believes that it is probable that it will incur a loss in connection with the resolution of these lawsuits. As a result, FirstEnergy recognized in the fourth quarter of 2021 a pre-tax reserve of $37.5 million in the aggregate with respect to these lawsuits and the *Emmons* lawsuit below; no impact to PN is anticipated.
- *Emmons v. FirstEnergy Corp. et al.* (Common Pleas Court, Cuyahoga County, OH); on August 4, 2020, a purported customer of FirstEnergy filed a putative class action lawsuit against FE, FESC, the Ohio Companies, along with FES, alleging several causes of action, including negligence and/or gross negligence, breach of contract, unjust enrichment, and unfair or deceptive consumer acts or practices. On October 1, 2020, plaintiffs filed a First Amended Complaint, adding as a plaintiff a purported customer of FirstEnergy and alleging a civil violation of the Ohio Corrupt Activity Act and civil conspiracy against FE, FESC and FES. On May 4, 2021, the court granted the defendants' motion to dismiss plaintiffs' breach of contract claims and denied the remainder of the motions to dismiss. The defendants submitted answers to the complaint on June 1, 2021. Discovery is proceeding. On December 30, 2021, the plaintiff filed a Second Amended Complaint removing one of the named plaintiffs and updating the class definition. FE is engaged with the parties in settlement discussions, and believes that it is probable that it will incur a loss in connection with the resolution of these lawsuits. As a result, FirstEnergy recognized in the fourth quarter of 2021 a pre-tax reserve of $37.5 million in the aggregate with respect to this lawsuit and the lawsuits above consolidated with *Smith* in the S.D. Ohio alleging, among other things, civil violations of the Racketeer Influenced and Corrupt Organizations Act; no impact to PN is anticipated.

On February 9, 2022, FE, acting through the SLC, agreed to a settlement term sheet to resolve the following shareholder derivative lawsuits relating to HB 6 and the now former Ohio House Speaker Larry Householder and other individuals and entities allegedly affiliated with Mr. Householder that were filed in the S.D. Ohio, the N.D. Ohio, and the Ohio Court of Common Pleas, Summit County:

- *Gendrich v. Anderson, et al. and Sloan v. Anderson, et al.* (Common Pleas Court, Summit County, OH, all actions have been consolidated); on July 26, 2020 and July 31, 2020, respectively, purported stockholders of FE filed shareholder derivative action lawsuits against certain FE directors and officers, alleging, among other things, breaches of fiduciary duty.
- *Miller v. Anderson, et al.* (Federal District Court, N.D. Ohio); *Bloom, et al. v. Anderson, et al.; Employees Retirement System of the City of St. Louis v. Jones, et al.; Electrical Workers Pension Fund, Local 103, I.B.E.W. v. Anderson et al.; Massachusetts Laborers Pension Fund v. Anderson et al.; The City of Philadelphia Board of Pensions and Retirement v. Anderson et al.; Atherton v. Dowling et al.; Behar v. Anderson, et al.* (Federal District Court, S.D. Ohio, all actions have been consolidated); beginning on August 7, 2020, purported stockholders of FE filed shareholder derivative actions alleging the FE Board and officers breached their fiduciary duties and committed violations of Section 14(a) of the Exchange Act.

The proposed settlement, which is subject to court approval, will fully resolve the shareholder derivative lawsuits above and stipulates a series of corporate governance enhancements, that is expected to result in the following:

- Six members of the FE Board, Messrs. Michael J. Anderson, Donald T. Misheff, Thomas N. Mitchell, Christopher D. Pappas and Luis A. Reyes, and Ms. Julia L. Johnson will not stand for re-election at FE's 2022 annual shareholder meeting;
- A special FE Board committee of at least three recently appointed independent directors will be formed to initiate a review process of the current senior executive team, to begin within 30 days of the 2022 annual shareholder meeting;
- The FE Board will oversee FE's lobbying and political activities, including periodically reviewing and approving political and lobbying action plans prepared by management;
- The FE Board will form another committee of recently appointed independent directors to oversee the implementation and third-party audits of the FE Board-approved action plans with respect to political and lobbying activities;
- FE will implement enhanced disclosure to shareholders of political and lobbying activities, including enhanced disclosure in its annual proxy statement; and
- FE will further align financial incentives of senior executives to proactive compliance with legal and ethical obligations.

The settlement also includes a payment to FirstEnergy of $180 million, to be paid by insurance after court approval, less any court-ordered attorney's fees awarded to plaintiffs. On March 11, 2022, the parties executed a stipulation and agreement of settlement, and filed a motion for preliminary approval in the S.D. Ohio the same day.

In letters dated January 26, and February 22, 2021, staff of FERC's Division of Investigations notified FirstEnergy that the Division is conducting an investigation of FirstEnergy's lobbying and governmental affairs activities concerning HB 6, and staff directed FirstEnergy to preserve and maintain all documents and information related to the same as such have been developed as part of an ongoing non-public audit being conducted by FERC's Division of Audits and Accounting. While no contingency has been reflected in the consolidated financial statements, FirstEnergy believes that it is probable that it will incur a loss in connection with the resolution of the FERC investigation. Given the ongoing nature and complexity of the review, inquiries and investigations, FirstEnergy cannot yet reasonably estimate a loss or range of loss that may arise from the resolution of the FERC investigation.

The outcome of any of these lawsuits, governmental investigations and audit is uncertain and could have a material adverse effect on FE's or PN's reputation, business, financial condition, results of operations, liquidity, and cash flows.

Other Legal Matters

There are various lawsuits, claims (including claims for asbestos exposure) and proceedings related to PN's normal business operations pending against PN and its subsidiary. The loss or range of loss in these matters is not expected to be material to PN or its subsidiary. The other potentially material items not otherwise discussed above are described under Note 5, "Regulatory Matters."

PN accrues legal liabilities only when it concludes that it is probable that it has an obligation for such costs and can reasonably estimate the amount of such costs. In cases where PN determines that it is not probable, but reasonably possible that it has a material obligation, it discloses such obligations and the possible loss or range of loss if such estimate can be made. If it were ultimately determined that PN or its subsidiary has legal liability or are otherwise made subject to liability based on any of the matters referenced above, it could have a material adverse effect on PN's or its subsidiary's financial condition, results of operations and cash flows.

7. TRANSACTIONS WITH AFFILIATED COMPANIES

PN's operating revenues, operating expenses, miscellaneous income and interest expenses include transactions with affiliated companies. These affiliated company transactions include affiliated company power sales agreements, support service billings, interest on affiliated company notes including the money pools and other transactions.

The primary affiliated company transactions for PN during the years ended December 31, 2021 and 2020 are as follows:

	For the Years Ended December 31,	
	2021	2020
	(In millions)	
Revenues [1]	$ 4	$ 4
Expenses:		
Support services	58	61
Miscellaneous income	3	2

[1] Includes ground lease revenues from MAIT. See Note 4, "Leases" for additional information.

FirstEnergy does not bill directly or allocate any of its costs to any subsidiary company. Costs are charged to FE's subsidiaries for services received from FESC either through direct billing or through an allocation process. Allocated costs are for services that are provided on behalf of more than one company, or costs that cannot be precisely identified and are allocated using formulas developed by FESC. Intercompany transactions are generally settled under commercial terms within thirty days.

Affiliate accounts receivable and accounts payable balances relate to intercompany transactions that have not yet settled through the FirstEnergy money pool.

PN and FirstEnergy's other subsidiaries, including FES and FENOC, are parties to an intercompany income tax allocation agreement with FE and its other subsidiaries that provides for the allocation of consolidated tax liabilities. Net tax benefits attributable to FE are generally reallocated to the subsidiaries of FirstEnergy that have taxable income. That allocation is accounted for as a capital contribution to the company receiving the tax benefit.

8. STATEMENT OF CASH FLOWS

As of December 31,	**2021**	**2020**
Cash (Account 131)	$ —	$ —
Working Fund (Account 135)	—	—
Temporary Cash Investments (Account 136)	—	—
Cash and Cash Equivalents at End of Year	$ —	$ —

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

For the Twelve Months Ended December 31,	**2021**	**2020**
Cash paid:		
Interest – net of amount capitalized	$ 55,823,359	$ 55,289,861
Income Taxes	$ 11,787,259	$ 15,385,574

JOINT APPLICANTS
EXHIBIT AP-3

THIS FILING IS
Item 1: ☑ An Initial (Original) Submission OR ☐ Resubmission No.

FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)	Year/Period of Report
Pennsylvania Power Company	End of: 2021/ Q4

FERC FORM NO. 1 (REV. 02-04)

Please refer to the "Certain Relationships and Related Person Transactions" section of FirstEnergy's 2022 Proxy Statement.
None
See pages 104 and 105.
None

Name of Respondent: Pennsylvania Power Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/01/2022	Year/Period of Report End of: 2021/ Q4

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**UTILITY PLANT**			
2	Utility Plant (101-106, 114)	200	878,446,867	839,263,054
3	Construction Work in Progress (107)	200	14,321,943	15,163,965
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		892,768,810	854,427,019
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200	234,100,874	220,623,063
6	Net Utility Plant (Enter Total of line 4 less 5)		658,667,936	633,803,956
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202		
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)			
9	Nuclear Fuel Assemblies in Reactor (120.3)			
10	Spent Nuclear Fuel (120.4)			
11	Nuclear Fuel Under Capital Leases (120.6)			
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202		
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)			
14	Net Utility Plant (Enter Total of lines 6 and 13)		658,667,936	633,803,956
15	Utility Plant Adjustments (116)			
16	Gas Stored Underground - Noncurrent (117)			
17	**OTHER PROPERTY AND INVESTMENTS**			
18	Nonutility Property (121)		263,588	263,588
19	(Less) Accum. Prov. for Depr. and Amort. (122)		43,795	43,795
20	Investments in Associated Companies (123)			
21	Investment in Subsidiary Companies (123.1)	224		
23	Noncurrent Portion of Allowances	228		

24	Other Investments (124)			
25	Sinking Funds (125)			
26	Depreciation Fund (126)			
27	Amortization Fund - Federal (127)			
28	Other Special Funds (128)		12,402,486	11,180,703
29	Special Funds (Non Major Only) (129)			
30	Long-Term Portion of Derivative Assets (175)			
31	Long-Term Portion of Derivative Assets - Hedges (176)			
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		12,622,279	11,400,496
33	**CURRENT AND ACCRUED ASSETS**			
34	Cash and Working Funds (Non-major Only) (130)			
35	Cash (131)			50,000,000
36	Special Deposits (132-134)			
37	Working Fund (135)			
38	Temporary Cash Investments (136)			
39	Notes Receivable (141)			
40	Customer Accounts Receivable (142)		24,365,679	27,419,627
41	Other Accounts Receivable (143)		2,825,829	3,053,083
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		6,119,236	6,142,833
43	Notes Receivable from Associated Companies (145)			
44	Accounts Receivable from Assoc. Companies (146)		3,879,618	8,268,350
45	Fuel Stock (151)	227		
46	Fuel Stock Expenses Undistributed (152)	227		
47	Residuals (Elec) and Extracted Products (153)	227		
48	Plant Materials and Operating Supplies (154)	227		
49	Merchandise (155)	227		
50	Other Materials and Supplies (156)	227		
51	Nuclear Materials Held for Sale (157)	202/227		

52	Allowances (158.1 and 158.2)	228		
53	(Less) Noncurrent Portion of Allowances	228		
54	Stores Expense Undistributed (163)	227		
55	Gas Stored Underground - Current (164.1)			
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)			
57	Prepayments (165)		2,552,930	4,899,029
58	Advances for Gas (166-167)			
59	Interest and Dividends Receivable (171)			
60	Rents Receivable (172)		1,521,875	1,129,691
61	Accrued Utility Revenues (173)		17,787,574	15,262,708
62	Miscellaneous Current and Accrued Assets (174)			
63	Derivative Instrument Assets (175)			
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)			
65	Derivative Instrument Assets - Hedges (176)			
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)			
67	Total Current and Accrued Assets (Lines 34 through 66)		46,814,269	103,889,655
68	**DEFERRED DEBITS**			
69	Unamortized Debt Expenses (181)		1,180,860	1,325,605
70	Extraordinary Property Losses (182.1)	230a		
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b		
72	Other Regulatory Assets (182.3)	232	54,950,829	51,073,456
73	Prelim. Survey and Investigation Charges (Electric) (183)		432	432
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)			
75	Other Preliminary Survey and Investigation Charges (183.2)			
76	Clearing Accounts (184)		44,670	2,846
77	Temporary Facilities (185)		281,164	264,326
78	Miscellaneous Deferred Debits (186)	233	2,028,276	2,218,598

79	Def. Losses from Disposition of Utility Plt. (187)			
80	Research, Devel. and Demonstration Expend. (188)	352	522	522
81	Unamortized Loss on Reaquired Debt (189)		917,805	1,274,733
82	Accumulated Deferred Income Taxes (190)	234	81,937,885	82,046,230
83	Unrecovered Purchased Gas Costs (191)			
84	Total Deferred Debits (lines 69 through 83)		141,342,443	138,206,748
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		859,446,927	887,300,855

Name of Respondent: Pennsylvania Power Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/01/2022	Year/Period of Report End of: 2021/ Q4

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**PROPRIETARY CAPITAL**			
2	Common Stock Issued (201)	250	93,325,080	93,325,080
3	Preferred Stock Issued (204)	250		
4	Capital Stock Subscribed (202, 205)			
5	Stock Liability for Conversion (203, 206)			
6	Premium on Capital Stock (207)			
7	Other Paid-In Capital (208-211)	253	1,897,543	32,165,752
8	Installments Received on Capital Stock (212)	252		
9	(Less) Discount on Capital Stock (213)	254		
10	(Less) Capital Stock Expense (214)	254b		
11	Retained Earnings (215, 215.1, 216)	118	113,806,360	74,245,267
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118		
13	(Less) Reaquired Capital Stock (217)	250		
14	Noncorporate Proprietorship (Non-major only) (218)			
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	(866,087)	(538,731)
16	Total Proprietary Capital (lines 2 through 15)		208,162,896	199,197,368
17	**LONG-TERM DEBT**			
18	Bonds (221)	256	200,000,000	200,000,000
19	(Less) Reaquired Bonds (222)	256		
20	Advances from Associated Companies (223)	256		
21	Other Long-Term Debt (224)	256		
22	Unamortized Premium on Long-Term Debt (225)			

23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)			
24	Total Long-Term Debt (lines 18 through 23)		200,000,000	200,000,000
25	**OTHER NONCURRENT LIABILITIES**			
26	Obligations Under Capital Leases - Noncurrent (227)		3,790,329	4,060,252
27	Accumulated Provision for Property Insurance (228.1)			
28	Accumulated Provision for Injuries and Damages (228.2)		1,711,583	2,860,103
29	Accumulated Provision for Pensions and Benefits (228.3)		26,924,414	37,983,702
30	Accumulated Miscellaneous Operating Provisions (228.4)			
31	Accumulated Provision for Rate Refunds (229)			
32	Long-Term Portion of Derivative Instrument Liabilities			
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges			
34	Asset Retirement Obligations (230)		414,278	388,622
35	Total Other Noncurrent Liabilities (lines 26 through 34)		32,840,604	45,292,679
36	**CURRENT AND ACCRUED LIABILITIES**			
37	Notes Payable (231)			50,000,000
38	Accounts Payable (232)		16,921,511	15,559,067
39	Notes Payable to Associated Companies (233)		43,690,757	32,235,476
40	Accounts Payable to Associated Companies (234)		880,495	174,742
41	Customer Deposits (235)		6,966,264	6,521,586
42	Taxes Accrued (236)	262	4,105,507	1,456,906
43	Interest Accrued (237)		1,650,249	1,722,729
44	Dividends Declared (238)			
45	Matured Long-Term Debt (239)			
46	Matured Interest (240)			
47	Tax Collections Payable (241)		220,164	125,824
48	Miscellaneous Current and Accrued Liabilities (242)		11,709,173	11,055,535
49	Obligations Under Capital Leases-Current (243)		1,141,229	1,345,563
50	Derivative Instrument Liabilities (244)			

51	(Less) Long-Term Portion of Derivative Instrument Liabilities			
52	Derivative Instrument Liabilities - Hedges (245)			
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges			
54	Total Current and Accrued Liabilities (lines 37 through 53)		87,285,349	120,197,428
55	**DEFERRED CREDITS**			
56	Customer Advances for Construction (252)		32,520	32,520
57	Accumulated Deferred Investment Tax Credits (255)	266		
58	Deferred Gains from Disposition of Utility Plant (256)			
59	Other Deferred Credits (253)	269	36,284,341	39,237,860
60	Other Regulatory Liabilities (254)	278	95,354,049	90,660,633
61	Unamortized Gain on Reaquired Debt (257)		29,947	49,874
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272		
63	Accum. Deferred Income Taxes-Other Property (282)		153,689,934	149,042,774
64	Accum. Deferred Income Taxes-Other (283)		45,767,287	43,589,719
65	Total Deferred Credits (lines 56 through 64)		331,158,078	322,613,380
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		859,446,927	887,300,855

Name of Respondent: Pennsylvania Power Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/01/2022	Year/Period of Report End of: 2021/ Q4

STATEMENT OF INCOME

Quarterly

1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
5. If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable

Do not report fourth quarter data in columns (e) and (f)
Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over Lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
Use page 122 for important notes regarding the statement of income for any account thereof.
Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.
Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended - Quarterly Only - No 4th Quarter (e)	Prior 3 Months Ended - Quarterly Only - No 4th Quarter (f)	Electric Utility Current Year to Date (in dollars) (g)	Electric Utility Previous Year to Date (in dollars) (h)	Gas Utiity Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)	Other Utility Previous Year to Date (in dollars) (l)
1	UTILITY OPERATING INCOME											
2	Operating Revenues (400)	300	257,407,732	244,781,086			257,407,732	244,781,086				
3	Operating Expenses											
4	Operation Expenses (401)	320	128,752,489	133,380,561			128,752,489	133,380,561				
5		320	15,912,796	17,295,672			15,912,796	17,295,672				

	Maintenance Expenses (402)											
6	Depreciation Expense (403)	336	22,836,950	21,689,446			22,836,950	21,689,446				
7	Depreciation Expense for Asset Retirement Costs (403.1)	336	897	897			897	897				
8	Amort. & Depl. of Utility Plant (404-405)	336	1,955,766	2,000,756			1,955,766	2,000,756				
9	Amort. of Utility Plant Acq. Adj. (406)	336										
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)											
11	Amort. of Conversion Expenses (407.2)											
12	Regulatory Debits (407.3)		2,154,310	(3,585,153)			2,154,310	(3,585,153)				
13	(Less) Regulatory Credits (407.4)		25,239	(451,993)			25,239	(451,993)				
14	Taxes Other Than Income Taxes (408.1)	262	17,761,491	14,975,671			17,761,491	14,975,671				
15	Income Taxes - Federal (409.1)	262	6,081,030	7,803,543			6,081,030	7,803,543				
16	Income Taxes - Other (409.1)	262	2,554,548	1,322,915			2,554,548	1,322,915				
17	Provision for Deferred Income Taxes (410.1)	234, 272	35,836,731	42,889,205			35,836,731	42,889,205				
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272	32,615,945	42,646,702			32,615,945	42,646,702				
19	Investment Tax Credit Adj. - Net (411.4)	266										
20	(Less) Gains from Disp. of Utility Plant (411.6)											
21	Losses from Disp. of Utility Plant (411.7)											
22												

	(Less) Gains from Disposition of Allowances (411.8)											
23	Losses from Disposition of Allowances (411.9)											
24	Accretion Expense (411.10)		25,657	24,067			25,657	24,067				
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		201,231,481	195,602,871			201,231,481	195,602,871				
27	Net Util Oper Inc (Enter Tot line 2 less 25)		56,176,251	49,178,215			56,176,251	49,178,215				
28	Other Income and Deductions											
29	Other Income											
30	Nonutilty Operating Income											
31	Revenues From Merchandising, Jobbing and Contract Work (415)		794,279	755,240								
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		528,872	553,507								
33	Revenues From Nonutility Operations (417)		24									
34	(Less) Expenses of Nonutility Operations (417.1)		9									
35	Nonoperating Rental Income (418)											
36	Equity in Earnings of Subsidiary Companies (418.1)	119										
37	Interest and Dividend Income (419)		649,230	466,068								
38	Allowance for Other Funds Used During Construction (419.1)		(22,180)	21,960								
39	Miscellaneous Nonoperating Income (421)		267,640	160,289								

40	Gain on Disposition of Property (421.1)		46,825	30,715								
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		1,206,937	880,765								
42	Other Income Deductions											
43	Loss on Disposition of Property (421.2)		58,101	14,881								
44	Miscellaneous Amortization (425)											
45	Donations (426.1)		62,519	41,194								
46	Life Insurance (426.2)		(229,509)	(275,003)								
47	Penalties (426.3)		145	4,250								
48	Exp. for Certain Civic, Political & Related Activities (426.4)		32,041	57,738								
49	Other Deductions (426.5)		(1,693)	45,988								
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		(78,396)	(110,952)								
51	Taxes Applic. to Other Income and Deductions											
52	Taxes Other Than Income Taxes (408.2)	262										
53	Income Taxes-Federal (409.2)	262	196,983	125,839								
54	Income Taxes-Other (409.2)	262	104,108	66,507								
55	Provision for Deferred Inc. Taxes (410.2)	234, 272	222,080	12,013								
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272	367,185	37,489								
57	Investment Tax Credit Adj.-Net (411.5)											
58												

	(Less) Investment Tax Credits (420)											
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		155,986	166,870								
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		1,129,347	824,847								
61	Interest Charges											
62	Interest on Long-Term Debt (427)		10,395,000	10,395,000								
63	Amort. of Debt Disc. and Expense (428)		144,744	144,744								
64	Amortization of Loss on Reaquired Debt (428.1)		356,928	374,852								
65	(Less) Amort. of Premium on Debt-Credit (429)											
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)		19,927	19,927								
67	Interest on Debt to Assoc. Companies (430)		221,715	91,867								
68	Other Interest Expense (431)		1,898,217	1,018,912								
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		252,172	297,710								
70	Net Interest Charges (Total of lines 62 thru 69)		12,744,505	11,707,738								
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		44,561,093	38,295,324								
72	Extraordinary Items											
73	Extraordinary Income (434)											
74	(Less) Extraordinary Deductions (435)											

75	Net Extraordinary Items (Total of line 73 less line 74)											
76	Income Taxes-Federal and Other (409.3)	262	0									
77	Extraordinary Items After Taxes (line 75 less line 76)											
78	Net Income (Total of line 71 and 77)		44,561,093	38,295,324								

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Name of Respondent: Pennsylvania Power Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/01/2022	Year/Period of Report End of: 2021/ Q4

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly report.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
4. State the purpose and amount for each reservation or appropriation of retained earnings.
5. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown for Account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, attach them at page 122.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		74,245,267	65,949,943
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4	Adjustments to Retained Earnings Credit			
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10	Adjustments to Retained Earnings Debit			
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		44,561,093	38,295,324
17	Appropriations of Retained Earnings (Acct. 436)			
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
30.1	Dividends on Common Stock		5,000,000	30,000,000
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		5,000,000	30,000,000

37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		113,806,360	74,245,267
39	APPROPRIATED RETAINED EARNINGS (Account 215)			
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		113,806,360	74,245,267
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account Report only on an Annual Basis, no Quarterly)			
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52	TOTAL other Changes in unappropriated undistributed subsidiary earnings for the year			
53	Balance-End of Year (Total lines 49 thru 52)			

Name of Respondent: Pennsylvania Power Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/01/2022	Year/Period of Report End of: 2021/ Q4

STATEMENT OF CASH FLOWS

1. Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
2. Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
3. Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
4. Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instructions No.1 for explanation of codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 78(c) on page 117)	44,561,093	38,295,324
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	24,819,270	23,715,166
5	Amortization of (Specify) (footnote details)		
5.1	Amortization (Deferral) of Regulatory Assets, Net	2,510,984	(2,752,514)
5.2	Pension and OPEB Mark-to-Market Adjustment	(5,650,648)	6,937,400
5.3	Retirement Benefits, Net of Payments	(10,186,364)	(7,797,967)
8	Deferred Income Taxes (Net)	3,075,681	217,027
9	Investment Tax Credit Adjustment (Net)		
10	Net (Increase) Decrease in Receivables	5,717,813	(2,875,503)
11	Net (Increase) Decrease in Inventory		
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	4,549,934	395,927
14	Net (Increase) Decrease in Other Regulatory Assets		
15	Net Increase (Decrease) in Other Regulatory Liabilities		
16	(Less) Allowance for Other Funds Used During Construction	(22,180)	21,960

17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):		
18.1	Other (provide details in footnote):	2,450,330	87,344
18.2	Changes in Prepayments and Other Current Assets	2,346,099	1,586,384
22	Net Cash Provided by (Used in) Operating Activities (Total of Lines 2 thru 21)	74,216,372	57,786,628
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	(42,608,775)	(42,763,097)
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	22,180	(21,960)
31	Other (provide details in footnote):		
31.1	Other (provide details in footnote):		
34	Cash Outflows for Plant (Total of lines 26 thru 33)	(42,630,955)	(42,741,137)
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Disposition of Investments in (and Advances to) Associated and Subsidiary Companies		
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		
46	Loans Made or Purchased		
47	Collections on Loans		
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		

51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
53.1	Asset Removal Costs	(5,070,082)	(5,168,036)
53.2	Other (provide details in footnote):	(540,114)	716,132
57	Net Cash Provided by (Used in) Investing Activities (Total of lines 34 thru 55)	(48,241,151)	(47,193,041)
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
64.1	Other (provide details in footnote):		
66	Net Increase in Short-Term Debt (c)	11,455,281	70,236,175
67	Other (provide details in footnote):		
67.1	Other (provide details in footnote):		
70	Cash Provided by Outside Sources (Total 61 thru 69)	11,455,281	70,236,175
72	Payments for Retirement of:		
73	Long-term Debt (b)		
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):		
76.1	Other (provide details in footnote):	(430,502)	(829,762)
76.2	Return of Capital Dividends	(32,000,000)	
78	Net Decrease in Short-Term Debt (c)	(50,000,000)	
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	(5,000,000)	(30,000,000)
83	Net Cash Provided by (Used in) Financing Activities (Total of lines 70 thru 81)	(75,975,221)	39,406,413

85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	Net Increase (Decrease) in Cash and Cash Equivalents (Total of line 22, 57 and 83)	(50,000,000)	50,000,000
88	Cash and Cash Equivalents at Beginning of Period	50,000,000	
90	Cash and Cash Equivalents at End of Period		50,000,000

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Name of Respondent: Pennsylvania Power Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/01/2022	Year/Period of Report End of: 2021/ Q4

NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

GLOSSARY OF TERMS

The following abbreviations and acronyms may be used in these financial statements to identify Pennsylvania Power Company and its current and former affiliated companies:

AE Supply	Allegheny Energy Supply Company, LLC, an unregulated generation subsidiary of FE
AGC	Allegheny Generating Company, a generation subsidiary of MP
ATSI	American Transmission Systems, Incorporated, a subsidiary of FET, which owns and operates transmission facilities
CEI	The Cleveland Electric Illuminating Company, an Ohio electric utility operating subsidiary of FE
FE	FirstEnergy Corp., a public utility holding company
FENOC	Energy Harbor Nuclear Corp. (formerly known as FirstEnergy Nuclear Operating Company), a subsidiary of EH, which operates NG's nuclear generating facilities
FES	Energy Harbor LLC. (formerly known as FirstEnergy Solutions Corp.), a subsidiary of EH, which provides energy related products and services
FESC	FirstEnergy Service Company, which provides legal, financial, and other corporate support services
FET	FirstEnergy Transmission, LLC, the parent company of ATSI, KATCo, MAIT and TrAIL, and has a joint venture in PATH
FEV	FirstEnergy Ventures Corp., which invests in certain unregulated enterprises and business ventures
FirstEnergy	FirstEnergy Corp., together with its consolidated subsidiaries
GPU	GPU, Inc., former parent of JCP&L, ME and PN, that merged with FE on November 7, 2001
GPUN	GPU Nuclear, Inc., a subsidiary of FE, which formerly operated TMI-2
JCP&L	Jersey Central Power & Light Company, a New Jersey electric utility operating company
KATCo	Keystone Appalachian Transmission Company, a subsidiary of FET
MAIT	Mid-Atlantic Interstate Transmission, LLC, a subsidiary of FET, which owns and operates transmission facilities
ME	Metropolitan Edison Company, a Pennsylvania electric utility operating subsidiary of FE
MP	Monongahela Power Company, a West Virginia electric utility operating subsidiary of FE
NG	FirstEnergy Nuclear Generation, LLC, a subsidiary of FES, which owns nuclear generating facilities
OE	Ohio Edison Company, an Ohio electric utility operating subsidiary of FE
Ohio Companies	CEI, OE and TE
PATH	Potomac-Appalachian Transmission Highline, LLC, a joint venture between FE and a subsidiary of AEP
PATH-Allegheny	PATH Allegheny Transmission Company, LLC
PATH-WV	PATH West Virginia Transmission Company, LLC
PE	The Potomac Edison Company, a Maryland and West Virginia electric utility operating subsidiary of FE
Penn	Pennsylvania Power Company, a Pennsylvania electric utility operating subsidiary of OE
Pennsylvania Companies	ME, PN, Penn and WP

Pennsylvania Companies	ME, PN, Penn and WP
PN	Pennsylvania Electric Company, a Pennsylvania electric utility operating subsidiary of FE
TE	The Toledo Edison Company, an Ohio electric utility operating subsidiary of FE
TrAIL	Trans-Allegheny Interstate Line Company, a subsidiary of FET, which owns and operates transmission facilities
Transmission Companies	ATSI, MAIT and TrAIL
Utilities	OE, CEI, TE, Penn, JCP&L, ME, PN, MP, PE and WP
WP	West Penn Power Company, a Pennsylvania electric utility operating subsidiary of FE

The following abbreviations and acronyms may be used to identify frequently used terms in these financial statements:

2021 Credit Facilities	Collectively, the six separate senior unsecured five-year syndicated revolving credit facilities entered into by FE, FET, the Utilities, and the Transmission Companies, on October 18, 2021
ACE	Affordable Clean Energy
ADIT	Accumulated Deferred Income Taxes
AEP	American Electric Power Company, Inc.
AFS	Available-for-sale
AFUDC	Allowance for Funds Used During Construction
AMI	Advance Metering Infrastructure
AOCI	Accumulated Other Comprehensive Income (Loss)
ARO	Asset Retirement Obligation
ARP	Alternative Revenue Program
ASC	Accounting Standard Codification
ASU	Accounting Standards Update
Bath Power Station	Bath County Pumped Storage Hydro-Power Station
BGS	Basic Generation Service
BRA	Base Residual Auction
Brookfield	North American Transmission Company II LLC, a controlled investment vehicle entity of Brookfield Infrastructure Partners
Brookfield Guarantors	Brookfield Super-Core Infrastructure Partners L.P., Brookfield Super-Core Infrastructure Partners (NUS) L.P., and Brookfield Super-Core Infrastructure Partners (ER) SCSp
CAA	Clean Air Act
CCR	Coal Combustion Residuals
CFIUS	Committee on Foreign Investments in the United States
CO2	Carbon Dioxide
COVID-19	Coronavirus disease
CPP	EPA's Clean Power Plan
CSAPR	Cross-State Air Pollution Rule
CSR	Conservation Support Rider
CTA	Consolidated Tax Adjustment
CWA	Clean Water Act
CWIP	Construction Work in Progress
D.C. Circuit	United States Court of Appeals for the District of Columbia Circuit
DCR	Delivery Capital Recovery
DMR	Distribution Modernization Rider
DPA	Deferred Prosecution Agreement entered into on July 21, 2021 between FE and S.D. Ohio
DSIC	Distribution System Improvement Charge
DSP	Default Service Plan
EDC	Electric Distribution Company
EDIS	Electric Distribution Investment Surcharge
EE&C	Energy Efficiency and Conservation
EGS	Electric Generation Supplier
EH	Energy Harbor Corp.
EmPOWER Maryland	EmPOWER Maryland Energy Efficiency Act
ENEC	Expanded Net Energy Cost
EPA	United States Environmental Protection Agency
ERO	Electric Reliability Organization
ESP	Electric Security Plan
ESP IV	Electric Security Plan IV
Exchange Act	Securities and Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FE Board	FE Board of Directors
FE Revolving Facility	FE and the Utilities' former five-year syndicated revolving credit facility, as amended, and replaced by the 2021 Credit Facilities on October 18, 2021
FERC	Federal Energy Regulatory Commission
FET Board	The Board of Directors of FET
FET LLC Agreement	Third Amended and Restated Limited Liability Company Operating Agreement of FET
FET P&SA	Purchase and Sale Agreement entered into on November 6, 2021, by and between FE, FET, Brookfield and Brookfield Guarantors
FET Revolving Facility	FET and certain of its subsidiaries' former five-year syndicated revolving credit facility, as amended, and replaced by the 2021 Credit Facilities on October 18, 2021
Fitch	Fitch Ratings Service
FMB	First Mortgage Bond

FMB	First Mortgage Bond
FPA	Federal Power Act
FTR	Financial Transmission Right
GAAP	Accounting Principles Generally Accepted in the United States of America
GHG	Greenhouse Gases
HB 128	House Bill 128, as passed by Ohio's 134th General Assembly
HB 6	House Bill 6, as passed by Ohio's 133rd General Assembly
ICE	IntercontinentalExchange, Inc.
IRS	Internal Revenue Service
kV	Kilovolt
KWH	Kilowatt-hour
LTIIP	Long-Term Infrastructure Improvement Plan
LTIIPs	Long-Term Infrastructure Improvement Plans
MDPSC	Maryland Public Service Commission
MGP	Manufactured Gas Plants
MISO	Midcontinent Independent System Operator, Inc.
MW	Megawatt
MWH	Megawatt-hour
N.D. Ohio	Northern District of Ohio
NAAQS	National Ambient Air Quality Standards
NDT	Nuclear Decommissioning Trust
NERC	North American Electric Reliability Corporation
NJ Rate Counsel	New Jersey Division of Rate Counsel
NJBPU	New Jersey Board of Public Utilities
NOL	Net Operating Loss
NOx	Nitrogen Oxide
NPDES	National Pollutant Discharge Elimination System
NUG	Non-Utility Generation
NYPSC	New York State Public Service Commission
OAG	Ohio Attorney General
OCA	Office of Consumer Advocate
OCC	Ohio Consumers' Counsel
ODSA	Ohio Development Service Agency
Ohio Stipulation	On November 1, 2021, the Ohio Companies, together with the OCC, PUCO Staff, and several other signatories, entered into a unanimous Stipulation and Recommendation with the intent of resolving the ongoing energy efficiency rider audits, various SEET proceedings, including the Ohio Companies' 2017 SEET proceeding, and the Ohio Companies' quadrennial ESP review, each of which was pending before the PUCO
OPEB	Other Post-Employment Benefits
OPIC	Other Paid-in Capital
OVEC	Ohio Valley Electric Corporation
PA DEP	Pennsylvania Department of Environmental Protection
PJM	PJM Interconnection, LLC
PJM Region	The aggregate of the zones within PJM
PJM Tariff	PJM Open Access Transmission Tariff
POLR	Provider of Last Resort
PPA	Purchase Power Agreement
PPUC	Pennsylvania Public Utility Commission
PUCO	Public Utilities Commission of Ohio
PURPA	Public Utility Regulatory Policies Act of 1978
RCRA	Resource Conservation and Recovery Act
REC	Renewable Energy Credit
RFC	ReliabilityFirst Corporation
RFP	Request for Proposal
RGGI	Regional Greenhouse Gas Initiative
ROE	Return on Equity
RTO	Regional Transmission Organization
S.D. Ohio	Southern District of Ohio
SCOH	Supreme Court of Ohio
SEC	United States Securities and Exchange Commission
SEET	Significantly Excessive Earnings Test
SIP	State Implementation Plan(s) Under the Clean Air Act
SLC	Special Litigation Committee of the FE Board
SO2	Sulfur Dioxide
SOS	Standard Offer Service
SPE	Special Purpose Entity
SREC	Solar Renewable Energy Credit

SREC	Solar Renewable Energy Credit
SVC	Static Var Compensator
Tax Act	Tax Cuts and Jobs Act adopted December 22, 2017
TMI-1	Three Mile Island Unit 1
TMI-2	Three Mile Island Unit 2
U.S. Supreme Court	United States Supreme Court
VEPCO	Virginia Electric and Power Company
VIE	Variable Interest Entity
VMS	Vegetation Management Surcharge
VSCC	Virginia State Corporation Commission
WVPSC	Public Service Commission of West Virginia

1. ORGANIZATION AND BASIS OF PRESENTATION

Penn is a wholly owned subsidiary of OE, which is a wholly owned subsidiary of FE, and is incorporated in Pennsylvania. Penn operates an electric distribution system in Pennsylvania. Penn is subject to regulation by the PPUC and FERC.

BASIS OF PRESENTATION

The accompanying financial statements have been prepared in accordance with FERC accounting requirements as set forth in the Uniform System of Accounts and accounting releases, which differ from GAAP. The significant differences between FERC and GAAP related to these financial statements include the following:

- The current portion of long-term debt, long-term assets or long-term liabilities is not reported separately on the FERC balance sheet.
- Deferred income taxes are recorded on a gross basis on the FERC balance sheet with deferred tax assets and deferred tax liabilities being reported separately.
- For income statement purposes, there are differences in items included in Operating Income and Other Income and Deductions under GAAP and FERC reporting, including costs which are recorded in operating expenses for GAAP and non-operating expenses for FERC, such as interest expense related to finance leases.
- Regulatory Assets and Liabilities per GAAP differ from Regulatory Assets and Liabilities per FERC because Account 189, Unamortized loss on reacquired debt and Account 257, Unamortized gain on reacquired debt are regulatory assets and liabilities for GAAP statements but not for FERC statements.
- Cost of removal expenses are recorded in operating expenses for GAAP purposes and depreciation expense for FERC purposes.
- Unbilled revenue is included in Accrued utility revenue on the FERC balance sheet and Customer accounts receivable on the GAAP balance sheet.
- Finance and operating leases are recorded on a net basis in Plant in Service on the FERC balance sheet.
- Finance lease liabilities are included within other current and non-current liabilities on the FERC balance sheet while these amounts are included as a part of debt on the GAAP balance sheet.
- Estimated interest and penalties related to uncertain tax positions are recorded as part of interest expense and penalties respectively under FERC and as a component of income tax expense under GAAP.
- Unamortized debt issuance costs are included in deferred charges on the FERC balance sheet and an offset to long-term debt on the GAAP balance sheet.
- Regulatory Assets and Liabilities presented on a gross basis on the FERC balance sheet with regulatory Assets and Liabilities netted for GAAP.
- Asset removal costs are classified as accumulated depreciation on the FERC balance sheet and Regulatory Liability for GAAP.
- Pension and OPEB non-service costs are reported in Operation and Maintenance expenses on the FERC income statement and within Miscellaneous income, net on the GAAP income statement.
- Payments related to finance leases are included in the Operating Section of the FERC statement of cash flows and within the Financing Section of the GAAP statement of cash flows.

Penn complies with the regulations, orders, policies and practices prescribed by FERC and the PPUC. The preparation of financial statements requires management to make periodic estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. Actual results could differ from these estimates. The reported results of operations are not indicative of results of operations for any future period.

ACCOUNTING FOR THE EFFECTS OF REGULATION

Penn reviews the probability of recovery of regulatory assets, and settlement of regulatory liabilities, at each balance sheet date and whenever new events occur. Factors that may affect probability include changes in the regulatory environment, issuance of a regulatory commission order, or passage of new legislation. Upon material changes to these factors, where applicable, Penn will record new regulatory assets or liabilities and will assess whether it is probable that currently recorded regulatory assets and liabilities will be recovered or settled in future rates. If recovery of a regulatory asset is no longer probable, Penn will write off that regulatory asset as a charge against earnings.

REVENUES AND RECEIVABLES

Penn's principal business is providing electric service to customers in Pennsylvania. Penn's retail customers are metered on a cycle basis. Electric revenues are recorded based on energy delivered through the end of the calendar month. An estimate of unbilled revenues is calculated to recognize electric service provided from the last meter reading through the end of the month. This estimate includes many factors, among which are historical customer usage, load profiles, estimated weather impacts, customer shopping activity and prices in effect for each class of customer. In each accounting period, Penn accrues the estimated unbilled amount as revenue and reverses the related prior period estimate. Unbilled customer receivables were $18 million and $15 million, respectively, as of December 31, 2021 and 2020, Receivables from customers include retail electric sales and distribution deliveries to residential, commercial and industrial customers.

The allowance for uncollectible customer receivables is based on historical loss information comprised of a rolling 36-month average net write-off percentage of revenues, in conjunction with a qualitative assessment of elements that impact the collectability of receivables to determine if allowances for uncollectible accounts should be further adjusted in accordance with the accounting guidance for credit losses. Management contemplates available current information such as changes in economic factors, regulatory matters, industry trends, customer credit factors, amount of receivable balances that are past-due, payment options and programs available to customers, and the methods that the Utilities are able to utilize to ensure payment. FirstEnergy reviews its allowance for uncollectible customer receivables utilizing a quantitative and qualitative assessment, which includes consideration of the outbreak of COVID-19 and the impact on customer receivable balances outstanding and write-offs since the pandemic began.

During 2020, FirstEnergy analyzed the likelihood of loss based on increases in customer accounts in arrears since the pandemic began in mid-March 2020 as well as what collection methods at the time were suspended, and historically been utilized to ensure payment. Based on this assessment, and consideration of other qualitative factors described above, Penn recognized incremental uncollectible expense of $5 million in the year 2020, of which approximately $3 million was deferred for future recovery.

During 2021, arrears levels continue to be elevated above 2019 pre-pandemic levels. Various regulatory actions have impacted the growth and recovery of past due balances including extensions on moratoriums, significant restrictions regarding disconnections, and extended installment plans. FirstEnergy has experienced a reduction in the amount of receivables that are past due by greater than 30 days since the end of 2020. While total customer arrears balances continue to decrease in 2021, balances that are over 120 days past due continue to be elevated. FirstEnergy considered other factors as part of its qualitative assessment, such as certain federal stimulus and state funding being made available to assist with past due utility bills. As a result of this qualitative analysis, Penn did not recognize any incremental uncollectible expense for the twelve months ended December 31, 2021. Additionally, as a result of the pandemic-related moratoriums and certain customer installment or extended payment plans offered, the allowance for uncollectible accounts on receivables in 2021 and 2020 are elevated due to the extension of when certain write-offs would have otherwise occurred.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment reflects original cost (net of any impairments recognized), including payroll and related costs such as taxes, employee benefits, administrative and general costs, and financing costs incurred to place the assets in service. The costs of normal maintenance, repairs and minor replacements are expensed as incurred. Penn recognizes liabilities for planned major maintenance projects as they are incurred.

Penn provides for depreciation on a straight-line basis at various rates over the estimated lives of property included in plant in service. Depreciation expense was approximately 3.0% and 2.9% of average depreciable property in 2021 and 2020, respectively.

Penn evaluates long-lived assets classified as held and used for impairment when events or changes in circumstances indicate that the carrying value of the long-lived assets may not be recoverable. First, the estimated undiscounted future cash flows attributable to the assets is compared with the carrying value of the assets. If the carrying value is greater than the undiscounted future cash flows, an impairment charge is recognized equal to the amount the carrying value of the assets exceeds its estimated fair value

COMMON STOCK

In addition to paying dividends from retained earnings, Penn has authorization from the FERC to pay cash dividends to FirstEnergy Corp. (together with its consolidated subsidiaries FirstEnergy) from paid-in capital accounts, as long as its FERC-defined equity-to-total-capitalization ratio remains above 35%.

NEW ACCOUNTING PRONOUNCEMENTS

Recently Adopted Pronouncements

ASU 2019-12, "*Simplifying the Accounting for Income Taxes*" (Issued in December 2019): ASU 2019-12 enhances and simplifies various aspects of the income tax accounting guidance, including the elimination of certain exceptions related to the approach for intra-period tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The new guidance also simplifies aspects of the accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. Penn adopted the guidance as of January 1, 2021, with no material impact to the financial statements.

Recently Issued Pronouncements - Penn has assessed new authoritative accounting guidance issued by the FASB that has not yet been adopted and none are currently expected to have a material impact to the financial statements.

2. REVENUE

Penn accounts for revenues from contracts with customers under ASC 606, "*Revenue from Contracts with Customers*." Revenue from leases, financial instruments, other contractual rights or obligations and other revenues that are not from contracts with customers are outside the scope of the standard and accounted for under other existing GAAP. Penn has elected to exclude sales taxes and other similar taxes collected on behalf of third parties from revenue as prescribed in the new standard. As a result, tax collections and remittances within the scope of this election are excluded from recognition in the income statement and instead recorded through the balance sheet. Gross receipts taxes that are assessed on Penn are not subject to the election and are included in revenue.

Penn's principal business is providing electric service to customers in Pennsylvania. Penn's distribution customers are metered on a cycle basis. An estimate of unbilled revenues is calculated to recognize electric service provided from the last meter reading through the end of the month. This estimate includes many factors, among which are historical customer usage, load profiles, estimated weather impacts and prices in effect for each class of customer. In each accounting period, Penn accrues the estimated unbilled amount as revenue and reverses the related prior period estimate. Customer payments are generally due within 30 days. Retail generation sales relate to generation sales in Pennsylvania that are regulated by the PPUC.

Distribution services revenue relates to the distribution of electricity. Penn earns revenue from state-regulated rate tariffs under which it provides distribution services to residential, commercial and industrial customers in its service territory. Penn is obligated under the regulated construct to deliver power to customers reliably, as it is needed, which creates an implied monthly contract with the end-use customer. See Note 5, "Regulatory Matters," for additional information on rate recovery mechanisms. Distribution and electric revenues are recognized over time as electricity is distributed and delivered to the customer and the customers consume the electricity immediately as delivery occurs.

Retail generation sales relate to default service requirements in Pennsylvania. Certain of the Utilities have default service obligations to provide power to non-shopping customers who have elected to continue to receive service under regulated retail tariffs. The volume of these sales varies depending on the level of shopping that occurs. Supply plans vary by state and by service territory. Default service for Penn is provided through a competitive procurement process approved by the state commission. Retail generation revenues are recognized over time as electricity is delivered and consumed immediately by the customer.

3. PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

FirstEnergy provides noncontributory qualified defined benefit pension plans that cover substantially all of its employees and non-qualified pension plans that cover certain employees, including employees of Penn. The plans provide defined benefits based on years of service and compensation levels. Under the cash-balance portion of the pension plan (for employees hired on or after January 1, 2014), FirstEnergy makes contributions to eligible employee retirement accounts based on a pay credit and an interest credit. In addition, FirstEnergy provides a minimum amount of noncontributory life insurance to retired employees in addition to optional contributory insurance. Health care benefits, which include certain employee contributions, deductibles and co-payments, are also available upon retirement to certain employees, their dependents and, under certain circumstances, their survivors. Penn recognizes its allocated portion of the expected cost of providing pension and OPEB to employees and their beneficiaries and covered dependents from the time employees are hired until they become eligible to receive those benefits. Penn also recognizes its allocated portion of obligations to former or inactive employees after employment, but before retirement, for disability-related benefits.

FirstEnergy's pension and OPEB funding policy is based on actuarial computations using the projected unit credit method. On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021, which among other things, extended shortfall amortization periods and modification of the interest rate stabilization rules for single-employer plans thereby impacting funding requirements. As a result, FirstEnergy does not currently expect to have a required contribution to the pension plan based on various assumptions including annual expected rate of returns for assets of 7.50%. However, FirstEnergy may elect to contribute to the pension plan voluntarily

Pension and OPEB costs are affected by employee demographics (including age, compensation levels and employment periods), the level of contributions made to the plans and earnings on plan assets. Pension and OPEB costs may also be affected by changes in key assumptions, including anticipated rates of return on plan assets, the discount rates and health care trend rates used in determining the projected benefit obligations for pension and OPEB costs. FirstEnergy uses a December 31 measurement date for its pension and OPEB plans. The fair value of the plan assets represents the actual market value as of the measurement date.

Discount Rate - In selecting an assumed discount rate, FirstEnergy considers currently available rates of return on high-quality fixed income investments expected to be available during the period to maturity of the pension and OPEB obligations. The assumed rates of return on plan assets consider historical market returns and economic forecasts for the types of investments held by FirstEnergy's pension trusts. The long-term rate of return is developed considering the portfolio's asset allocation strategy. FirstEnergy utilizes a spot rate approach in the estimation of the components of benefit cost by applying specific spot rates along the full yield curve to the relevant projected cash flows.

Rate of Return - FirstEnergy's assumed rate of return on pension plan assets considers historical market returns and economic forecasts for the types of investments held by the pension trusts. In 2021, FirstEnergy's qualified pension and OPEB plan assets experienced gains of $689 million or 7.9%, compared to gains of $1,225 million, or 14.7% in 2020 and assumed a 7.50% rate of return on plan assets in 2021 and 2020 which generated $688 million and $651 million of expected returns on plan assets, respectively. The expected return on pension and OPEB assets is based on input from investment consultants, including the trusts' asset allocation targets and the historical performance of risk-based and fixed income securities. The gains or losses generated as a result of the difference between expected and actual returns on plan assets is recognized as a pension and OPEB mark-to-market adjustment in the fourth quarter of each fiscal year and whenever a plan is determined to qualify for remeasurement.

Mortality Rates - During 2021, the Society of Actuaries published new mortality tables that include more current data than the RP-2014 tables as well as new improvement scales. An analysis of plan mortality data indicated the use of the Pri-2012 mortality table with projection scale MP-2021, actuarially adjusted to reflect increased mortality rates due to COVID-19 based on mortality experience reported by the Center for Disease and Control Prevention in 2020 and 2021, was most appropriate and such was utilized to determine the 2021 benefit cost and obligation as of December 31, 2021, for the FirstEnergy pension and OPEB plans. The impact of using the Pri-2012 mortality table with projection scale MP-2021 (adjusted by FirstEnergy's actuary for COVID-19 impacts) resulted in a decrease to the projected benefit obligation of approximately $32 million and $2 million for the pension and OPEB plans, respectively, and was included in the 2021 pension and OPEB mark-to-market adjustment.

Net Periodic Benefit Costs - In addition to service costs, interest on obligations, expected return on plan assets, and prior service costs, FirstEnergy recognizes in net periodic benefit costs a pension and OPEB mark-to-market adjustment for the change in the fair value of plan assets and net actuarial gains and losses annually in the fourth quarter of each fiscal year and whenever a plan is determined to qualify for a remeasurement. Service costs, net of capitalization, are reported within Other operating expenses.

The annual pension and OPEB mark-to-market adjustments, (gains) or losses, for the years ended December 31, 2021 and 2020 were $(382) million and $477 million (including $423 million in the first quarter of 2020), respectively. Under the approved bankruptcy settlement agreement, upon emergence, FES and FENOC employees ceased earning years of service under the FirstEnergy pension and OPEB plans. The emergence on February 27, 2020, triggered a remeasurement of the affected pension and OPEB plans and as a result, FirstEnergy recognized a pension and OPEB mark-to-market adjustment in the first quarter of 2020 in addition to the annual remeasurement in December 2020. Penn's pension and OPEB mark-to-market adjustments, (gains) or losses, for the years ended December 31, 2021 and 2020, were $(6) million and $7 million, respectively.

Penn's allocated share of pension and OPEB costs (credits) and Penn's share of net liability, including the mark-to-market adjustment was as follows:

	Pension		OPEB	
For the Years Ended	**2021**	**2020**	**2021**	**2020**
			(in millions)	
Penn's share of net liability [1]	$ 24	$ 35	$ (1)	$ 1
Penn's share of net periodic costs (credits)[2]	(10)	(1)	(1)	(1)

(1) Excludes $35 million and $36 million as of December 31, 2021 and 2020, respectively, of affiliated non-current liabilities related to pension and OPEB mark-to-market costs allocated to Penn.

(2) Includes annual pension and OPEB mark-to-market adjustment.

4. LEASES

Penn primarily leases vehicles as well as building space, office equipment, and other property and equipment under cancelable and noncancelable leases.

In addition, ATSI has a ground lease with Penn under an operating lease agreement. Land use is rented to ATSI under the terms and conditions of a ground lease. Penn reserve the right to use (and to permit authorized others to use) the land for any purpose that does not cause a violation of electrical safety code or applicable law, or does not impair ATSI's ability to satisfy its service obligations. Additional uses of such land for ATSI's facilities requires prior written approval from the applicable operating company. ATSI purchases directly any new property acquired for transmission use. ATSI makes fixed quarterly lease payments to Penn through December 31, 2049, unless terminated prior to maturity, or extended by ATSI for up to 10 additional successive periods of 50 years each. Revenue associated with this agreement was approximately $1 million for 2021 and 2020.

Penn accounts for leases under, *"Leases (Topic 842)"*. Leases with an initial term of 12 months or less are recognized as lease expense on a straight-line basis over the lease term and not recorded on the balance sheet. Most leases include one or more, options to renew, with renewal terms that can extend the lease term from 1 to 40 years, and certain leases include options to terminate. The exercise of lease renewal options is at Penn's sole discretion. Renewal options are included within the lease liability if they are reasonably certain based on various factors relative to the contract. Certain leases also include options to purchase the leased property. The depreciable life of leased assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. Penn has elected a policy to not separate lease components from non-lease components for all asset classes.

Adoption of the accounting guidance had no impact on Penn's existing ratemaking treatment or FERC jurisdiction cost-of-service rates. Amounts included in the capital lease balance sheet accounts that relate to operating leases are as follows:

(In millions)	**2021**	**2020**
Property Under Capital Lease *(Account 101.1)*	$4	$4
Obligations Under Capital Leases - Current *(Account 243)*	$1	$1
Obligations Under Capital Leases - Noncurrent *(Account 227)*	$3	$3

Lease terms and discount rates were as follows:

	As of December 31, 2021	**As of December 31, 2020**
Weighted-average remaining lease terms (years)		
Operating leases	5.92	6.08
Finance leases	1.60	2.47
Weighted-average discount rate [1]		
Operating leases	3.04 %	2.99 %
Finance leases	3.50 %	3.42 %

(1) When an implicit rate is not readily determinable, an incremental borrowing rate is utilized, determining the present value of lease payments. The rate is determined based on expected term and information available at the commencement date.

Supplemental cash flow information related to leases was as follows:

	For the Years Ended,	
(In millions)	**December 31, 2021**	**December 31, 2020**
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 1	$ 1
Operating cash flows from finance leases	—	—
Finance cash flows from finance leases	—	1
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	$ 1	$ 2
Finance leases	—	—

Maturities of lease liabilities as of December 31, 2021, were as follows:

(In millions)	**Operating Leases**	**Finance Leases**	**Total**
2022	$ 1	$ 1	$ 2
2023	1	—	1
2024	1	—	1
2025	1	—	1
2026	—	—	—
Thereafter	1	—	1

Total lease payments	5	1	6
Less imputed interest	1	—	1
Total net present value	$ 4	$ 1	$ 5

5. REGULATORY MATTERS

STATE REGULATION

Penn's retail rates, conditions of service, issuance of securities and other matters are subject to regulation in Pennsylvania by the PPUC. The key terms of Penn's current rate orders for distribution customer billings, which have been effective since January 2017, include an allowed debt/equity ratio of 49.9%/50.1% (reflecting the filed debt/equity as final settlement/orders do not specifically include capital structure). The PPUC-approved settlement agreement for such rates did not disclose ROE.

PENNSYLVANIA

The Pennsylvania Companies operate under rates approved by the PPUC, effective as of January 27, 2017. On November 18, 2021, the PPUC issued orders to each of the Pennsylvania Companies directing they operate under DSPs for the June 1, 2019 through May 31, 2023 delivery period, which DSPs provide for the competitive procurement of generation supply for customers who do not receive service from an alternative EGS. Under the 2019-2023 DSPs, supply will be provided by wholesale suppliers through a mix of 3, 12 and 24-month energy contracts, as well as two RFPs for 2-year SREC contracts for ME, PN and Penn. On December 14, 2021, the Pennsylvania Companies filed proposed DSPs for provision of generation for the June 1, 2023 through May 31, 2027 delivery period, to be sourced through competitive procurements for customers who do not receive service from an alternative EGS. Evidentiary hearings are scheduled for April 13 and 14, 2022. Under the 2023-2027 DSPs, supply is proposed to be provided through a mix of 12 and 24-month energy contracts, as well as long-term solar PPAs.

In March 2018, the PPUC approved adjusted customer rates of the Pennsylvania Companies to reflect the net impact of the Tax Act. As a result, the Pennsylvania Companies established riders that, beginning July 1, 2018, refunded to customers tax savings attributable to the Tax Act as compared to the amounts established in their most recent base rate proceedings on a current and going forward basis. The amounts recorded as savings for the total period of January 1 through June 30, 2018, were tracked and were to be addressed for treatment in a future proceeding. On May 17, 2021, the Pennsylvania Companies filed petitions with the PPUC proposing to refund the net savings for the January through June 2018 period to customers beginning January 1, 2022. On November 18, 2021, the PPUC approved the Pennsylvania Companies' proposed refunds, but also revised a previous methodology for calculating the net tax savings, which resulted in additional tax savings attributable to the Tax Act to be refunded to customers and directed the Pennsylvania Companies to file new petitions to propose the timing and methodology to provide these additional refunds to customers. The Pennsylvania Companies recalculated the net impact for 2018 through 2021 under the revised PPUC methodology in comparison to amounts already refunded to customers under the existing riders, which resulted in an additional $61 million in savings, with interest, to be provided to customers. As a result, FirstEnergy recognized a pre-tax charge of $61 million in the fourth quarter of 2021, $5 million at Penn, within Amortization (deferral) of Regulatory Assets, net, on the Consolidated Statement of Income associated with the additional refund associated with the November 2021 PPUC order and methodology. The Pennsylvania Companies filed petitions to propose the timing and methodology of the refund of these amounts on February 17, 2022.

Pursuant to Pennsylvania Act 129 of 2008 and PPUC orders, Pennsylvania EDCs implement energy efficiency and peak demand reduction programs. The Pennsylvania Companies' Phase III EE&C plans for the June 2016 through May 2021 period, which were approved in March 2016, with expected costs up to $390 million, are designed to achieve the targets established in the PPUC's Phase III Final Implementation Order with full recovery through the reconcilable EE&C riders. On June 18, 2020, the PPUC entered a Final Implementation Order for a Phase IV EE&C Plan, operating from June 2021 through May 2026. The Final Implementation Order set demand reduction targets, relative to 2007 to 2008 peak demands at 2.0% megawatt for Penn; and energy consumption reduction targets, as a percentage of the Pennsylvania Companies' historic 2009 to 2010 reference load at 2.7% megawatt-hour for Penn. The Pennsylvania Companies' Phase IV plans were filed November 30, 2020 and subsequently approved by PPUC without modification on March 25, 2021.

Pennsylvania EDCs are permitted to seek PPUC approval of an LTIIP for infrastructure improvements and costs related to highway relocation projects, after which a DSIC may be approved to recover LTIIP costs. On January 16, 2020, the PPUC approved the Pennsylvania Companies' LTIIPs for the five-year period beginning January 1, 2020 and ending December 31, 2024 for a total capital investment of approximately $572 million for certain infrastructure improvement initiatives. On June 25, 2021, the Pennsylvania OCA filed a complaint against Penn's quarterly DSIC rate, disputing the recoverability of the Companies' automated distribution management system investment under the DSIC mechanism. On January 26, 2022, the parties filed a joint petition for settlement that resolves all issues in this matter pending PPUC approval.

Following the Pennsylvania Companies' 2016 base rate proceedings, the PPUC ruled in a separate proceeding related to the DSIC mechanisms that the Pennsylvania Companies were not required to reflect federal and state income tax deductions related to DSIC-eligible property in DSIC rates. The decision was appealed to the Pennsylvania Supreme Court and in July 2021 the court upheld the Pennsylvania Commonwealth Court's reversal of the PPUC's decision and remanded the matter back to the PPUC for determination as to how DSIC calculations shall account for accumulated deferred income taxes and state taxes. The matter awaits further action by the PPUC. The adverse ruling by the Pennsylvania Supreme Court is not expected to result in a material impact to Penn.

The PPUC issued an order on March 13, 2020, forbidding utilities from terminating service for non-payment for the duration of the COVID-19 pandemic. On May 13, 2020, the PPUC issued a Secretarial letter directing utilities to track all prudently incurred incremental costs arising from the COVID-19 pandemic, and to create a regulatory asset for future recovery of incremental uncollectibles incurred as a result of the COVID-19 pandemic and termination moratorium. On October 13, 2020, the PPUC entered an order lifting the service termination moratorium effective November 9, 2020, subject to certain additional notification, payment procedures and exceptions, and permits the Pennsylvania Companies to create a regulatory asset for all incremental expenses associated with their compliance with the order. On March 19, 2021, the PPUC entered an order lifting the moratorium in total effective March 31, 2021, subject to certain additional guidelines regarding the duration of payment arrangements and reporting obligations.

FERC REGULATORY MATTERS

Under the FPA, FERC regulates rates for interstate wholesale sales, accounting and other matters. With respect to its wholesale services and rates, Penn is subject to regulation by FERC. FERC regulates the sale of power for resale in interstate commerce in part by granting authority to public utilities to sell wholesale power at market-based rates upon showing that the seller cannot exert market power in generation or transmission or erect barriers to entry into markets. Penn has been authorized by FERC to sell wholesale power in interstate commerce at market-based rates and have a market-based rate tariff on file with FERC, although major wholesale purchases remain subject to review and regulation by the PPUC.

Federally-enforceable mandatory reliability standards apply to the bulk electric system and impose certain operating, record-keeping and reporting requirements on Penn. NERC is the Electric Reliability Organization designated by FERC to establish and enforce these reliability standards, although NERC has delegated day-to-day implementation and enforcement of these reliability standards to six regional entities, including RFC. All of the facilities that FirstEnergy operates, including those of Penn, are located within RFC. FirstEnergy actively participates in the NERC and RFC stakeholder processes, and otherwise monitors and manages its companies, including Penn, in response to the ongoing development, implementation and enforcement of the reliability standards implemented and enforced by RFC.

FirstEnergy, including Penn, believes that it is in material compliance with all currently-effective and enforceable reliability standards. Nevertheless, in the course of operating its extensive electric utility systems and facilities, FirstEnergy, including Penn, occasionally learns of isolated facts or circumstances that could be interpreted as excursions from the reliability standards. If and when such occurrences are found, FirstEnergy, including Penn, develops information about the occurrence and develops a remedial response to the specific circumstances, including in appropriate cases "self-reporting" an occurrence to RFC. Moreover, it is clear that NERC, RFC and FERC will continue to refine existing reliability standards as well as to develop and adopt new reliability standards. Any inability on FirstEnergy's, including Penn's, part to comply with the reliability standards for its bulk electric system could result in the imposition of financial penalties, or obligations to upgrade or build electric facilities that could have a material adverse effect on Penn's financial condition, results of operations and cash flows.

FERC Audit

FERC's Division of Audits and Accounting initiated a nonpublic audit of FESC in February 2019. Among other matters, the audit is evaluating FirstEnergy's compliance with certain accounting and reporting requirements under various FERC regulations. On February 4, 2022, FERC filed the final audit report for the period of January 1, 2015 through September 30, 2021, which included several findings and recommendations. FirstEnergy has accepted recommendations of the final audit report. OCC and NJ Rate Counsel have each filed motions to intervene, which motions are pending before FERC for resolution. The audit report included a finding and related recommendation that FirstEnergy may have used an inappropriate methodology for allocation of certain costs to regulatory capital accounts under certain FERC regulations and reporting. As such, FirstEnergy is currently performing an analysis of these costs and how it impacted certain wholesale transmission customer rates. FirstEnergy is unable to predict or estimate the final outcome of this analysis and audit, however, it could result in refunds, with interest, to certain wholesale transmission customers and/or write-offs of previously capitalized costs if they are determined to be nonrecoverable.

6. COMMITMENTS AND CONTINGENCIES

ENVIRONMENTAL MATTERS

Various federal, state and local authorities regulate Penn with regard to air and water quality, hazardous and solid waste disposal, and other environmental matters. While Penn's environmental policies and procedures are designed to achieve compliance with applicable environmental laws and regulations, such laws and regulations are subject to periodic review and potential revision by the implementing agencies. Penn cannot predict the timing or ultimate outcome of any of these reviews or how any future actions taken as a result thereof may materially impact its business, results of operations, cash flows and financial condition.

OTHER LEGAL PROCEEDINGS

United States v. Larry Householder, et al.

On July 21, 2020, a complaint and supporting affidavit containing federal criminal allegations were unsealed against the now former Ohio House Speaker Larry Householder and other individuals and entities allegedly affiliated with Mr. Householder. Also, on July 21, 2020, and in connection with the investigation, FirstEnergy received subpoenas for records from the U.S. Attorney's Office for the S.D. Ohio. FirstEnergy was not aware of the criminal allegations, affidavit or subpoenas before July 21, 2020.

On July 21, 2021, FE entered into a three-year DPA with the U.S. Attorney's Office that, subject to court proceedings, resolves this matter. Under the DPA, FE has agreed to the filing of a criminal information charging FE with one count of conspiracy to commit honest services wire fraud. The DPA requires that FirstEnergy, among other obligations: (i) continue to cooperate with the U.S. Attorney's Office in all matters relating to the conduct described in the DPA and other conduct under investigation by the U.S. government; (ii) pay a criminal monetary penalty totaling $230 million within sixty days, which shall consist of (x) $115 million paid by FE to the United States Treasury and (y) $115 million paid by FE to the ODSA to fund certain assistance programs, as determined by the ODSA, for the benefit of low-income Ohio electric utility customers; (iii) publish a list of all payments made in 2021 to either 501(c)(4) entities or to entities known by FirstEnergy to be operating for the benefit of a public official, either directly or indirectly, and update the same on a quarterly basis during the term of the DPA; (iv) issue a public statement, as dictated in the DPA, regarding FE's use of 501(c)(4) entities; and (v) continue to implement and review its compliance and ethics program, internal controls, policies and procedures designed, implemented and enforced to prevent and detect violations of the U.S. laws throughout its operations, and to take certain related remedial measures. The $230 million payment will neither be recovered in rates or charged to FirstEnergy customers nor will FirstEnergy seek any tax deduction related to such payment. The entire amount of the monetary penalty was recognized as expense in the second quarter of
2021, and paid in the third quarter of 2021. Under the terms of the DPA, the criminal information will be dismissed after FirstEnergy fully complies with its obligations under the DPA.

Legal Proceedings Relating to United States v. Larry Householder, et al.

On August 10, 2020, the SEC, through its Division of Enforcement, issued an order directing an investigation of possible securities laws violations by FE, and on September 1, 2020, issued subpoenas to FE and certain FE officers. On April 28, 2021, the SEC issued an additional subpoena to FE. While no contingency has been reflected in its consolidated financial statements, FE believes that it is probable that it will incur a loss in connection with the resolution of the SEC investigation. Given the ongoing nature and complexity of the review, inquiries and investigations, FE cannot yet reasonably estimate a loss or range of loss that may arise from the resolution of the SEC investigation.

In addition to the subpoenas referenced above under "—United States v. Larry Householder, et. al." and the SEC investigation, certain FE stockholders and FirstEnergy customers filed several lawsuits against FirstEnergy and certain current and former directors, officers and other employees, and the complaints in each of these suits is related to allegations in the complaint and supporting affidavit relating to HB 6 and the now former Ohio House Speaker Larry Householder and other individuals and entities allegedly affiliated with Mr. Householder. The plaintiffs in each of the below cases seek, among other things, to recover an unspecified amount of damages (unless otherwise noted). Unless otherwise indicated, no contingency has been reflected in FirstEnergy's consolidated financial statements with respect to these lawsuits as a loss is neither probable, nor is a loss or range of a loss reasonably estimable.

- *In re FirstEnergy Corp. Securities Litigation* (Federal District Court, S.D. Ohio); on July 28, 2020 and August 21, 2020, purported stockholders of FE filed putative class action lawsuits alleging violations of the federal securities laws. Those actions have been consolidated and a lead plaintiff, the Los Angeles County Employees Retirement Association, has been appointed by the court. A consolidated complaint was filed on February 26, 2021. The consolidated complaint alleges, on behalf of a proposed class of persons who purchased FE securities between February 21, 2017 and July 21, 2020, that FE and certain current or former FE officers violated Sections 10(b) and 20(a) of the Exchange Act by issuing misrepresentations or omissions concerning FE's business and results of operations. The consolidated complaint also alleges that FE, certain current or former FE officers and directors, and a group of underwriters violated Sections 11, 12(a)(2) and 15 of the Securities Act of 1933 as a result of alleged misrepresentations or omissions in connection with offerings of senior notes by FE in February and June 2020. FE believes that it is probable that it will incur a loss in connection with the resolution of this lawsuit. Given the ongoing nature and complexity of such litigation, FE cannot yet reasonably estimate a loss or range of loss.
- *MFS Series Trust I, et al. v. FirstEnergy Corp., et al.* (Federal District Court, S.D. Ohio) on December 17, 2021, purported stockholders of FE filed a complaint against FE, certain current and former officers, and certain current and former officers of EH. The complaint alleges that the defendants violated Sections 10(b) and 20(a) of the Exchange Act by issuing alleged misrepresentations or omissions regarding FE's business and its results of operations, and seeks the same relief as the *In re FirstEnergy Corp. Securities Litigation* described above. FE believes that it is probable that it will incur a loss in connection with the resolution of this lawsuit. Given the ongoing nature and complexity of such litigation, FE cannot yet reasonably estimate a loss or range of loss.
- *State of Ohio ex rel. Dave Yost, Ohio Attorney General v. FirstEnergy Corp., et al. and City of Cincinnati and City of Columbus v. FirstEnergy Corp.* (Common Pleas Court, Franklin County, OH, all actions have been consolidated); on September 23, 2020 and October 27, 2020, the OAG and the cities of Cincinnati and Columbus, respectively, filed complaints against several parties including FE (the OAG also named FES as a defendant), each alleging civil violations of the Ohio Corrupt Activity Act in connection with the passage of HB 6. On January 13, 2021, the OAG filed a motion for a temporary restraining order and preliminary injunction against FirstEnergy seeking to enjoin FirstEnergy from collecting the Ohio Companies' decoupling rider. On January 31, 2021, FE reached a partial settlement with the OAG and the cities of Cincinnati and Columbus with respect to the temporary restraining order and preliminary injunction request and related issues. In connection with the partial settlement, the Ohio Companies filed an application on February 1, 2021, with the PUCO to set their respective decoupling riders (CSR) to zero. On February 2, 2021, the PUCO approved the application of the Ohio Companies setting the rider to zero and no additional customer bills will include new decoupling rider charges after February 8, 2021. The cases are stayed pending final resolution of the United States v. Larry Householder, et al. criminal proceeding described above, although on August 13, 2021, new defendants were added to the complaint, including two former officers of FirstEnergy. On November 9, 2021, the OAG filed a motion to lift the agreed-upon stay, which FE opposed on November 19, 2021; the motion remains pending. On December 2, 2021, the cities and FE entered a stipulated dismissal with prejudice of the cities' suit.
- *Smith v. FirstEnergy Corp. et al., Buldas v. FirstEnergy Corp. et al., and Hudock and Cameo Countertops, Inc. v. FirstEnergy Corp. et al.* (Federal District Court, S.D. Ohio, all actions have been consolidated); on July 27, 2020, July 31, 2020, and August 5, 2020, respectively, purported customers of FE filed putative class action lawsuits against FE and FESC, as well as certain current and former FE officers, alleging civil Racketeer Influenced and Corrupt
Organizations Act violations and related state law claims. The court denied FE's motions to dismiss and stay discovery on February 10 and 11, 2021, respectively, and the defendants submitted answers to the complaint on March 10, 2021. The plaintiffs moved to certify the case as a class action on June 28, 2021, and moved for leave to amend the complaint to add FES as a defendant on September 27, 2021. The court granted the motion to amend on November 10, 2021. On November 9, 2021, the court issued an order granting Plaintiffs' motion for class certification, but vacated that order on November 19, 2021, to allow defendants to take the named plaintiffs' depositions and to file an opposition to the motion, which they filed on December 14, 2021. On November 19, 2021, FE and FESC moved for judgment on the pleadings. One of the individual defendants moved to dismiss the amended complaint on November 24, 2021. On December 28, 2021, the parties jointly moved the court to stay consideration of the pending motions for class certification, to dismiss, and for judgment on the pleadings for 45 days. The court granted the motion on December 29, 2021, and the cases are currently stayed. FE is engaged with the parties in settlement discussions, and believes that it is probable that it will incur a loss in connection with the resolution of these lawsuits. As a result, FirstEnergy recognized in the fourth quarter of 2021 a pre-tax reserve of $37.5 million in the aggregate with respect to these lawsuits and the *Emmons* lawsuit below; no impact to Penn is anticipated.
- *Emmons v. FirstEnergy Corp. et al.* (Common Pleas Court, Cuyahoga County, OH); on August 4, 2020, a purported customer of FirstEnergy filed a putative class action lawsuit against FE, FESC, the Ohio Companies, along with FES, alleging several causes of action, including negligence and/or gross negligence, breach of contract, unjust enrichment, and unfair or deceptive consumer acts or practices. On October 1, 2020, plaintiffs filed a First Amended Complaint, adding as a plaintiff a purported customer of FirstEnergy and alleging a civil violation of the Ohio Corrupt Activity Act and civil conspiracy against FE, FESC and FES. On May 4, 2021, the court granted the defendants' motion to dismiss plaintiffs' breach of contract claims and denied the remainder of the motions to dismiss. The defendants submitted answers to the complaint on June 1, 2021. Discovery is proceeding. On December 30, 2021, the plaintiff filed a Second Amended Complaint removing one of the named plaintiffs and updating the class definition. FE is engaged with the parties in settlement discussions, and believes that it is probable that it will incur a loss in connection with the resolution of these lawsuits. As a result, FirstEnergy recognized in the fourth quarter of 2021 a pre-tax reserve of $37.5 million in the aggregate with respect to this lawsuit and the lawsuits above consolidated with *Smith* in the S.D. Ohio alleging, among other things, civil violations of the Racketeer Influenced and Corrupt Organizations Act; no impact to Penn is anticipated.

On February 9, 2022, FE, acting through the SLC, agreed to a settlement term sheet to resolve the following shareholder derivative lawsuits relating to HB 6 and the now former Ohio House Speaker Larry Householder and other individuals and entities allegedly affiliated with Mr. Householder that were filed in the S.D. Ohio, the N.D. Ohio, and the Ohio Court of Common Pleas, Summit County:

- *Gendrich v. Anderson, et al. and Sloan v. Anderson, et al.* (Common Pleas Court, Summit County, OH, all actions have been consolidated); on July 26, 2020 and July 31, 2020, respectively, purported stockholders of FE filed shareholder derivative action lawsuits against certain FE directors and officers, alleging, among other things, breaches of fiduciary duty.
- *Miller v. Anderson, et al.* (Federal District Court, N.D. Ohio); *Bloom, et al. v. Anderson, et al.; Employees Retirement System of the City of St. Louis v. Jones, et al.; Electrical Workers Pension Fund, Local 103, I.B.E.W. v. Anderson et al.; Massachusetts Laborers Pension Fund v. Anderson et al.; The City of Philadelphia Board of Pensions and Retirement v. Anderson et al.; Atherton v. Dowling et al.; Behar v. Anderson, et al.* (Federal District Court, S.D. Ohio, all actions have been consolidated); beginning on August 7, 2020, purported stockholders of FE filed shareholder derivative actions alleging the FE Board and officers breached their fiduciary duties and committed violations of Section 14(a) of the Exchange Act.

The proposed settlement, which is subject to court approval, will fully resolve the shareholder derivative lawsuits above and stipulates a series of corporate governance enhancements, that is expected to result in the following:

- Six members of the FE Board, Messrs. Michael J. Anderson, Donald T. Misheff, Thomas N. Mitchell, Christopher D. Pappas and Luis A. Reyes, and Ms. Julia L. Johnson will not stand for re-election at FE's 2022 annual shareholder meeting;
- A special FE Board committee of at least three recently appointed independent directors will be formed to initiate a review process of the current senior executive team, to begin within 30 days of the 2022 annual shareholder meeting;
- The FE Board will oversee FE's lobbying and political activities, including periodically reviewing and approving political and lobbying action plans prepared by management;
- The FE Board will form another committee of recently appointed independent directors to oversee the implementation and third-party audits of the FE Board-approved action plans with respect to political and lobbying activities;
- FE will implement enhanced disclosure to shareholders of political and lobbying activities, including enhanced disclosure in its annual proxy statement; and
- FE will further align financial incentives of senior executives to proactive compliance with legal and ethical obligations.

The settlement also includes a payment to FirstEnergy of $180 million, to be paid by insurance after court approval, less any court-ordered attorney's fees awarded to plaintiffs. On March 11, 2022, the parties executed a stipulation and agreement of settlement, and filed a motion for preliminary approval in the S.D. Ohio the same day.

In letters dated January 26, and February 22, 2021, staff of FERC's Division of Investigations notified FirstEnergy that the Division is conducting an investigation of FirstEnergy's lobbying and governmental affairs activities concerning HB 6, and staff directed FirstEnergy to preserve and maintain all documents and information related to the same as such have been developed as part of an ongoing non-public audit being conducted by FERC's Division of Audits and Accounting. While no contingency has been reflected in the consolidated financial statements, FirstEnergy believes that it is probable that it will incur a loss in connection with the resolution of the FERC investigation. Given the ongoing nature and complexity of the review, inquiries and investigations, FirstEnergy cannot yet reasonably estimate a loss or range of loss that may arise from the resolution of the FERC investigation.

The outcome of any of these lawsuits, governmental investigations and audit is uncertain and could have a material adverse effect on FE's or Penn's reputation, business, financial condition, results of operations, liquidity, and cash flows.

Other Legal Matters

There are various lawsuits, claims (including claims for asbestos exposure) and proceedings related to Penn's normal business operations pending against Penn. The loss or range of loss in these matters is not expected to be material to Penn. The other potentially material items not otherwise discussed above are described under Note 5, "Regulatory Matters."

Penn accrues legal liabilities only when it concludes that it is probable that it has an obligation for such costs and can reasonably estimate the amount of such costs. In cases where Penn determines that it is not probable, but reasonably possible that it has a material obligation, it discloses such obligations and the possible loss or range of loss if such estimate can be made. If it were ultimately determined that Penn has legal liability or is otherwise made subject to liability based on any of the matters referenced above, it could have a material adverse effect on Penn's financial condition, results of operations and cash flows.

7. TRANSACTIONS WITH AFFILIATED COMPANIES

Penn's operating revenues, operating expenses and interest expenses include transactions with affiliated companies. These affiliated company transactions include affiliated company power sales agreements, support service billings, interest on affiliated company notes including the money pools and other transactions.

The primary affiliated company transactions for Penn during the years ended December 31, 2021 and 2020 are as follows:

	For the Years Ended December 31,	
	2021	2020
	(In millions)	
Revenues [1]	$ 1	$ 1
Expenses:		
Support services	16	15
Interest expense to affiliates	1	—

(1) Includes ground lease revenues from ATSI. See Note 4, "Leases" for additional information.

FirstEnergy does not bill directly or allocate any of its costs to any subsidiary company. Costs are charged to FE's subsidiaries for services received from FESC either through direct billing or through an allocation process. Allocated costs are for services that are provided on behalf of more than one company, or costs that cannot be precisely identified and are allocated using formulas developed by FESC. Intercompany transactions are generally settled under commercial terms within thirty days.

Affiliate accounts receivable and accounts payable balances relate to intercompany transactions that have not yet settled through the FirstEnergy money pool.

Penn and FirstEnergy's other subsidiaries are parties to an intercompany income tax allocation agreement with FE and its other subsidiaries that provides for the allocation of consolidated tax liabilities. Net tax benefits attributable to FE are generally reallocated to the subsidiaries of FirstEnergy that have taxable income. That allocation is accounted for as a capital contribution to the company receiving the tax benefit.
Additionally, Penn purchases power to meet a portion of its POLR and default service requirements and provide power to certain facilities.

8. STATEMENT OF CASH FLOWS

As of December 31,	**2021**	**2020**
Cash (Account 131)	$ —	$ 50,000,000
Working Fund (Account 135)	—	—
Temporary Cash Investments (Account 136)	—	—
Cash and Cash Equivalents at End of Year	$ —	$ 50,000,000

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

For the Twelve Months Ended December 31,	**2021**	**2020**
Cash paid:		
Interest – net of amount capitalized	$ 11,695,799	$ 10,423,430
Income Taxes	$ 4,765,401	$ 4,203,769

JOINT APPLICANTS

EXHIBIT AP-4

THIS FILING IS
Item 1: ☑ An Initial (Original) Submission OR ☐ Resubmission No.

FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)	Year/Period of Report
West Penn Power Company	End of: 2021/ Q4

FERC FORM NO. 1 (REV. 02-04)

Name of Respondent: West Penn Power Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/01/2022	Year/Period of Report End of: 2021/ Q4

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**UTILITY PLANT**			
2	Utility Plant (101-106, 114)	200	3,744,098,161	3,495,880,171
3	Construction Work in Progress (107)	200	83,396,855	131,559,436
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		3,827,495,016	3,627,439,607
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200	1,254,817,081	1,196,581,537
6	Net Utility Plant (Enter Total of line 4 less 5)		2,572,677,935	2,430,858,070
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202		
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)			
9	Nuclear Fuel Assemblies in Reactor (120.3)			
10	Spent Nuclear Fuel (120.4)			
11	Nuclear Fuel Under Capital Leases (120.6)			
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202		
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)			
14	Net Utility Plant (Enter Total of lines 6 and 13)		2,572,677,935	2,430,858,070
15	Utility Plant Adjustments (116)			
16	Gas Stored Underground - Noncurrent (117)			
17	**OTHER PROPERTY AND INVESTMENTS**			
18	Nonutility Property (121)		10,536,411	10,536,411
19	(Less) Accum. Prov. for Depr. and Amort. (122)		794,745	753,079
20	Investments in Associated Companies (123)			
21	Investment in Subsidiary Companies (123.1)	224	10,553,809	10,564,468
23	Noncurrent Portion of Allowances	228		

24	Other Investments (124)			3,376
25	Sinking Funds (125)			
26	Depreciation Fund (126)			
27	Amortization Fund - Federal (127)			
28	Other Special Funds (128)		41,743,600	16,822,800
29	Special Funds (Non Major Only) (129)			
30	Long-Term Portion of Derivative Assets (175)			
31	Long-Term Portion of Derivative Assets - Hedges (176)			
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		62,039,075	37,173,976
33	**CURRENT AND ACCRUED ASSETS**			
34	Cash and Working Funds (Non-major Only) (130)			
35	Cash (131)			
36	Special Deposits (132-134)			
37	Working Fund (135)			
38	Temporary Cash Investments (136)			150,000,000
39	Notes Receivable (141)			
40	Customer Accounts Receivable (142)		84,542,226	101,519,545
41	Other Accounts Receivable (143)		9,992,921	21,385,313
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		20,521,613	32,653,366
43	Notes Receivable from Associated Companies (145)			
44	Accounts Receivable from Assoc. Companies (146)		26,670,122	32,420,852
45	Fuel Stock (151)	227		
46	Fuel Stock Expenses Undistributed (152)	227		
47	Residuals (Elec) and Extracted Products (153)	227		
48	Plant Materials and Operating Supplies (154)	227		
49	Merchandise (155)	227		
50	Other Materials and Supplies (156)	227		
51	Nuclear Materials Held for Sale (157)	202/227		

52	Allowances (158.1 and 158.2)	228		
53	(Less) Noncurrent Portion of Allowances	228		
54	Stores Expense Undistributed (163)	227		
55	Gas Stored Underground - Current (164.1)			
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)			
57	Prepayments (165)		2,061,710	2,514,440
58	Advances for Gas (166-167)			
59	Interest and Dividends Receivable (171)			
60	Rents Receivable (172)		54,219	38,971
61	Accrued Utility Revenues (173)		67,680,220	60,798,777
62	Miscellaneous Current and Accrued Assets (174)		62,885	235,418
63	Derivative Instrument Assets (175)			
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)			
65	Derivative Instrument Assets - Hedges (176)			
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)			
67	Total Current and Accrued Assets (Lines 34 through 66)		170,542,690	336,259,950
68	**DEFERRED DEBITS**			
69	Unamortized Debt Expenses (181)		5,118,814	5,143,321
70	Extraordinary Property Losses (182.1)	230a		
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b		
72	Other Regulatory Assets (182.3)	232	302,254,343	297,939,318
73	Prelim. Survey and Investigation Charges (Electric) (183)		112,426	110,871
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)			
75	Other Preliminary Survey and Investigation Charges (183.2)			
76	Clearing Accounts (184)		427,699	8,412
77	Temporary Facilities (185)		961,036	823,051
78	Miscellaneous Deferred Debits (186)	233	22,310,973	14,748,473

79	Def. Losses from Disposition of Utility Plt. (187)			
80	Research, Devel. and Demonstration Expend. (188)	352	2,754	2,754
81	Unamortized Loss on Reaquired Debt (189)		65,510	85,163
82	Accumulated Deferred Income Taxes (190)	234	267,811,952	273,903,328
83	Unrecovered Purchased Gas Costs (191)			
84	Total Deferred Debits (lines 69 through 83)		599,065,507	592,764,691
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		3,404,325,207	3,397,056,687

Name of Respondent: West Penn Power Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/01/2022	Year/Period of Report End of: 2021/ Q4

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**PROPRIETARY CAPITAL**			
2	Common Stock Issued (201)	250	67,786,059	67,700,050
3	Preferred Stock Issued (204)	250		
4	Capital Stock Subscribed (202, 205)			
5	Stock Liability for Conversion (203, 206)			
6	Premium on Capital Stock (207)			
7	Other Paid-In Capital (208-211)	253	493,304,745	489,212,078
8	Installments Received on Capital Stock (212)	252		
9	(Less) Discount on Capital Stock (213)	254		
10	(Less) Capital Stock Expense (214)	254b		
11	Retained Earnings (215, 215.1, 216)	118	385,931,345	356,786,434
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118	1,196,302	1,223,664
13	(Less) Reaquired Capital Stock (217)	250		
14	Noncorporate Proprietorship (Non-major only) (218)			
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	3,327,697	5,260,178
16	Total Proprietary Capital (lines 2 through 15)		951,546,148	920,182,404
17	**LONG-TERM DEBT**			
18	Bonds (221)	256	975,000,000	975,000,000
19	(Less) Reaquired Bonds (222)	256		
20	Advances from Associated Companies (223)	256		
21	Other Long-Term Debt (224)	256		
22	Unamortized Premium on Long-Term Debt (225)			

23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)			
24	Total Long-Term Debt (lines 18 through 23)		975,000,000	975,000,000
25	**OTHER NONCURRENT LIABILITIES**			
26	Obligations Under Capital Leases - Noncurrent (227)		24,450,494	19,324,388
27	Accumulated Provision for Property Insurance (228.1)			
28	Accumulated Provision for Injuries and Damages (228.2)		9,582,442	11,310,714
29	Accumulated Provision for Pensions and Benefits (228.3)		17,711,156	20,074,469
30	Accumulated Miscellaneous Operating Provisions (228.4)			
31	Accumulated Provision for Rate Refunds (229)			
32	Long-Term Portion of Derivative Instrument Liabilities			
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges			
34	Asset Retirement Obligations (230)		7,510,983	7,816,848
35	Total Other Noncurrent Liabilities (lines 26 through 34)		59,255,075	58,526,419
36	**CURRENT AND ACCRUED LIABILITIES**			
37	Notes Payable (231)			150,000,000
38	Accounts Payable (232)		72,613,417	63,263,257
39	Notes Payable to Associated Companies (233)		158,358,410	67,579,846
40	Accounts Payable to Associated Companies (234)		11,718,252	3,878,037
41	Customer Deposits (235)		28,357,390	26,975,404
42	Taxes Accrued (236)	262	15,046,627	18,956,453
43	Interest Accrued (237)		7,339,505	7,763,448
44	Dividends Declared (238)			
45	Matured Long-Term Debt (239)			
46	Matured Interest (240)			
47	Tax Collections Payable (241)		874,413	444,900
48	Miscellaneous Current and Accrued Liabilities (242)		23,374,607	18,690,931
49	Obligations Under Capital Leases-Current (243)		4,229,134	3,502,793
50	Derivative Instrument Liabilities (244)			

51	(Less) Long-Term Portion of Derivative Instrument Liabilities			
52	Derivative Instrument Liabilities - Hedges (245)			
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges			
54	Total Current and Accrued Liabilities (lines 37 through 53)		321,911,755	361,055,069
55	**DEFERRED CREDITS**			
56	Customer Advances for Construction (252)		575,888	583,727
57	Accumulated Deferred Investment Tax Credits (255)	266	990,560	1,938,560
58	Deferred Gains from Disposition of Utility Plant (256)			
59	Other Deferred Credits (253)	269	36,714,579	47,102,174
60	Other Regulatory Liabilities (254)	278	269,600,109	287,955,144
61	Unamortized Gain on Reaquired Debt (257)			
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272		
63	Accum. Deferred Income Taxes-Other Property (282)		592,690,012	573,219,083
64	Accum. Deferred Income Taxes-Other (283)		196,041,081	171,494,107
65	Total Deferred Credits (lines 56 through 64)		1,096,612,229	1,082,292,795
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		3,404,325,207	3,397,056,687

Name of Respondent: West Penn Power Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/01/2022	Year/Period of Report End of: 2021/ Q4

STATEMENT OF INCOME

Quarterly

1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
5. If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable

Do not report fourth quarter data in columns (e) and (f)
Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over Lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
Use page 122 for important notes regarding the statement of income for any account thereof.
Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.
Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended - Quarterly Only - No 4th Quarter (e)	Prior 3 Months Ended - Quarterly Only - No 4th Quarter (f)	Electric Utility Current Year to Date (in dollars) (g)	Electric Utility Previous Year to Date (in dollars) (h)	Gas Utiity Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)	Other Utility Previous Year to Date (in dollars) (l)
1	UTILITY OPERATING INCOME											
2	Operating Revenues (400)	300	984,030,575	986,062,251			984,030,575	986,062,251				
3	Operating Expenses											
4	Operation Expenses (401)	320	549,084,916	564,342,298			549,084,916	564,342,298				
5		320	74,106,448	55,062,444			74,106,448	55,062,444				

	Maintenance Expenses (402)											
6	Depreciation Expense (403)	336	87,341,593	82,115,582			87,341,593	82,115,582				
7	Depreciation Expense for Asset Retirement Costs (403.1)	336	20,153	20,153			20,153	20,153				
8	Amort. & Depl. of Utility Plant (404-405)	336	10,439,634	14,459,065			10,439,634	14,459,065				
9	Amort. of Utility Plant Acq. Adj. (406)	336										
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)											
11	Amort. of Conversion Expenses (407.2)											
12	Regulatory Debits (407.3)		(3,925,529)	42,301,506			(3,925,529)	42,301,506				
13	(Less) Regulatory Credits (407.4)		12,246,123	(13,788,175)			12,246,123	(13,788,175)				
14	Taxes Other Than Income Taxes (408.1)	262	58,363,978	59,816,033			58,363,978	59,816,033				
15	Income Taxes - Federal (409.1)	262	(5,362,812)	14,603,028			(5,362,812)	14,603,028				
16	Income Taxes - Other (409.1)	262	(1,762,968)	1,698,626			(1,762,968)	1,698,626				
17	Provision for Deferred Income Taxes (410.1)	234, 272	138,593,914	93,356,293			138,593,914	93,356,293				
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272	92,208,911	90,641,034			92,208,911	90,641,034				
19	Investment Tax Credit Adj. - Net (411.4)	266	(948,000)	(948,000)			(948,000)	(948,000)				
20	(Less) Gains from Disp. of Utility Plant (411.6)											
21	Losses from Disp. of Utility Plant (411.7)											
22												

	(Less) Gains from Disposition of Allowances (411.8)											
23	Losses from Disposition of Allowances (411.9)											
24	Accretion Expense (411.10)		483,350	481,843			483,350	481,843				
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		801,979,643	850,456,012			801,979,643	850,456,012				
27	Net Util Oper Inc (Enter Tot line 2 less 25)		182,050,932	135,606,239			182,050,932	135,606,239				
28	Other Income and Deductions											
29	Other Income											
30	Nonutilty Operating Income											
31	Revenues From Merchandising, Jobbing and Contract Work (415)		2,832,601	3,223,499								
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		1,405,034	1,505,563								
33	Revenues From Nonutility Operations (417)											
34	(Less) Expenses of Nonutility Operations (417.1)		38									
35	Nonoperating Rental Income (418)		(41,666)	(40,488)								
36	Equity in Earnings of Subsidiary Companies (418.1)	119	(27,362)	142,517								
37	Interest and Dividend Income (419)		2,578,899	1,886,898								
38	Allowance for Other Funds Used During Construction (419.1)		2,327,413	3,163,460								
39	Miscellaneous Nonoperating Income (421)		1,795,176	1,727,568								

40	Gain on Disposition of Property (421.1)		201,796	54,009								
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		8,261,785	8,651,900								
42	Other Income Deductions											
43	Loss on Disposition of Property (421.2)		237,728	66,720								
44	Miscellaneous Amortization (425)											
45	Donations (426.1)		272,514	181,314								
46	Life Insurance (426.2)		(589,726)	(716,356)								
47	Penalties (426.3)		1,396,456	505,500								
48	Exp. for Certain Civic, Political & Related Activities (426.4)		196,600	243,064								
49	Other Deductions (426.5)		470,988	319,713								
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		1,984,560	599,955								
51	Taxes Applic. to Other Income and Deductions											
52	Taxes Other Than Income Taxes (408.2)	262	30,503	28,989								
53	Income Taxes-Federal (409.2)	262	3,530,275	1,217,328								
54	Income Taxes-Other (409.2)	262	1,865,795	643,373								
55	Provision for Deferred Inc. Taxes (410.2)	234, 272	267,970	17,399								
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272	3,914,041	10,899								
57	Investment Tax Credit Adj.-Net (411.5)											
58												

	(Less) Investment Tax Credits (420)											
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		1,780,502	1,896,190								
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		4,496,723	6,155,755								
61	Interest Charges											
62	Interest on Long-Term Debt (427)		39,880,000	39,880,000								
63	Amort. of Debt Disc. and Expense (428)		254,507	249,459								
64	Amortization of Loss on Reaquired Debt (428.1)		19,653	19,653								
65	(Less) Amort. of Premium on Debt-Credit (429)											
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)											
67	Interest on Debt to Assoc. Companies (430)		591,781	319,660								
68	Other Interest Expense (431)		6,208,040	3,245,345								
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		3,523,875	2,421,320								
70	Net Interest Charges (Total of lines 62 thru 69)		43,430,106	41,292,797								
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		143,117,549	100,469,197								
72	Extraordinary Items											
73	Extraordinary Income (434)											
74	(Less) Extraordinary Deductions (435)											

75	Net Extraordinary Items (Total of line 73 less line 74)											
76	Income Taxes-Federal and Other (409.3)	262	0									
77	Extraordinary Items After Taxes (line 75 less line 76)											
78	Net Income (Total of line 71 and 77)		143,117,549	100,469,197								

FERC FORM No. 1 (REV. 02-04)

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Name of Respondent: West Penn Power Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/01/2022	Year/Period of Report End of: 2021/ Q4

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly report.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
4. State the purpose and amount for each reservation or appropriation of retained earnings.
5. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown for Account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, attach them at page 122.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		356,786,434	326,459,754
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4	Adjustments to Retained Earnings Credit			
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10	Adjustments to Retained Earnings Debit			
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		143,144,911	100,326,680
17	Appropriations of Retained Earnings (Acct. 436)			
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
30.1	Dividend on Common Stock		114,000,000	70,000,000
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		114,000,000	70,000,000

37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		385,931,345	356,786,434
39	APPROPRIATED RETAINED EARNINGS (Account 215)			
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		385,931,345	356,786,434
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account Report only on an Annual Basis, no Quarterly)			
49	Balance-Beginning of Year (Debit or Credit)		1,223,664	1,081,147
50	Equity in Earnings for Year (Credit) (Account 418.1)		(27,362)	142,517
51	(Less) Dividends Received (Debit)			
52	TOTAL other Changes in unappropriated undistributed subsidiary earnings for the year			
53	Balance-End of Year (Total lines 49 thru 52)		1,196,302	1,223,664

Name of Respondent: West Penn Power Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/01/2022	Year/Period of Report End of: 2021/ Q4

STATEMENT OF CASH FLOWS

1. Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
2. Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
3. Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
4. Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instructions No.1 for explanation of codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 78(c) on page 117)	143,117,549	100,469,197
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	98,284,730	97,076,643
5	Amortization of (Specify) (footnote details)		
5.1	Amortization (Deferral) of Regulatory Assets, Net	(21,607,150)	55,375,140
5.2	Pension and OPEB Mark-to-Market Adjustments	(17,057,471)	27,233,258
5.3	Retirement Benefits, Net of Payments	(27,762,031)	(22,281,227)
8	Deferred Income Taxes (Net)	42,738,932	2,721,759
9	Investment Tax Credit Adjustment (Net)	(948,000)	(948,000)
10	Net (Increase) Decrease in Receivables	16,505,285	11,941,316
11	Net (Increase) Decrease in Inventory		
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	14,562,055	(5,371,236)
14	Net (Increase) Decrease in Other Regulatory Assets		
15	Net Increase (Decrease) in Other Regulatory Liabilities		
16	(Less) Allowance for Other Funds Used During Construction	2,327,413	3,163,460

17	(Less) Undistributed Earnings from Subsidiary Companies	(27,362)	142,517
18	Other (provide details in footnote):		
18.1	Other (provide details in footnote):	(2,569,139)	(1,941,130)
18.2	Changes in Prepaid Taxes and Other Current Assets	452,730	(78,249)
18.3	Contributions in Aid of Construction	3,696,223	(3,823,094)
22	Net Cash Provided by (Used in) Operating Activities (Total of Lines 2 thru 21)	247,113,662	257,068,400
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	(210,727,874)	(239,845,234)
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	(2,327,413)	(3,163,460)
31	Other (provide details in footnote):		
31.1	Other (provide details in footnote):		
34	Cash Outflows for Plant (Total of lines 26 thru 33)	(208,400,461)	(236,681,774)
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Disposition of Investments in (and Advances to) Associated and Subsidiary Companies		
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		
46	Loans Made or Purchased		
47	Collections on Loans		
49	Net (Increase) Decrease in Receivables		

50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
53.1	Asset Removal Costs	(14,373,071)	(20,254,971)
53.2	Other (provide details in footnote):	1,820	5,380,356
57	Net Cash Provided by (Used in) Investing Activities (Total of lines 34 thru 55)	(222,771,712)	(251,556,389)
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
64.1	Other (provide details in footnote):		
66	Net Increase in Short-Term Debt (c)	90,778,564	215,758,287
67	Other (provide details in footnote):		
67.1	Other (provide details in footnote):		
70	Cash Provided by Outside Sources (Total 61 thru 69)	90,778,564	215,758,287
72	Payments for Retirement of:		
73	Long-term Debt (b)		
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):		
76.1	Other (provide details in footnote):	(1,120,514)	(1,270,298)
78	Net Decrease in Short-Term Debt (c)	(150,000,000)	
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	(114,000,000)	(70,000,000)
83	Net Cash Provided by (Used in) Financing Activities (Total of lines 70 thru 81)	(174,341,950)	144,487,989

85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	Net Increase (Decrease) in Cash and Cash Equivalents (Total of line 22, 57 and 83)	(150,000,000)	150,000,000
88	Cash and Cash Equivalents at Beginning of Period	150,000,000	
90	Cash and Cash Equivalents at End of Period		150,000,000

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Name of Respondent: West Penn Power Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/01/2022	Year/Period of Report End of: 2021/ Q4

NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

GLOSSARY OF TERMS

The following abbreviations and acronyms may be used in these financial statements to identify West Penn Power Company and its current and former affiliated companies:

AE Supply	Allegheny Energy Supply Company, LLC, an unregulated generation subsidiary of FE
AGC	Allegheny Generating Company, a generation subsidiary of MP
ATSI	American Transmission Systems, Incorporated, a subsidiary of FET, which owns and operates transmission facilities
CEI	The Cleveland Electric Illuminating Company, an Ohio electric utility operating subsidiary of FE
FE	FirstEnergy Corp., a public utility holding company
FENOC	Energy Harbor Nuclear Corp. (formerly known as FirstEnergy Nuclear Operating Company), a subsidiary of EH, which operates NG's nuclear generating facilities
FES	Energy Harbor LLC. (formerly known as FirstEnergy Solutions Corp.), a subsidiary of EH, which provides energy related products and services
FESC	FirstEnergy Service Company, which provides legal, financial, and other corporate support services
FET	FirstEnergy Transmission, LLC, the parent company of ATSI, KATCo, MAIT and TrAIL, and has a joint venture in PATH
FEV	FirstEnergy Ventures Corp., which invests in certain unregulated enterprises and business ventures
FirstEnergy	FirstEnergy Corp., together with its consolidated subsidiaries
GPU	GPU, Inc., former parent of JCP&L, ME and PN, that merged with FE on November 7, 2001
GPUN	GPU Nuclear, Inc., a subsidiary of FE, which formerly operated TMI-2
JCP&L	Jersey Central Power & Light Company, a New Jersey electric utility operating company
KATCo	Keystone Appalachian Transmission Company, a subsidiary of FET
MAIT	Mid-Atlantic Interstate Transmission, LLC, a subsidiary of FET, which owns and operates transmission facilities
ME	Metropolitan Edison Company, a Pennsylvania electric utility operating subsidiary of FE
MP	Monongahela Power Company, a West Virginia electric utility operating subsidiary of FE
NG	FirstEnergy Nuclear Generation, LLC, a subsidiary of FES, which owns nuclear generating facilities
OE	Ohio Edison Company, an Ohio electric utility operating subsidiary of FE
Ohio Companies	CEI, OE and TE
PATH	Potomac-Appalachian Transmission Highline, LLC, a joint venture between FE and a subsidiary of AEP
PATH-Allegheny	PATH Allegheny Transmission Company, LLC
PATH-WV	PATH West Virginia Transmission Company, LLC
PE	The Potomac Edison Company, a Maryland and West Virginia electric utility operating subsidiary of FE
Penn	Pennsylvania Power Company, a Pennsylvania electric utility operating subsidiary of OE
Pennsylvania Companies	ME, PN, Penn and WP

Pennsylvania Companies	ME, PN, Penn and WP
PN	Pennsylvania Electric Company, a Pennsylvania electric utility operating subsidiary of FE
TE	The Toledo Edison Company, an Ohio electric utility operating subsidiary of FE
TrAIL	Trans-Allegheny Interstate Line Company, a subsidiary of FET, which owns and operates transmission facilities
Transmission Companies	ATSI, MAIT and TrAIL
Utilities	OE, CEI, TE, Penn, JCP&L, ME, PN, MP, PE and WP
WP	West Penn Power Company, a Pennsylvania electric utility operating subsidiary of FE

The following abbreviations and acronyms may be used to identify frequently used terms in these financial statements:

2021 Credit Facilities	Collectively, the six separate senior unsecured five-year syndicated revolving credit facilities entered into by FE, FET, the Utilities, and the Transmission Companies, on October 18, 2021
ACE	Affordable Clean Energy
ADIT	Accumulated Deferred Income Taxes
AEP	American Electric Power Company, Inc.
AFS	Available-for-sale
AFUDC	Allowance for Funds Used During Construction
AMI	Advance Metering Infrastructure
AOCI	Accumulated Other Comprehensive Income (Loss)
ARO	Asset Retirement Obligation
ARP	Alternative Revenue Program
ASC	Accounting Standard Codification
ASU	Accounting Standards Update
Bath Power Station	Bath County Pumped Storage Hydro-Power Station
BGS	Basic Generation Service
BRA	Base Residual Auction
Brookfield	North American Transmission Company II LLC, a controlled investment vehicle entity of Brookfield Infrastructure Partners
Brookfield Guarantors	Brookfield Super-Core Infrastructure Partners L.P., Brookfield Super-Core Infrastructure Partners (NUS) L.P., and Brookfield Super-Core Infrastructure Partners (ER) SCSp
CAA	Clean Air Act
CCR	Coal Combustion Residuals
CFIUS	Committee on Foreign Investments in the United States
CO2	Carbon Dioxide
COVID-19	Coronavirus disease
CPP	EPA's Clean Power Plan
CSAPR	Cross-State Air Pollution Rule
CSR	Conservation Support Rider
CTA	Consolidated Tax Adjustment
CWA	Clean Water Act
CWIP	Construction Work in Progress
D.C. Circuit	United States Court of Appeals for the District of Columbia Circuit
DCR	Delivery Capital Recovery
DMR	Distribution Modernization Rider
DPA	Deferred Prosecution Agreement entered into on July 21, 2021 between FE and S.D. Ohio
DSIC	Distribution System Improvement Charge
DSP	Default Service Plan
EDC	Electric Distribution Company
EDIS	Electric Distribution Investment Surcharge
EE&C	Energy Efficiency and Conservation
EGS	Electric Generation Supplier
EH	Energy Harbor Corp.
EmPOWER Maryland	EmPOWER Maryland Energy Efficiency Act
ENEC	Expanded Net Energy Cost
EPA	United States Environmental Protection Agency
ERO	Electric Reliability Organization
ESP	Electric Security Plan
ESP IV	Electric Security Plan IV
Exchange Act	Securities and Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FE Board	FE Board of Directors
FE Revolving Facility	FE and the Utilities' former five-year syndicated revolving credit facility, as amended, and replaced by the 2021 Credit Facilities on October 18, 2021
FERC	Federal Energy Regulatory Commission
FET Board	The Board of Directors of FET
FET LLC Agreement	Third Amended and Restated Limited Liability Company Operating Agreement of FET
FET P&SA	Purchase and Sale Agreement entered into on November 6, 2021, by and between FE, FET, Brookfield and Brookfield Guarantors
FET Revolving Facility	FET and certain of its subsidiaries' former five-year syndicated revolving credit facility, as amended, and replaced by the 2021 Credit Facilities on October 18, 2021
Fitch	Fitch Ratings Service
FMB	First Mortgage Bond

FMB	First Mortgage Bond
FPA	Federal Power Act
FTR	Financial Transmission Right
GAAP	Accounting Principles Generally Accepted in the United States of America
GHG	Greenhouse Gases
HB 128	House Bill 128, as passed by Ohio's 134th General Assembly
HB 6	House Bill 6, as passed by Ohio's 133rd General Assembly
ICE	IntercontinentalExchange, Inc.
IRS	Internal Revenue Service
kV	Kilovolt
KWH	Kilowatt-hour
LTIIP	Long-Term Infrastructure Improvement Plan
LTIIPs	Long-Term Infrastructure Improvement Plans
MDPSC	Maryland Public Service Commission
MGP	Manufactured Gas Plants
MISO	Midcontinent Independent System Operator, Inc.
MW	Megawatt
MWH	Megawatt-hour
N.D. Ohio	Northern District of Ohio
NAAQS	National Ambient Air Quality Standards
NDT	Nuclear Decommissioning Trust
NERC	North American Electric Reliability Corporation
NJ Rate Counsel	New Jersey Division of Rate Counsel
NJBPU	New Jersey Board of Public Utilities
NOL	Net Operating Loss
NOx	Nitrogen Oxide
NPDES	National Pollutant Discharge Elimination System
NUG	Non-Utility Generation
NYPSC	New York State Public Service Commission
OAG	Ohio Attorney General
OCA	Office of Consumer Advocate
OCC	Ohio Consumers' Counsel
ODSA	Ohio Development Service Agency
Ohio Stipulation	On November 1, 2021, the Ohio Companies, together with the OCC, PUCO Staff, and several other signatories, entered into a unanimous Stipulation and Recommendation with the intent of resolving the ongoing energy efficiency rider audits, various SEET proceedings, including the Ohio Companies' 2017 SEET proceeding, and the Ohio Companies' quadrennial ESP review, each of which was pending before the PUCO
OPEB	Other Post-Employment Benefits
OPIC	Other Paid-in Capital
OVEC	Ohio Valley Electric Corporation
PA DEP	Pennsylvania Department of Environmental Protection
PJM	PJM Interconnection, LLC
PJM Region	The aggregate of the zones within PJM
PJM Tariff	PJM Open Access Transmission Tariff
POLR	Provider of Last Resort
PPA	Purchase Power Agreement
PPUC	Pennsylvania Public Utility Commission
PUCO	Public Utilities Commission of Ohio
PURPA	Public Utility Regulatory Policies Act of 1978
RCRA	Resource Conservation and Recovery Act
REC	Renewable Energy Credit
RFC	ReliabilityFirst Corporation
RFP	Request for Proposal
RGGI	Regional Greenhouse Gas Initiative
ROE	Return on Equity
RTO	Regional Transmission Organization
S.D. Ohio	Southern District of Ohio
SCOH	Supreme Court of Ohio
SEC	United States Securities and Exchange Commission
SEET	Significantly Excessive Earnings Test
SIP	State Implementation Plan(s) Under the Clean Air Act
SLC	Special Litigation Committee of the FE Board
SO2	Sulfur Dioxide
SOS	Standard Offer Service
SPE	Special Purpose Entity
SREC	Solar Renewable Energy Credit

SREC	Solar Renewable Energy Credit
SVC	Static Var Compensator
Tax Act	Tax Cuts and Jobs Act adopted December 22, 2017
TMI-1	Three Mile Island Unit 1
TMI-2	Three Mile Island Unit 2
U.S. Supreme Court	United States Supreme Court
VEPCO	Virginia Electric and Power Company
VIE	Variable Interest Entity
VMS	Vegetation Management Surcharge
VSCC	Virginia State Corporation Commission
WVPSC	Public Service Commission of West Virginia

1. ORGANIZATION AND BASIS OF PRESENTATION

WP is a regulated wholly owned subsidiary of FE, and is incorporated in Pennsylvania. WP operates an electric transmission and distribution system in Pennsylvania. WP is subject to regulation by the PPUC and FERC.

BASIS OF PRESENTATION

The accompanying financial statements have been prepared in accordance with FERC accounting requirements as set forth in the Uniform System of Accounts and accounting releases, which differ from GAAP. The significant differences between FERC and GAAP related to these financial statements include the following:

- The current portion of long-term debt, long-term assets or long-term liabilities is not reported separately on the FERC balance sheet.
- Deferred income taxes are recorded on a gross basis on the FERC balance sheet with deferred tax assets and deferred tax liabilities being reported separately.
- For income statement purposes, there are differences in items included in Operating Income and Other Income and Deductions under GAAP and FERC reporting, including costs which are recorded in operating expenses for GAAP and non-operating expenses for FERC.
- Unbilled revenue is included in Accrued utility revenue on the FERC balance sheet and Customer accounts receivable on the GAAP balance sheet.
- Regulatory Assets and Liabilities per GAAP differ from Regulatory Assets and Liabilities per FERC because Account 189, Unamortized loss on reacquired debt and Account 257, Unamortized gain on reacquired debt are regulatory assets and liabilities for GAAP statements but not for FERC statements.
- Vegetation management that is shown as a regulatory asset for FERC purposes and utility plant for GAAP.
- Cost of removal expenses are recorded in operating expenses for GAAP purposes and depreciation expense for FERC purposes.
- Finance and operating leases are recorded on a net basis in Plant in Service on the FERC balance sheet.
- Finance lease liabilities are included within other current and non-current liabilities on the FERC balance sheet while these amounts are included as a part of debt on the GAAP balance sheet.
- Estimated interest and penalties related to uncertain tax positions are recorded as part of interest expense and penalties respectively under FERC and as a component of income tax expense under GAAP.
- Unamortized debt issuance costs are included in deferred charges on the FERC balance sheet and an offset to long-term debt on the GAAP balance sheet.
- Regulatory Assets and Liabilities presented on a gross basis on the FERC balance sheet with regulatory Assets and Liabilities netted for GAAP.
- Asset removal costs are classified as accumulated depreciation on the FERC balance sheet and Regulatory Liability for GAAP.
- Pension and OPEB non-service costs are reported in Operation and Maintenance expenses on the FERC income statement and within Miscellaneous income, net on the GAAP income statement.
- Payments related to finance leases are included in the Operating Section of the FERC statement of cash flows and within the Financing Section of the GAAP statement of cash flows.

WP complies with the regulations, orders, policies and practices prescribed by FERC and the PPUC. The preparation of financial statements requires management to make periodic estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. Actual results could differ from these estimates. The reported results of operations are not indicative of results of operations for any future period.

ACCOUNTING FOR THE EFFECTS OF REGULATION

WP reviews the probability of recovery of regulatory assets, and settlement of regulatory liabilities, at each balance sheet date and whenever new events occur. Factors that may affect probability include changes in the regulatory environment, issuance of a regulatory commission order, or passage of new legislation. Upon material changes to these factors, where applicable, WP will record new regulatory assets or liabilities and will assess whether it is probable that currently recorded regulatory assets and liabilities will be recovered or settled in future rates. If recovery of a regulatory asset is no longer probable, WP will write off that regulatory asset as a charge against earnings.

REVENUES AND RECEIVABLES

WP's principal business is providing electric service to customers in Pennsylvania. WP's retail customers are metered on a cycle basis. Electric revenues are recorded based on energy delivered through the end of the calendar month. An estimate of unbilled revenues is calculated to recognize electric service provided from the last meter reading through the end of the month. This estimate includes many factors, among which are historical customer usage, load profiles, estimated weather impacts, customer shopping activity and prices in effect for each class of customer. In each accounting period, WP accrues the estimated unbilled amount as revenue and reverses the related prior period estimate. Unbilled customer receivables were $68 million and $61 million as of December 31, 2021 and 2020, respectively. Receivables from customers include retail electric sales and distribution deliveries to residential, commercial and industrial customers.

The allowance for uncollectible customer receivables is based on historical loss information comprised of a rolling 36-month average net write-off percentage of revenues, in conjunction with a qualitative assessment of elements that impact the collectability of receivables to determine if allowances for uncollectible accounts should be further adjusted in accordance with the accounting guidance for credit losses. Management contemplates available current information such as changes in economic factors, regulatory matters, industry trends, customer credit factors, amount of receivable balances that are past-due, payment options and programs available to customers, and the methods that the Utilities are able to utilize to ensure payment. FirstEnergy reviews its allowance for uncollectible customer receivables utilizing a quantitative and qualitative assessment, which includes consideration of the outbreak of COVID-19 and the impact on customer receivable balances outstanding and write-offs since the pandemic began.

During 2020, FirstEnergy analyzed the likelihood of loss based on increases in customer accounts in arrears since the pandemic began in mid-March 2020 as well as what collection methods at the time were suspended, and historically been utilized to ensure payment. Based on this assessment, and consideration of other qualitative factors described above, WP recognized incremental uncollectible expense of $15 million in the year 2020, of which approximately $7 million was deferred for future recovery.

During 2021, arrears levels continue to be elevated above 2019 pre-pandemic levels. Various regulatory actions have impacted the growth and recovery of past due balances including extensions on moratoriums, significant restrictions regarding disconnections, and extended installment plans. FirstEnergy has experienced a reduction in the amount of receivables that are past due by greater than 30 days since the end of 2020. While total customer arrears balances continue to decrease in 2021, balances that are over 120 days past due continue to be elevated. FirstEnergy considered other factors as part of its qualitative assessment, such as certain federal stimulus and state funding being made available to assist with past due utility bills. As a result of this qualitative analysis, WP did not recognize any incremental uncollectible expense for the twelve months ended December 31, 2021. Additionally, as a result of the pandemic-related moratoriums and certain customer installment or extended payment plans offered, the allowance for uncollectible accounts on receivables in 2021 and 2020 are elevated due to the extension of when certain write-offs would have otherwise occurred.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment reflects original cost (net of any impairments recognized), including payroll and related costs such as taxes, employee benefits, administrative and general costs, and financing costs incurred to place the assets in service. The costs of normal maintenance, repairs and minor replacements are expensed as incurred. WP recognizes liabilities for planned major maintenance projects as they are incurred.

WP provides for depreciation on a straight-line basis at various rates over the estimated lives of property included in plant in service. Depreciation expense was approximately 2.7% and 2.8% of average depreciable property in 2021 and 2020, respectively.

WP recognizes an ARO for its legal obligation to perform asset retirement activities associated with its long-lived assets. The ARO liability represents an estimate of the fair value of WP's current obligation such that the ARO is accreted monthly to reflect the time value of money. A fair value measurement inherently involves uncertainty in the amount and timing of settlement of the liability. WP uses an expected cash flow approach to measure the fair value of the remediation AROs, considering the expected timing of settlement of the ARO based on the expected economic useful life of associated asset and/or regulatory requirements. The fair value of an ARO is recognized in the period in which it is incurred. The associated asset retirement costs are capitalized as part of the carrying value of the long-lived asset and are depreciated over the life of the related asset. Conditional retirement obligations associated with tangible long-lived assets are recognized at fair value in the period in which they are incurred if a reasonable estimate can be made, even though there may be uncertainty about timing or method of settlement. When settlement is conditional on a future event occurring, it is reflected in the measurement of the liability, not the timing of the liability recognition.

WP evaluates long-lived assets classified as held and used for impairment when events or changes in circumstances indicate that the carrying value of the long-lived assets may not be recoverable. First, the estimated undiscounted future cash flows attributable to the assets is compared with the carrying value of the assets. If the carrying value is greater than the undiscounted future cash flows, an impairment charge is recognized equal to the amount the carrying value of the assets exceeds its estimated fair value

NEW ACCOUNTING PRONOUNCEMENTS

Recently Adopted Pronouncements

ASU 2019-12, "*Simplifying the Accounting for Income Taxes*" (Issued in December 2019): ASU 2019-12 enhances and simplifies various aspects of the income tax accounting guidance, including the elimination of certain exceptions related to the approach for intra-period tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The new guidance also simplifies aspects of the accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. WP adopted the guidance as of January 1, 2021, with no material impact to the financial statements.

Recently Issued Pronouncements - WP has assessed new authoritative accounting guidance issued by the FASB that has not yet been adopted and none are currently expected to have a material impact to the financial statements.

2. REVENUE

WP accounts for revenues from contracts with customers under ASC 606, "Revenue from Contracts with Customers." Revenue from leases, financial instruments, other contractual rights or obligations and other revenues that are not from contracts with customers are outside the scope of the standard and accounted for under other existing GAAP. WP has elected to exclude sales taxes and other similar taxes collected on behalf of third parties from revenue as prescribed in the new standard. As a result, tax collections and remittances within the scope of this election are excluded from recognition in the income statement and instead recorded through the balance sheet. Gross receipts taxes that are assessed on WP are not subject to the election and are included in revenue.

WP's principal business is providing electric service to customers in Pennsylvania. WP's distribution customers are metered on a cycle basis. An estimate of unbilled revenues is calculated to recognize electric service provided from the last meter reading through the end of the month. This estimate includes many factors, among which are historical customer usage, load profiles, estimated weather impacts and prices in effect for each class of customer. In each accounting period, WP accrues the estimated unbilled amount as revenue and reverses the related prior period estimate. Customer payments are generally due within 30 days. Retail generation sales relate to generation sales in Pennsylvania that are regulated by the PPUC.

WP earns revenue from state-regulated rate tariffs under which it provides distribution services to residential, commercial and industrial customers in its service territory. WP is obligated under the regulated construct to deliver power to customers reliably, as it is needed, which creates an implied monthly contract with the end-use customer. See Note 5 "Regulatory Matters," for additional information on rate recovery mechanisms. Distribution revenues are recognized over time as electricity is distributed and delivered to the customer and the customers consume the electricity immediately as delivery occurs.

Retail generation sales relate to Standard Offer Service requirements in Pennsylvania. Certain of the Utilities have default service obligations to provide power to non-shopping customers who have elected to continue to receive service under regulated retail tariffs. The volume of these sales varies depending on the level of shopping that occurs. Supply plans vary by state and by service territory. Default service for the WP is provided through a competitive procurement process approved by the state commission. Retail generation revenues are recognized over time as electricity is delivered and consumed immediately by the customer.

WP provides transmission infrastructure owned and operated by WP to transmit electricity from generation sources to distribution facilities. On October 29, 2020, WP filed tariff amendments with FERC to convert their existing stated transmission rate to a forward-looking formula transmission rate, effective January 1, 2021. Please see Note 8, "Regulatory Matters" for additional information.

Revenue requirements under forward-looking formula rates are updated annually based on a projected rate base and projected costs, which is subject to an annual true-up based on actual costs. Revenues and cash receipts for the stand-ready obligation of providing transmission service are recognized ratably over time.

3. PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

FirstEnergy provides noncontributory qualified defined benefit pension plans that cover substantially all of its employees and non-qualified pension plans that cover certain employees, including employees of WP. The plans provide defined benefits based on years of service and compensation levels. Under the cash-balance portion of the pension plan (for employees hired on or after January 1, 2014), FirstEnergy makes contributions to eligible employee retirement accounts based on a pay credit and an interest credit. In addition, FirstEnergy provides a minimum amount of noncontributory life insurance to retired employees in addition to optional contributory insurance. Health care benefits, which include certain employee contributions, deductibles and co-payments, are also available upon retirement to certain employees, their dependents and, under certain circumstances, their survivors. WP recognizes its allocated portion of the expected cost of providing pension and OPEB to employees and their beneficiaries and covered dependents from the time employees are hired until they become eligible to
receive those benefits. WP also recognizes its allocated portion of obligations to former or inactive employees after employment, but before retirement, for disability-related benefits.

FirstEnergy's pension and OPEB funding policy is based on actuarial computations using the projected unit credit method. On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021, which among other things, extended shortfall amortization periods and modification of the interest rate stabilization rules for single-employer plans thereby impacting funding requirements. As a result, FirstEnergy does not currently expect to have a required contribution to the pension plan based on various assumptions including annual expected rate of returns for assets of 7.50%. However, FirstEnergy may elect to contribute to the pension plan voluntarily

Pension and OPEB costs are affected by employee demographics (including age, compensation levels and employment periods), the level of contributions made to the plans and earnings on plan assets. Pension and OPEB costs may also be affected by changes in key assumptions, including anticipated rates of return on plan assets, the discount rates and health care trend rates used in determining the projected benefit obligations for pension and OPEB costs. FirstEnergy uses a December 31 measurement date for its pension and OPEB plans. The fair value of the plan assets represents the actual market value as of the measurement date.

Discount Rate - In selecting an assumed discount rate, FirstEnergy considers currently available rates of return on high-quality fixed income investments expected to be available during the period to maturity of the pension and OPEB obligations. The assumed rates of return on plan assets consider historical market returns and economic forecasts for the types of investments held by FirstEnergy's pension trusts. The long-term rate of return is developed considering the portfolio's asset allocation strategy. FirstEnergy utilizes a spot rate approach in the estimation of the components of benefit cost by applying specific spot rates along the full yield curve to the relevant projected cash flows.

Rate of Return - FirstEnergy's assumed rate of return on pension plan assets considers historical market returns and economic forecasts for the types of investments held by the pension trusts. In 2021, FirstEnergy's qualified pension and OPEB plan assets experienced gains of $689 million or 7.9%, compared to gains of $1,225 million, or 14.7% in 2020 and assumed a 7.50% rate of return on plan assets in 2021 and 2020 which generated $688 million and $651 million of expected returns on plan assets, respectively. The expected return on pension and OPEB assets is based on input from investment consultants, including the trusts' asset allocation targets and the historical performance of risk-based and fixed income securities. The gains or losses generated as a result of the difference between expected and actual returns on plan assets is recognized as a pension and OPEB mark-to-market adjustment in the fourth quarter of each fiscal year and whenever a plan is determined to qualify for remeasurement.

Mortality Rates - During 2021, the Society of Actuaries published new mortality tables that include more current data than the RP-2014 tables as well as new improvement scales. An analysis of plan mortality data indicated the use of the Pri-2012 mortality table with projection scale MP-2021, actuarially adjusted to reflect increased mortality rates due to COVID-19 based on mortality experience reported by the Center for Disease and Control Prevention in 2020 and 2021, was most appropriate and such was utilized to determine the 2021 benefit cost and obligation as of December 31, 2021, for the FirstEnergy pension and OPEB plans. The impact of using the Pri-2012 mortality table with projection scale MP-2021 (adjusted by FirstEnergy's actuary for COVID-19 impacts) resulted in a decrease to the projected benefit obligation of approximately $32 million and $2 million for the pension and OPEB plans, respectively, and was included in the 2021 pension and OPEB mark-to-market adjustment.

Net Periodic Benefit Costs - In addition to service costs, interest on obligations, expected return on plan assets, and prior service costs, FirstEnergy recognizes in net periodic benefit costs a pension and OPEB mark-to-market adjustment for the change in the fair value of plan assets and net actuarial gains and losses annually in the fourth quarter of each fiscal year and whenever a plan is determined to qualify for a remeasurement. Service costs, net of capitalization, are reported within Other operating expenses.

The annual pension and OPEB mark-to-market adjustments, (gains) or losses, for the years ended December 31, 2021 and 2020 were $(382) million and $477 million (including $423 million in the first quarter of 2020), respectively. Under the approved bankruptcy settlement agreement, upon emergence, FES and FENOC employees ceased earning years of service under the FirstEnergy pension and OPEB plans. The emergence on February 27, 2020, triggered a remeasurement of the affected pension and OPEB plans and as a result, FirstEnergy recognized a pension and OPEB mark-to-market adjustment in the first quarter of 2020 in addition to the annual remeasurement in December 2020. WP's pension and OPEB mark-to-market adjustments, (gains) or losses, for the years ended December 31, 2021 and 2020, were $(17) million and $27 million, respectively.
WP's allocated share of pension and OPEB costs (credits) and WP's share of net liability, including the mark-to-market adjustment was as follows:

	Pension		OPEB	
For the Years Ended	**2021**	**2020**	**2021**	**2020**
		(in millions)		
WP's share of net liability [1]	$ (39)	$ (15)	$ 14	$ 17
WP's share of net periodic costs (credits)[2]	(23)	4	(3)	(1)

(1) Excludes $19 million and $24 million of affiliated non-current liabilities as of December 31, 2021 and 2020, respectively, related to pension and OPEB mark-to-market costs allocated to WP.

(2) Includes annual pension and OPEB mark-to-market adjustment.

4. LEASES

WP primarily leases vehicles as well as land and other property and equipment under cancelable and noncancelable leases.

WP accounts for leases under, *"Leases (Topic 842)"*. Leases with an initial term of 12 months or less are recognized as lease expense on a straight-line basis over the lease term and not recorded on the balance sheet. Most leases include one or more, options to renew, with renewal terms that can extend the lease term from 1 to 40 years, and certain leases include options to terminate. The exercise of lease renewal options is at WP's sole discretion. Renewal options are included within the lease liability if they are reasonably certain based on various factors relative to the contract. Certain leases also include options to purchase the leased property. The depreciable life of leased assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. WP has elected a policy to not separate lease components from non-lease components for all asset classes.

Adoption of the accounting guidance had no impact on WP's existing ratemaking treatment or FERC jurisdiction cost-of-service rates. Amounts included in the capital lease balance sheet accounts that relate to operating leases are as follows:

(In millions)	***2021***	***2020***
Property Under Capital Lease *(Account 101.1)*	$29	$22
Obligations Under Capital Leases - Current *(Account 243)*	$4	$3
Obligations Under Capital Leases - Noncurrent *(Account 227)*	$24	$19

Lease terms and discount rates were as follows:

	As of December 31, 2021	**As of December 2020**
Weighted-average remaining lease terms (years)		
Operating leases	6.91	6.96
Finance leases	0.94	1.45
Weighted-average discount rate [1]		
Operating leases	3.10 %	2.89 %
Finance leases	4.36 %	7.98 %

(1) When an implicit rate is not readily determinable, an incremental borrowing rate is utilized, determining the present value of lease payments. The rate is determined based on expected term and information available at the commencement date.

Supplemental cash flow information related to leases was as follows:

	For the Years Ended,	
(In millions)	**December 31, 2021**	**December 31, 2020**
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 4	$ 3
Operating cash flows from finance leases	—	—
Finance cash flows from finance leases	—	1
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	$ 10	$ 8
Finance leases	—	—

Maturities of lease liabilities as of December 31, 2021, were as follows:

(In millions)	**Operating Leases**	**Finance Leases**	**Total**
2022	$ 5	$ —	$ 5

2023	5	—	5
2024	5	—	5
2025	4	—	4
2026	4	—	4
Thereafter	8	—	8
Total lease payments	31	—	31
Less imputed interest	3	—	3
Total net present value	$ 28	$ —	$ 28

5. REGULATORY MATTERS

STATE REGULATION

WP's retail rates, conditions of service, issuance of securities and other matters are subject to regulation in Pennsylvania by the PPUC. The key terms of WP's current rate orders for distribution customer billings, which have been effective since January 2017, include an allowed debt/equity ratio of 49.7%/50.3% (reflecting the filed debt/equity as final settlement/orders do not specifically include capital structure). The PPUC-approved settlement agreement for such rates did not disclose ROE.

PENNSYLVANIA

The Pennsylvania Companies operate under rates approved by the PPUC, effective as of January 27, 2017. On November 18, 2021, the PPUC issued orders to each of the Pennsylvania Companies directing they operate under DSPs for the June 1, 2019 through May 31, 2023 delivery period, which DSPs provide for the competitive procurement of generation supply for customers who do not receive service from an alternative EGS. Under the 2019-2023 DSPs, supply will be provided by wholesale suppliers through a mix of 3, 12 and 24-month energy contracts, as well as two RFPs for 2-year SREC contracts for ME, PN and Penn. On December 14, 2021, the Pennsylvania Companies filed proposed DSPs for provision of generation for the June 1, 2023 through May 31, 2027 delivery period, to be sourced through competitive procurements for customers who do not receive service from an alternative EGS. Evidentiary hearings are scheduled for April 13 and 14, 2022. Under the 2023-2027 DSPs, supply is proposed to be provided through a mix of 12 and 24-month energy contracts, as well as long-term solar PPAs.

In March 2018, the PPUC approved adjusted customer rates of the Pennsylvania Companies to reflect the net impact of the Tax Act. As a result, the Pennsylvania Companies established riders that, beginning July 1, 2018, refunded to customers tax savings attributable to the Tax Act as compared to the amounts established in their most recent base rate proceedings on a
current and going forward basis. The amounts recorded as savings for the total period of January 1 through June 30, 2018, were tracked and were to be addressed for treatment in a future proceeding. On May 17, 2021, the Pennsylvania Companies filed petitions with the PPUC proposing to refund the net savings for the January through June 2018 period to customers beginning January 1, 2022. On November 18, 2021, the PPUC approved the Pennsylvania Companies' proposed refunds, but also revised a previous methodology for calculating the net tax savings, which resulted in additional tax savings attributable to the Tax Act to be refunded to customers and directed the Pennsylvania Companies to file new petitions to propose the timing and methodology to provide these additional refunds to customers. The Pennsylvania Companies recalculated the net impact for 2018 through 2021 under the revised PPUC methodology in comparison to amounts already refunded to customers under the existing riders, which resulted in an additional $61 million in savings, with interest, to be provided to customers. As a result, FirstEnergy recognized a pre-tax charge of $61 million in the fourth quarter of 2021, $14 million at WP, within Amortization (deferral) of Regulatory Assets, net, on the Consolidated Statement of Income associated with the additional refund associated with the November 2021 PPUC order and methodology. The Pennsylvania Companies filed petitions to propose the timing and methodology of the refund of these amounts on February 17, 2022.

Pursuant to Pennsylvania Act 129 of 2008 and PPUC orders, Pennsylvania EDCs implement energy efficiency and peak demand reduction programs. The Pennsylvania Companies' Phase III EE&C plans for the June 2016 through May 2021 period, which were approved in March 2016, with expected costs up to $390 million, are designed to achieve the targets established in the PPUC's Phase III Final Implementation Order with full recovery through the reconcilable EE&C riders. On June 18, 2020, the PPUC entered a Final Implementation Order for a Phase IV EE&C Plan, operating from June 2021 through May 2026. The Final Implementation Order set demand reduction targets, relative to 2007 to 2008 peak demands at 2.5% megawatt for WP; and energy consumption reduction targets, as a percentage of the Pennsylvania Companies' historic 2009 to 2010 reference load at 2.4% megawatt-hour for WP. The Pennsylvania Companies' Phase IV plans were filed November 30, 2020 and subsequently approved by PPUC without modification on March 25, 2021.

Pennsylvania EDCs are permitted to seek PPUC approval of an LTIIP for infrastructure improvements and costs related to highway relocation projects, after which a DSIC may be approved to recover LTIIP costs. On January 16, 2020, the PPUC approved the Pennsylvania Companies' LTIIPs for the five-year period beginning January 1, 2020 and ending December 31, 2024 for a total capital investment of approximately $572 million for certain infrastructure improvement initiatives. On June 25, 2021, the Pennsylvania OCA filed a complaint against Penn's quarterly DSIC rate, disputing the recoverability of the Companies' automated distribution management system investment under the DSIC mechanism. On January 26, 2022, the parties filed a joint petition for settlement that resolves all issues in this matter pending PPUC approval.

Following the Pennsylvania Companies' 2016 base rate proceedings, the PPUC ruled in a separate proceeding related to the DSIC mechanisms that the Pennsylvania Companies were not required to reflect federal and state income tax deductions related to DSIC-eligible property in DSIC rates. The decision was appealed to the Pennsylvania Supreme Court and in July 2021 the court upheld the Pennsylvania Commonwealth Court's reversal of the PPUC's decision and remanded the matter back to the PPUC for determination as to how DSIC calculations shall account for accumulated deferred income taxes and state taxes. The matter awaits further action by the PPUC. The adverse ruling by the Pennsylvania Supreme Court is not expected to result in a material impact to WP.

The PPUC issued an order on March 13, 2020, forbidding utilities from terminating service for non-payment for the duration of the COVID-19 pandemic. On May 13, 2020, the PPUC issued a Secretarial letter directing utilities to track all prudently incurred incremental costs arising from the COVID-19 pandemic, and to create a regulatory asset for future recovery of incremental uncollectibles incurred as a result of the COVID-19 pandemic and termination moratorium. On October 13, 2020, the PPUC entered an order lifting the service termination moratorium effective November 9, 2020, subject to certain additional notification, payment procedures and exceptions, and permits the Pennsylvania Companies to create a regulatory asset for all incremental expenses associated with their compliance with the order. On March 19, 2021, the PPUC entered an order lifting the moratorium in total effective March 31, 2021, subject to certain additional guidelines regarding the duration of payment arrangements and reporting obligations.

FERC REGULATORY MATTERS

Under the FPA, FERC regulates rates for interstate wholesale sales, transmission of electric power, accounting and other matters. With respect to its wholesale services and rates, WP is subject to regulation by FERC. FERC regulations require WP to provide open access transmission service at FERC-approved rates, terms and conditions. WP's transmission facilities are subject to functional control by PJM and transmission service using WP's transmission facilities is provided by PJM under the PJM Tariff. WP provides transmission service under a stated transmission rate pursuant to a FERC-approved settlement agreement that did not specify an allowed capital structure or ROE; although as noted below, on January 1, 2021, WP implemented a forward-looking formula rate, which has been accepted by FERC, subject to refund, pending further hearing and settlement procedures.
FERC regulates the sale of power for resale in interstate commerce in part by granting authority to public utilities to sell wholesale power at market-based rates upon showing that the seller cannot exert market power in generation or transmission or erect barriers to entry into markets. WP has been authorized by FERC to sell wholesale power in interstate commerce at market-based rates and have a market-based rate tariff on file with FERC, although major wholesale purchases remain subject to review and regulation by the PPUC.

Federally-enforceable mandatory reliability standards apply to the bulk electric system and impose certain operating, record-keeping and reporting requirements on WP. NERC is the Electric Reliability Organization designated by FERC to establish and enforce these reliability standards, although NERC has delegated day-to-day implementation and enforcement of these reliability standards to six regional entities, including RFC. All of the facilities that FirstEnergy operates, including those of WP, are located within RFC. FirstEnergy actively participates in the NERC and RFC stakeholder processes, and otherwise monitors and manages its companies, including WP, in response to the ongoing development, implementation and enforcement of the reliability standards implemented and enforced by RFC.

FirstEnergy, including WP, believes that it is in material compliance with all currently-effective and enforceable reliability standards. Nevertheless, in the course of operating its extensive electric utility systems and facilities, FirstEnergy, including WP, occasionally learns of isolated facts or circumstances that could be interpreted as excursions from the reliability standards. If and when such occurrences are found, FirstEnergy, including WP, develops information about the occurrence and develops a remedial response to the specific circumstances, including in appropriate cases "self-reporting" an occurrence to RFC. Moreover, it is clear that NERC, RFC and FERC will continue to refine existing reliability standards as well as to develop and adopt new reliability standards. Any inability on FirstEnergy's, including WP's, part to comply with the reliability standards for its bulk electric system could result in the imposition of financial penalties, or obligations to upgrade or build transmission facilities that could have a material adverse effect on WP's financial

condition, results of operations and cash flows.

FERC Audit

FERC's Division of Audits and Accounting initiated a nonpublic audit of FESC in February 2019. Among other matters, the audit is evaluating FirstEnergy's compliance with certain accounting and reporting requirements under various FERC regulations. On February 4, 2022, FERC filed the final audit report for the period of January 1, 2015 through September 30, 2021, which included several findings and recommendations. FirstEnergy has accepted recommendations of the final audit report. OCC and NJ Rate Counsel have each filed motions to intervene, which motions are pending before FERC for resolution. The audit report included a finding and related recommendation that FirstEnergy may have used an inappropriate methodology for allocation of certain costs to regulatory capital accounts under certain FERC regulations and reporting. As such, FirstEnergy is currently performing an analysis of these costs and how it impacted certain wholesale transmission customer rates. FirstEnergy is unable to predict or estimate the final outcome of this analysis and audit, however, it could result in refunds, with interest, to certain wholesale transmission customers and/or write-offs of previously capitalized costs if they are determined to be nonrecoverable.

FERC Actions on Tax Act

On March 15, 2018, FERC initiated proceedings on the question of how to address possible changes to ADIT and bonus depreciation as a result of the Tax Act. Such possible changes could impact FERC-jurisdictional rates, including transmission rates. On November 21, 2019, FERC issued a final rule (Order No. 864). Order No. 864 requires utilities with transmission formula rates to update their formula rate templates to include mechanisms to: (i) deduct any excess ADIT from or add any deficient ADIT to their rate base; (ii) raise or lower their income tax allowances by any amortized excess or deficient ADIT; and (iii) incorporate a new permanent worksheet into their rates that will annually track information related to excess or deficient ADIT. WP (as holder of a "stated" transmission rate when Order No. 864 issued) is addressing these requirements in the transmission formula rates amendments that were filed on October 29, 2020, and which have been accepted by FERC effective January 1, 2021, subject to refund, pending further hearing and settlement procedures. WP is engaged in settlement negotiations with other parties to this proceeding.

Transmission ROE Methodology

On May 21, 2021, in a case not involving WP, FERC issued Opinion No. 575 in which it reiterated the nationwide ROE methodology set forth in 2020 in Opinion Nos. 569-A and 569-B. Under this methodology, FERC employs three financial models – discounted cash flow, capital-asset pricing, and risk premium – to calculate a composite zone of reasonableness. As it has done in other recent ROE cases, FERC rejected the use of the expected earnings methodology in calculating the authorized ROE. A request for clarification or, alternatively, rehearing of Opinion No. 575 was filed on June 21, 2021, and on September 9, 2021, FERC issued an order clarifying aspects of its prior opinion, but affirming the result. On July 15, 2021, FERC issued another order, addressing ROE for a generation company in New England, which applied a standard consistent with Opinion Nos. 569-A and 569-B. FERC's Opinion Nos. 569-A and 569-B, upon which Opinion No. 575 is based, have been appealed to the United States Court of Appeals for the District of Columbia Circuit. WP is not participating in the appeal. Any
changes to FERC's transmission rate ROE and incentive policies for transmission rates would be applied on a prospective basis.

On March 20, 2020, FERC initiated a rulemaking proceeding on the transmission rate incentives provisions of Section 219 of the 2005 Energy Policy Act. FirstEnergy submitted comments through Edison Electric Institute and as part of a consortium of PJM Transmission Owners. In a supplemental rulemaking proceeding that was initiated on April 15, 2021, FERC requested comments on, among other things, whether to require utilities that have been members of an RTO for three years or more and that have been collecting an "RTO membership" ROE incentive adder to file tariff updates that would terminate collection of the incentive adder. Initial comments on the proposed rule were filed on June 25, 2021, and reply comments were filed on July 26, 2021. The rulemaking remains pending before FERC. FirstEnergy is a member of PJM and its transmission subsidiaries, including WP, could be affected by the supplemental proposed rule. FirstEnergy participated in comments that were submitted by a group of PJM transmission owners and by various industry trade groups. If there were to be any changes to WP's transmission incentive ROE, such changes will be applied on a prospective basis.

Allegheny Power Zone Transmission Formula Rate Filings

On October 29, 2020, MP, PE and WP filed tariff amendments with FERC to implement a forward-looking formula transmission rate, to be effective January 1, 2021. In addition, on October 30, 2020, KATCo filed a proposed new tariff to establish a forward-looking formula rate, and requested that the new rate become effective January 1, 2021. In its filing, KATCo explained that while it currently owns no transmission assets, it may build new transmission facilities in the Allegheny zone, and that it may seek required state and federal authorizations to acquire transmission assets from PE and WP by January 1, 2022. These transmission rate filings were accepted for filing by FERC on December 31, 2020, effective January 1, 2021, subject to refund, pending further hearing and settlement procedures and were consolidated into a single proceeding. MP, PE and WP, and KATCo are engaged in settlement negotiations with the other parties to the formula rate proceedings.

6. COMMITMENTS AND CONTINGENCIES

ENVIRONMENTAL MATTERS

Various federal, state and local authorities regulate WP with regard to air and water quality and other environmental matters. While WP's environmental policies and procedures are designed to achieve compliance with applicable environmental laws and regulations, such laws and regulations are subject to periodic review and potential revision by the implementing agencies. WP cannot predict the timing or ultimate outcome of any of these reviews or how any future actions taken as a result thereof may materially impact its business, results of operations, cash flows and financial condition.

Prior to November 1999, WP owned and operated electric generation facilities in Pennsylvania and West Virginia. In response to federal and state deregulation initiatives, it separated its electric generation business from its transmission and distribution businesses by transferring all of its generation assets to an affiliate. However, WP retained responsibility for certain liabilities and obligations arising under environmental laws up to the date of transfer. As an historic owner and operator of generation facilities, WP has been subject to claims alleging violations of environmental law and could have exposure for fines and penalties.

On September 29, 2016, WP received a request from the EPA for information pursuant to CWA Section 308(a) for information concerning boron exceedances of effluent limitations established in the NPDES Permit for the former Mitchell Power Station's Mingo landfill, owned by WP. On November 1, 2016, WP provided an initial response that contained information related to a similar boron issue at the former Springdale Power Station's landfill, also owned by WP. The EPA requested additional information regarding the Springdale landfill and on November 15, 2016, WP provided a comprehensive response for both facilities and has fully complied with the Section 308(a) information request. On March 3, 2017, WP proposed to the PA DEP a re-route of its wastewater discharge to eliminate potential boron exceedances at the Springdale landfill, and on January 29, 2018, WP submitted an NPDES permit renewal application to PA DEP proposing to re-route its wastewater discharge to eliminate potential boron exceedances at the Mingo landfill. On February 20, 2018, the Department of Justice issued a letter and tolling agreement to WP on behalf of the EPA alleging violations of the CWA at the Springdale and Mingo landfills and seeking to enter settlement negotiations in lieu of filing a complaint. After the completion of a negotiated settlement, a complaint was filed by the EPA and PA DEP on January 10, 2022 in Federal District Court for the Western District of Pennsylvania, alleging, among other things, that WP violated the CWA in connection with past boron exceedances at WP's Springdale and Mingo landfills. On January 11, 2022, WP entered into a consent decree with the EPA and PA DEP resolving the matters addressed in the complaint, which, among other things, required a civil penalty of $610 thousand. On March 17, 2022, the District Court entered the Consent Decree as final and WP subsequently paid the penalty amount as required therein.

OTHER LEGAL PROCEEDINGS

United States v. Larry Householder, et al.

On July 21, 2020, a complaint and supporting affidavit containing federal criminal allegations were unsealed against the now former Ohio House Speaker Larry Householder and other individuals and entities allegedly affiliated with Mr. Householder. Also, on July 21, 2020, and in connection with the investigation, FirstEnergy received subpoenas for records from the U.S. Attorney's Office for the S.D. Ohio. FirstEnergy was not aware of the criminal allegations, affidavit or subpoenas before July 21, 2020.

On July 21, 2021, FE entered into a three-year DPA with the U.S. Attorney's Office that, subject to court proceedings, resolves this matter. Under the DPA, FE has agreed to the filing of a criminal information charging FE with one count of conspiracy to commit honest services wire fraud. The DPA requires that FirstEnergy, among other obligations: (i) continue to cooperate with the U.S. Attorney's Office in all matters relating to the conduct described in the DPA and other conduct under investigation by the U.S. government; (ii) pay a criminal monetary penalty totaling $230 million within sixty days, which shall consist of (x) $115 million paid by FE to the United States Treasury and (y) $115 million paid by FE to the ODSA to fund certain assistance programs, as determined by the ODSA, for the benefit of low-income Ohio electric utility customers; (iii) publish a list of all payments made in 2021 to either 501(c)(4) entities or to entities known by FirstEnergy to be operating for the benefit of a public official, either directly or indirectly, and update the same on a quarterly basis during the term of the DPA; (iv) issue a public statement, as dictated in the DPA, regarding FE's use of 501(c)(4) entities; and (v) continue to implement and review its compliance and ethics program, internal controls, policies and procedures designed, implemented and enforced to prevent and detect violations of the U.S. laws throughout its operations, and to take certain related remedial measures. The $230 million payment will neither be recovered in rates or charged to FirstEnergy customers nor will FirstEnergy seek any tax deduction related to such payment. The entire amount of the monetary penalty was recognized as expense in the second quarter of 2021, and paid in the third quarter of 2021. Under the terms of the DPA, the criminal information will be dismissed after FirstEnergy fully complies with its obligations under the DPA.

Legal Proceedings Relating to United States v. Larry Householder, et al.

On August 10, 2020, the SEC, through its Division of Enforcement, issued an order directing an investigation of possible securities laws violations by FE, and on September 1, 2020, issued subpoenas to FE and certain FE officers. On April 28, 2021, the SEC issued an additional subpoena to FE. While no contingency has been reflected in its consolidated financial statements, FE believes that it is probable that it will incur a loss in connection with the resolution of the SEC investigation. Given the ongoing nature and complexity of the review, inquiries and investigations, FE cannot yet reasonably estimate a loss or range of loss that may arise from the resolution of the SEC investigation.

In addition to the subpoenas referenced above under "—United States v. Larry Householder, et. al." and the SEC investigation, certain FE stockholders and FirstEnergy customers filed several lawsuits against FirstEnergy and certain current and former directors, officers and other employees, and the complaints in each of these suits is related to allegations in the complaint and supporting affidavit relating to HB 6 and the now former Ohio House Speaker Larry Householder and other individuals and entities allegedly affiliated with Mr. Householder. The plaintiffs in each of the below cases seek, among other things, to recover an unspecified amount of damages (unless otherwise noted). Unless otherwise indicated, no contingency has been reflected in FirstEnergy's consolidated financial statements with respect to these lawsuits as a loss is neither probable, nor is a loss or range of a loss reasonably estimable.

- *In re FirstEnergy Corp. Securities Litigation* (Federal District Court, S.D. Ohio); on July 28, 2020 and August 21, 2020, purported stockholders of FE filed putative class action lawsuits alleging violations of the federal securities laws. Those actions have been consolidated and a lead plaintiff, the Los Angeles County Employees Retirement Association, has been appointed by the court. A consolidated complaint was filed on February 26, 2021. The consolidated complaint alleges, on behalf of a proposed class of persons who purchased FE securities between February 21, 2017 and July 21, 2020, that FE and certain current or former FE officers violated Sections 10(b) and 20(a) of the Exchange Act by issuing misrepresentations or omissions concerning FE's business and results of operations. The consolidated complaint also alleges that FE, certain current or former FE officers and directors, and a group of underwriters violated Sections 11, 12(a)(2) and 15 of the Securities Act of 1933 as a result of alleged misrepresentations or omissions in connection with offerings of senior notes by FE in February and June 2020. FE believes that it is probable that it will incur a loss in connection with the resolution of this lawsuit. Given the ongoing nature and complexity of such litigation, FE cannot yet reasonably estimate a loss or range of loss.
- *MFS Series Trust I, et al. v. FirstEnergy Corp., et al.* (Federal District Court, S.D. Ohio) on December 17, 2021, purported stockholders of FE filed a complaint against FE, certain current and former officers, and certain current and former officers of EH. The complaint alleges that the defendants violated Sections 10(b) and 20(a) of the Exchange Act by issuing alleged misrepresentations or omissions regarding FE's business and its results of operations, and seeks the same relief as the *In re FirstEnergy Corp. Securities Litigation* described above. FE believes that it is probable that it will incur a loss in connection with the resolution of this lawsuit. Given the ongoing nature and complexity of such litigation, FE cannot yet reasonably estimate a loss or range of loss.
- *State of Ohio ex rel. Dave Yost, Ohio Attorney General v. FirstEnergy Corp., et al. and City of Cincinnati and City of Columbus v. FirstEnergy Corp.* (Common Pleas Court, Franklin County, OH, all actions have been consolidated); on September 23, 2020 and October 27, 2020, the OAG and the cities of Cincinnati and Columbus, respectively, filed complaints against several parties including FE (the OAG also named FES as a defendant), each alleging civil violations of the Ohio Corrupt Activity Act in connection with the passage of HB 6. On January 13, 2021, the OAG filed a motion for a temporary restraining order and preliminary injunction against FirstEnergy seeking to enjoin FirstEnergy from collecting the Ohio Companies' decoupling rider. On January 31, 2021, FE reached a partial settlement with the OAG and the cities of Cincinnati and Columbus with respect to the temporary restraining order and preliminary injunction request and related issues. In connection with the partial settlement, the Ohio Companies filed an application on February 1, 2021, with the PUCO to set their respective decoupling riders (CSR) to zero. On February 2, 2021, the PUCO approved the application of the Ohio Companies setting the rider to zero and no additional customer bills will include new decoupling rider charges after February 8, 2021. The cases are stayed pending final resolution of the United States v. Larry Householder, et al. criminal proceeding described above, although on August 13, 2021, new defendants were added to the complaint, including two former officers of FirstEnergy. On November 9, 2021, the OAG filed a motion to lift the agreed-upon stay, which FE opposed on November 19, 2021; the motion remains pending. On December 2, 2021, the cities and FE entered a stipulated dismissal with prejudice of the cities' suit.
- *Smith v. FirstEnergy Corp. et al., Buldas v. FirstEnergy Corp. et al., and Hudock and Cameo Countertops, Inc. v. FirstEnergy Corp. et al.* (Federal District Court, S.D. Ohio, all actions have been consolidated); on July 27, 2020, July 31, 2020, and August 5, 2020, respectively, purported customers of FE filed putative class action lawsuits against FE and FESC, as well as certain current and former FE officers, alleging civil Racketeer Influenced and Corrupt Organizations Act violations and related state law claims. The court denied FE's motions to dismiss and stay discovery on February 10 and 11, 2021, respectively, and the defendants submitted answers to the complaint on March 10, 2021. The plaintiffs moved to certify the case as a class action on June 28, 2021, and moved for leave to amend the complaint to add FES as a defendant on September 27, 2021. The court granted the motion to amend on November 10, 2021. On November 9, 2021, the court issued an order granting Plaintiffs' motion for class certification, but vacated that order on November 19, 2021, to allow defendants to take the named plaintiffs' depositions and to file an opposition to the motion, which they filed on December 14, 2021. On November 19, 2021, FE and FESC moved for judgment on the pleadings. One of the individual defendants moved to dismiss the amended complaint on November 24, 2021. On December 28, 2021, the parties jointly moved the court to stay consideration of the pending motions for class certification, to dismiss, and for judgment on the pleadings for 45 days. The court granted the motion on December 29, 2021, and the cases are currently stayed. FE is engaged with the parties in settlement discussions, and believes that it is probable that it will incur a loss in connection with the resolution of these lawsuits. As a result, FirstEnergy recognized in the fourth quarter of 2021 a pre-tax reserve of $37.5 million in the aggregate with respect to these lawsuits and the *Emmons* lawsuit below; no impact to WP is anticipated.
- *Emmons v. FirstEnergy Corp. et al.* (Common Pleas Court, Cuyahoga County, OH); on August 4, 2020, a purported customer of FirstEnergy filed a putative class action lawsuit against FE, FESC, the Ohio Companies, along with FES, alleging several causes of action, including negligence and/or gross negligence, breach of contract, unjust enrichment, and unfair or deceptive consumer acts or practices. On October 1, 2020, plaintiffs filed a First Amended Complaint, adding as a plaintiff a purported customer of FirstEnergy and alleging a civil violation of the Ohio Corrupt Activity Act and civil conspiracy against FE, FESC and FES. On May 4, 2021, the court granted the defendants' motion to dismiss plaintiffs' breach of contract claims and denied the remainder of the motions to dismiss. The defendants submitted answers to the complaint on June 1, 2021. Discovery is proceeding. On December 30, 2021, the plaintiff filed a Second Amended Complaint removing one of the named plaintiffs and updating the class definition. FE is engaged with the parties in settlement discussions, and believes that it is probable that it will incur a loss in connection with the resolution of these lawsuits. As a result, FirstEnergy recognized in the fourth quarter of 2021 a pre-tax reserve of $37.5 million in the aggregate with respect to this lawsuit and the lawsuits above consolidated with *Smith* in the S.D. Ohio alleging, among other things, civil violations of the Racketeer Influenced and Corrupt Organizations Act; no impact to WP is anticipated.

On February 9, 2022, FE, acting through the SLC, agreed to a settlement term sheet to resolve the following shareholder derivative lawsuits relating to HB 6 and the now former Ohio House Speaker Larry Householder and other individuals and entities allegedly affiliated with Mr. Householder that were filed in the S.D. Ohio, the N.D. Ohio, and the Ohio Court of Common Pleas, Summit County:

- *Gendrich v. Anderson, et al. and Sloan v. Anderson, et al.* (Common Pleas Court, Summit County, OH, all actions have been consolidated); on July 26, 2020 and July 31, 2020, respectively, purported stockholders of FE filed shareholder derivative action lawsuits against certain FE directors and officers, alleging, among other things, breaches of fiduciary duty.
- *Miller v. Anderson, et al.* (Federal District Court, N.D. Ohio); *Bloom, et al. v. Anderson, et al.; Employees Retirement System of the City of St. Louis v. Jones, et al.; Electrical Workers Pension Fund, Local 103, I.B.E.W. v. Anderson et al.; Massachusetts Laborers Pension Fund v. Anderson et al.; The City of Philadelphia Board of Pensions and Retirement v. Anderson et al.; Atherton v. Dowling et al.; Behar v. Anderson, et al.* (Federal District Court, S.D. Ohio, all actions have been consolidated); beginning on August 7, 2020, purported stockholders of FE filed shareholder derivative actions alleging the FE Board and officers breached their fiduciary duties and committed violations of Section 14(a) of the Exchange Act.

The proposed settlement, which is subject to court approval, will fully resolve the shareholder derivative lawsuits above and stipulates a series of corporate governance enhancements, that is expected to result in the following:

- Six members of the FE Board, Messrs. Michael J. Anderson, Donald T. Misheff, Thomas N. Mitchell, Christopher D. Pappas and Luis A. Reyes, and Ms. Julia L. Johnson will not stand for re-election at FE's 2022 annual shareholder meeting;
- A special FE Board committee of at least three recently appointed independent directors will be formed to initiate a review process of the current senior executive team, to begin within 30 days of the 2022 annual shareholder meeting;
- The FE Board will oversee FE's lobbying and political activities, including periodically reviewing and approving political and lobbying action plans prepared by management;
- The FE Board will form another committee of recently appointed independent directors to oversee the implementation and third-party audits of the FE Board-approved action plans with respect to political and lobbying activities;
- FE will implement enhanced disclosure to shareholders of political and lobbying activities, including enhanced disclosure in its annual proxy statement; and
- FE will further align financial incentives of senior executives to proactive compliance with legal and ethical obligations.

The settlement also includes a payment to FirstEnergy of $180 million, to be paid by insurance after court approval, less any court-ordered attorney's fees awarded to plaintiffs. On March 11, 2022, the parties executed a stipulation and agreement of settlement, and filed a motion for preliminary approval in the S.D. Ohio the same day.

In letters dated January 26, and February 22, 2021, staff of FERC's Division of Investigations notified FirstEnergy that the Division is conducting an investigation of FirstEnergy's lobbying and governmental affairs activities concerning HB 6, and staff directed FirstEnergy to preserve and maintain all documents and information related to the same as such have been developed as part of an ongoing non-public audit being conducted by FERC's Division of Audits and Accounting. While no contingency has been reflected in the consolidated financial statements, FirstEnergy believes that it is probable that it will incur a loss in connection with the resolution of the FERC investigation. Given the ongoing nature and complexity of the review, inquiries and investigations, FirstEnergy cannot yet reasonably estimate a loss or range of loss that may arise from the resolution of the FERC investigation.

The outcome of any of these lawsuits, governmental investigations and audit is uncertain and could have a material adverse effect on FE's or WP's reputation, business, financial condition, results of operations, liquidity, and cash flows.

Other Legal Matters

There are various lawsuits, claims (including claims for asbestos exposure) and proceedings related to WP's normal business operations pending against WP and its subsidiaries. The loss or range of loss in these matters is not expected to be material to WP or its

subsidiaries. The other potentially material items not otherwise discussed above are described under Note 5, "Regulatory Matters."

WP accrues legal liabilities only when it concludes that it is probable that it has an obligation for such costs and can reasonably estimate the amount of such costs. In cases where WP determines that it is not probable, but reasonably possible that it has a material obligation, it discloses such obligations and the possible loss or range of loss if such estimate can be made. If it were ultimately determined that WP or its subsidiaries have legal liability or are otherwise made subject to liability based on any of the matters referenced above, it could have a material adverse effect on WP's or its subsidiaries' financial condition, results of operations and cash flows.

7. TRANSACTIONS WITH AFFILIATED COMPANIES

WP's operating revenues, operating expenses, miscellaneous income and interest expenses include transactions with affiliated companies. These affiliated company transactions include affiliated company power sales agreements, support service billings, interest on affiliated company notes including the money pools and other transactions.

The primary affiliated company transactions for WP during the years ended December 31, 2021 and 2020 are as follows:

	For the Years Ended December 31,	
	2021	2020
	(In millions)	
Revenues	$ 8	$ 10
Expenses:		
Purchased power from affiliates	1	1
Support services	77	81
Miscellaneous income	2	2
Interest expense to affiliates	1	—

FirstEnergy does not bill directly or allocate any of its costs to any subsidiary company. Costs are charged to FE's subsidiaries for services received from FESC either through direct billing or through an allocation process. Allocated costs are for services that are provided on behalf of more than one company, or costs that cannot be precisely identified and are allocated using formulas developed by FESC. Intercompany transactions are generally settled under commercial terms within thirty days.

Affiliate accounts receivable and accounts payable balances relate to intercompany transactions that have not yet settled through the FirstEnergy money pool.

WP and FirstEnergy's other subsidiaries are parties to an intercompany income tax allocation agreement with FE and its other subsidiaries that provides for the allocation of consolidated tax liabilities. Net tax benefits attributable to FE are generally reallocated to the subsidiaries of FirstEnergy that have taxable income. That allocation is accounted for as a capital contribution to the company receiving the tax benefit.

Additionally, WP purchases power to meet a portion of its POLR and default service requirements and provide power to certain facilities.

8. STATEMENT OF CASH FLOWS

As of December 31,	**2021**	**2020**
Cash (Account 131)	$ —	$ —
Working Fund (Account 135)	—	—
Temporary Cash Investments (Account 136)	—	150,000,000
Cash and Cash Equivalents at End of Year	$ —	$ 150,000,000

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

For the Twelve Months Ended December 31,	**2021**	**2020**
Cash paid:		
Interest – net of amount capitalized	$ 43,295,494	$ 40,350,065
Income Taxes	$ 3,173,647	$ 3,992,217

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JOINT APPLICANTS

EXHIBIT AP-5

FirstEnergy Pennsylvania Electric Company
Proforma Balance Sheet as of December 31, 2021
Assets

Title of Account	Penelec	Met-Ed	Penn Power	West Penn	Eliminations	FE PA
UTILITY PLANT						
Utility Plant (101-106, 114)	3,447,352,577	3,108,948,407	878,446,867	3,744,098,161	-	11,178,846,012
Construction Work in Progress (107)	55,541,315	67,891,595	14,321,943	83,396,855	-	221,151,708
TOTAL Utility Plant	3,502,893,892	3,176,840,002	892,768,810	3,827,495,016	-	11,399,997,720
(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	1,069,528,942	945,181,587	234,100,874	1,254,817,081	-	3,503,628,484
Net Utility Plant	2,433,364,950	2,231,658,415	658,667,936	2,572,677,935	-	7,896,369,236
OTHER PROPERTY AND INVESTMENTS						
Nonutility Property (121)	2,609,139	1,223,874	263,588	10,536,411	-	14,633,012
(Less) Accum. Prov. for Depr. and Amort. (122)	1,770,843	627,342	43,795	794,745	-	3,236,725
Investment in Subsidiary Companies (123.1)	454,375,697	304,303,830	-	10,553,809	-	769,233,336
(For Cost of Account 123.1, See Footnote Page 224, line 42)						
Other Investments (124)	17,745	47,786	-	-	-	65,531
Other Special Funds (128)	92,949	5,268,971	12,402,486	41,743,600	-	59,508,006
TOTAL Other Property and Investments	455,324,687	310,217,119	12,622,279	62,039,075	-	840,203,160
CURRENT AND ACCRUED ASSETS						
Special Deposits (132-134)	-	119,198	-	-	-	119,198
Customer Accounts Receivable (142)	91,353,993	91,050,229	24,365,679	84,542,226	-	291,312,127
Other Accounts Receivable (143)	10,575,269	11,920,395	2,825,829	9,992,921	-	35,314,414
(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)	23,299,051	21,746,669	6,119,236	20,521,613	-	71,686,569
Accounts Receivable from Assoc. Companies (146)	26,351,627	27,832,699	3,879,618	26,670,122	(423,771)	84,310,295
Prepayments (165)	5,380,003	12,537,112	2,552,930	2,061,710	-	22,531,755
Rents Receivable (172)	5,889,816	6,596,826	1,521,875	54,219	-	14,062,736
Accrued Utility Revenues (173)	54,376,074	60,276,839	17,787,574	67,680,220	-	200,120,707
Miscellaneous Current and Accrued Assets (174)	-	42,047	-	62,885	-	104,932
Total Current and Accrued Assets	170,627,731	188,628,676	46,814,269	170,542,690	(423,771)	576,189,595
DEFERRED DEBITS						
Unamortized Debt Expenses (181)	7,024,207	4,066,575	1,180,860	5,118,814	-	17,390,456
Other Regulatory Assets (182.3)	227,010,246	284,406,044	54,950,829	302,254,343	-	868,621,462
Prelim. Survey and Investigation Charges (Electric) (183)	(40,978)	51,343	432	112,426	-	123,223
Clearing Accounts (184)	587,326	544,300	44,670	427,699	-	1,603,995
Temporary Facilities (185)	3,625	203,872	281,164	961,036	-	1,449,697
Miscellaneous Deferred Debits (186)	643,559,858	334,745,234	2,028,276	22,310,973	-	1,002,644,341
Research, Devel. and Demonstration Expend. (188)	25,996	26,878	522	2,754	-	56,150
Unamortized Loss on Reacquired Debt (189)	1,167,951	337,813	917,805	65,510	-	2,489,079
Accumulated Deferred Income Taxes (190)	342,618,903	262,958,110	81,937,885	267,811,952	-	955,326,850
Total Deferred Debits	1,221,957,134	887,340,169	141,342,443	599,065,507	-	2,849,705,253
TOTAL ASSETS	4,281,274,502	3,617,844,379	859,446,927	3,404,325,207	(423,771)	12,162,467,244

FirstEnergy Pennsylvania Electric Company
Proforma Balance Sheet as of December 31, 2021
Liabilities and Equity

Title of Account	Penelec	Met-Ed	Penn Power	West Penn	Eliminations	FE PA
PROPRIETARY CAPITAL						
Common Stock Issued (201)	88,551,540	841,546,520	93,325,080	67,786,059	-	1,091,209,199
Premium on Capital Stock (207)	697,751,295	-	-	-	-	697,751,295
Other Paid-In Capital (208-211)	167,705,865	-	1,897,543	493,304,745	-	662,908,153
Retained Earnings (215, 215.1, 216)	357,156,582	243,653,391	113,806,360	385,931,345	-	1,100,547,678
Unappropriated Undistributed Subsidiary Earnings (216.1)	8,749,210	5,855,755	-	1,196,302	-	15,801,267
Accumulated Other Comprehensive Income (219)	779,782	(818,154)	(866,087)	3,327,697	-	2,423,238
Total Proprietary Capital	1,320,694,274	1,090,237,512	208,162,896	951,546,148	-	3,570,640,830
LONG-TERM DEBT						
Bonds (221)	-	-	200,000,000	975,000,000	-	1,175,000,000
Other Long-Term Debt (224)	1,300,000,000	1,050,000,000	-	-	-	2,350,000,000
(Less) Unamortized Discount on Long-Term Debt-Debit (226)	1,153,770	688,637	-	-	-	1,842,407
Total Long-Term Debt	1,298,846,230	1,049,311,363	200,000,000	975,000,000	-	3,523,157,593
OTHER NONCURRENT LIABILITIES						
Obligations Under Capital Leases - Noncurrent (227)	26,927,143	37,914,100	3,790,329	24,450,494	-	93,082,066
Accumulated Provision for Injuries and Damages (228.2)	774,202	499,946	1,711,583	9,582,442	-	12,568,173
Accumulated Provision for Pensions and Benefits (228.3)	113,305,292	25,313,446	26,924,414	17,711,156	-	183,254,308
Asset Retirement Obligations (230)	4,298,432	1,413,520	414,278	7,510,983	-	13,637,213
Total Other Noncurrent Liabilities	145,305,069	65,141,012	32,840,604	59,255,075	-	302,541,760
CURRENT AND ACCRUED LIABILITIES						
Accounts Payable (232)	56,739,738	57,748,117	16,921,511	72,613,417	-	204,022,783
Notes Payable to Associated Companies (233)	85,151,241	24,372,625	43,690,757	158,358,410	-	311,573,033
Accounts Payable to Associated Companies (234)	2,986,070	2,021,700	880,495	11,718,252	(423,771)	17,182,746
Customer Deposits (235)	26,329,504	30,967,663	6,966,264	28,357,390	-	92,620,821
Taxes Accrued (236)	8,244,913	13,977,915	4,105,507	15,046,627	-	41,374,962
Interest Accrued (237)	10,948,408	15,606,153	1,650,249	7,339,505	-	35,544,315
Tax Collections Payable (241)	765,709	649,333	220,164	874,413	-	2,509,619
Miscellaneous Current and Accrued Liabilities (242)	20,057,140	20,970,434	11,709,173	23,374,607	-	76,111,354
Obligations Under Capital Leases-Current (243)	7,257,943	4,481,778	1,141,229	4,229,134	-	17,110,084
Total Current and Accrued Liabilities	218,480,666	170,795,718	87,285,349	321,911,755	(423,771)	798,049,717
DEFERRED CREDITS						
Customer Advances for Construction (252)	-	-	32,520	575,888	-	608,408
Accumulated Deferred Investment Tax Credits (255)	-	1,587,367	-	990,560	-	2,577,927
Other Deferred Credits (253)	177,623,764	211,304,748	36,284,341	36,714,579	-	461,927,432
Other Regulatory Liabilities (254)	391,022,240	329,072,997	95,354,049	269,600,109	-	1,085,049,395
Unamortized Gain on Reacquired Debt (257)	223,416	201,547	29,947	-	-	454,910
Accum. Deferred Income Taxes-Other Property (282)	574,111,604	523,829,041	153,689,934	592,690,012	-	1,844,320,591
Accum. Deferred Income Taxes-Other (283)	154,967,239	176,363,074	45,767,287	196,041,081	-	573,138,681
Total Deferred Credits	1,297,948,263	1,242,358,774	331,158,078	1,096,612,229	-	3,968,077,344
TOTAL LIABILITIES AND STOCKHOLDER EQUITY	4,281,274,502	3,617,844,379	859,446,927	3,404,325,207	(423,771)	12,162,467,244

FirstEnergy Pennsylvania Electric Company
Proforma Income Statement
For the year ended December 31, 2021

Title of Account	Penelec	Met-Ed	Penn Power	West Penn	Eliminations	FE PA
UTILITY OPERATING INCOME						
Operating Revenues (400)	823,839,073	864,029,300	257,407,732	984,030,575	(1,955,320)	2,927,351,360
Operating Expenses						
Operating Expenses (401)	327,716,170	388,959,340	128,752,489	549,084,916	(1,955,320)	1,392,557,595
Maintenance Expenses (402)	52,407,610	69,460,565	15,912,796	74,106,448	-	211,887,419
Depreciation Expense (403)	72,264,452	72,708,933	22,836,950	87,341,593	-	255,151,928
Depreciation Expense for Asset Retirement Costs (403.1)	10,710	2,625	897	20,153	-	34,385
Amort. & Depl. Of Utility Plant (404-405)	7,923,381	7,764,671	1,955,766	10,439,634	-	28,083,452
Regulatory Debits (407.3)	8,715,560	755,860	2,154,310	(3,925,529)	-	7,700,201
(Less) Regulatory Credits (407.4)	(15,261,037)	10,240,175	25,239	12,246,123	-	7,250,500
Taxes Other Than Income Taxes (408.1)	52,307,860	54,094,146	17,761,491	58,363,978	-	182,527,475
Income Taxes - Federal (409.1)	12,862,236	16,554,391	6,081,030	(5,362,812)	-	30,134,845
- Other (409.1)	3,363,059	6,690,783	2,554,548	(1,762,968)	-	10,845,422
Provision for Deferred Income Taxes (410.1)	114,874,672	112,889,763	35,836,731	138,593,914	-	402,195,080
(Less) Provision for Deferred Income Taxes-Cr. (411.1)	81,900,857	84,223,664	32,615,945	92,208,911	-	290,949,377
Investment Tax Credit Adj. - Net (411.4)	(35,804)	(326,161)	-	(948,000)	-	(1,309,965)
Accretion Expense (411.10)	261,945	86,635	25,657	483,350	-	857,587
TOTAL Utility Operating Expenses	586,032,031	635,177,712	201,231,481	801,979,643	(1,955,320)	2,222,465,547
Net Utility Operating Income	237,807,042	228,851,588	56,176,251	182,050,932	-	704,885,813
Other Income and Deductions						
Other Income						
Nonutlity Operating Income						
Revenues From Merchandising, Jobbing and Contract Work (415)	3,706,266	2,896,467	794,279	2,832,601	-	10,229,613
(Less) Costs and Exp. Of Merchandising, Job. & Contract Work (416)	2,585,222	1,733,515	528,872	1,405,034	-	6,252,643
Revenues from Nonutility Operations (417)	255	-	24	-	-	279
(Less) Expenses of Nonutility Operations (417.1)	34	31	9	38	-	112
Nonoperating Rental Income (418)	(40,341)	(14,457)	-	(41,666)	-	(96,464)
Equity in Earnings of Subsidiary Companies (418.1)	36,079,329	24,163,794	-	(27,362)	-	60,215,761
Interest and Dividend Income (419)	2,699,295	2,932,894	649,230	2,578,899	-	8,860,318
Allowance for Other Funds Used During Construction (419.1)	1,762,737	1,284,185	(22,180)	2,327,413	-	5,352,155
Miscellaneous Nonoperating Income (421)	1,318,023	1,516,812	267,640	1,795,176	-	4,897,651
Gain on Disposition of Property (421.1)	177,515	177,740	46,825	201,796	-	603,876
TOTAL Other Income	43,117,823	31,223,889	1,206,937	8,261,785	-	83,810,434
Other Income Deductions						
Loss on Disposition of Property (421.2)	225,923	215,231	58,101	237,728	-	736,983
Donations (426.1)	187,153	532,777	62,519	272,514	-	1,054,963
Life Insurance (426.2)	(606,929)	(539,189)	(229,509)	(589,726)	-	(1,965,353)
Penalties (426.3)	3,883	685,635	145	1,396,456	-	2,086,119
Exp for Certain Civic, Political & Related Activities (426.4)	125,127	156,309	32,041	196,600	-	510,077
Other Deductions (426.5)	(6,603)	(5,328)	(1,693)	470,988	-	457,364
TOTAL Other Income Deductions	(71,446)	1,045,435	(78,396)	1,984,560	-	2,880,153
Taxes Applic. To Other Income and Deductions						
Taxes Other Than Income Taxes (408.2)	-	-	-	30,503	-	30,503
Income Taxes - Federal (409.2)	2,617,671	1,551,832	196,983	3,530,275	-	7,896,761
Income Taxes - Other (409.2)	1,374,076	820,163	104,108	1,865,795	-	4,164,142
Provision for Deferred Income Taxes (410.2)	533,369	134,542	222,080	267,970	-	1,157,961
(Less) Provision for Deferred Income Taxes-Cr (411.2)	2,458,061	862,436	367,185	3,914,041	-	7,601,723
TOTAL Taxes on Other Income and Deduction	2,067,055	1,644,101	155,986	1,780,502	-	5,647,644
Net Other Income and Deductions	41,122,214	28,534,353	1,129,347	4,496,723	-	75,282,637
Interest Charges						
Interest on Long-Term Debt (427)	53,375,000	42,000,000	10,395,000	39,880,000	-	145,650,000
Amort. of Debt Disc. and Expense (428)	1,071,911	1,061,217	144,744	254,507	-	2,532,379
Amortization of Loss on Reaquired Debt (428.1)	133,240	227,182	356,928	19,653	-	737,003
(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)	58,240	94,989	19,927	-	-	173,156
Interest on Debt to Assoc. Companies (430)	166,318	16,105	221,715	591,781	-	995,919
Other Interest Expense (431)	3,663,591	8,558,891	1,898,217	6,208,040	-	20,328,739
(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)	1,027,545	955,979	252,172	3,523,875	-	5,759,571
Net Interest Charges	57,324,275	50,812,427	12,744,505	43,430,106	-	164,311,313
Income Before Extraordinary Items	221,604,981	206,573,514	44,561,093	143,117,549	-	615,857,137
Net Income	221,604,981	206,573,514	44,561,093	143,117,549	-	615,857,137

JOINT APPLICANTS

EXHIBIT AP-6(a)

Merger of Penelec LLC, Met-Ed LLC, West Penn LLC and Penn Power into FE PA
FE PA Entries
As of December 31, 2021. Preliminary and Subject to Change Based on Actual Closing Date
Actual Dollars

Entry #	FERC Account		Debit	Credit	Entry Description
1	131	Cash	$ 208,162,896	-	To record the cash contribution from FE PA HoldCo to capitalize FE PA and recognize the issuance of FE PA common stock in account 201 (Common Stock Issued) to FE PA HoldCo. Cash amount is equal to the value of Penn Power
	201	Common Stock Issued (FE PA)	-	208,162,896	

Entry #	FERC Account		Debit	Credit	Entry Description
2	123.1	Investment in Subsidiary companies	$ 1,320,694,274	-	To record the merger of Penelec LLC into FE PA by recording FE PA's interest in the equity of Penelec LLC in account 123.1 (Investment in Subsidiary companies) and the recognition of FE PA equity in account 201 (Common Stock Issued). This entry is necessary for the consolidation of Penelec LLC into FE PA while the former utility maintains separate books until customer rates of the rate districts are rationalized into one rate.
	201	Common Stock Issued (FE PA)	-	1,320,694,274	

Entry #	FERC Account		Debit	Credit	Entry Description
3	123.1	Investment in Subsidiary companies	$ 1,090,237,512	-	To record the merger of Met-Ed LLC into FE PA by recording FE PA's interest in the equity of Met-Ed LLC in account 123.1 (Investment in Subsidiary companies) and the recognition of FE PA equity in account 201 (Common Stock Issued). This entry is necessary for the consolidation of Met-Ed LLC into FE PA while the former utility maintains separate books until customer rates of the rate districts are rationalized into one rate.
	201	Common Stock Issued (FE PA)	-	1,090,237,512	

Entry #	FERC Account		Debit	Credit	Entry Description
4	123.1	Investment in Subsidiary companies	$ 951,546,148	-	To record the merger of West Penn LLC into FE PA by recording FE PA's interest in the equity of West Penn LLC in account 123.1 (Investment in Subsidiary companies) and the recognition of FE PA equity in account 201 (Common Stock Issued). This entry is necessary for the consolidation of West Penn LLC into FE PA while the former utility maintains separate books until customer rates of the rate districts are rationalized into one rate.
	201	Common Stock Issued (FE PA)	-	951,546,148	

Entry #	FERC Account		Debit	Credit	Entry Description
5	123.1	Investment in Subsidiary companies	$ 208,162,896	-	To record the merger of Penn Power into FE PA by recording FE PA's interest in the equity of Penn Power in account 123.1 (Investment in Subsidiary companies) and the payment of cash to Ohio Edison. This entry is necessary for the consolidation of Penn Power into FE PA while the former utility maintains separate books until customer rates of the rate districts are rationalized into one rate.
	131	Cash	-	208,162,896	

Merger of Penelec LLC, Met-Ed LLC, West Penn LLC and Penn Power into FE PA
FE PA HoldCo Entries
As of December 31, 2021. Preliminary and Subject to Change Based on Actual Closing Date
Actual Dollars

Entry #	FERC Account		Debit	Credit	Entry Description
1	131	Cash	$ 208,162,896	-	To record the cash contribution from FirstEnergy to capitalize FE PA HoldCo. Cash amount is equal to the value of Penn Power
	201	Common Stock Issued (FE PA HoldCo)	-	208,162,896	

Entry #	FERC Account		Debit	Credit	Entry Description
2	123.1	Investment in Subsidiary companies	$ 208,162,896	-	To record the cash contribution from FE PA HoldCo to FE PA in exchange for FE PA common stock by recording FE PA HoldCo's interest in the equity of FE PA in account 123.1 (Investment in Subsidiary companies). Cash amount is equal to the value of Penn Power.
	131	Cash	-	208,162,896	

Entry #	FERC Account		Debit	Credit	Entry Description
3	123.1	Investment in Subsidiary companies	$ 1,320,694,274	-	To record the issuance of membership interests to FE Corp. as consideration for the merger of Penelec LLC into FE PA by recording FE PA HoldCo's interest in the equity of FE PA in account 123.1 (Investment in Subsidiary companies) and the recognition of FE PA HoldCo equity in account 201 (Common Stock Issued). This entry is necessary for the consolidation of FE PA into FE PA HoldCo.
	201	Common Stock Issued (FE PA HoldCo)	-	1,320,694,274	

Entry #	FERC Account		Debit	Credit	Entry Description
4	123.1	Investment in Subsidiary companies	$ 1,090,237,512	-	To record the issuance of membership interests to FE Corp. as consideration for the merger of Met-Ed LLC into FE PA by recording FE PA HoldCo's interest in the equity of FE PA in account 123.1 (Investment in Subsidiary companies) and the recognition of FE PA HoldCo equity in account 201 (Common Stock Issued). This entry is necessary for the consolidation of FE PA into FE PA HoldCo.
	201	Common Stock Issued (FE PA HoldCo)	-	1,090,237,512	

Entry #	FERC Account		Debit	Credit	Entry Description
5	123.1	Investment in Subsidiary companies	$ 951,546,148	-	To record the issuance of membership interests to FE Corp. as consideration for the merger of West Penn LLC into FE PA by recording FE PA HoldCo's interest in the equity of FE PA in account 123.1 (Investment in Subsidiary companies) and the recognition of FE PA HoldCo equity in account 201 (Common Stock Issued). This entry is necessary for the consolidation of FE PA into FE PA HoldCo.
	201	Common Stock Issued (FE PA HoldCo)	-	951,546,148	

JOINT APPLICANTS

EXHIBIT AP-6(b)

FirstEnergy's Purchase of MAIT Class B interests from Met-Ed LLC and Penelec LLC
FirstEnergy, Met-Ed LLC and Penelec LLC Entries
Actual Dollars
As of December 31, 2021

Entry #	FERC Account	FIrstEnergy Debit	FIrstEnergy Credit	Met-Ed LLC Debit	Met-Ed LLC Credit	Penelec LLC Debit	Penelec LLC Credit	Entry Description
1	123.1 Investment in Subsidiary Companies (MAIT)	$ 758,664,527	-	-	$ 304,303,830	-	$ 454,360,697	To record FirstEnergy's purchase of MAIT class B interest from Met-Ed LLC and Penelec LLC for cash.
	131 Cash	-	$ 758,664,527	$ 304,303,830	-	$ 454,360,697	-	

JOINT APPLICANTS

EXHIBIT AP-6(c)

Transfer of Transmission Net Assets from West Penn LLC to KATCo
West Penn LLC Entries
Actual Dollars
As of December 31, 2021; Subject to Change Upon Transaction Close

Entry #		FERC Account	Debit	Credit	Entry Description
1	102	Electric Plant Purchased or Sold	$ 375,481,822	-	To reclassify the contributed transmission assets' original cost from accounts 101, 106, 107 and 108 to account 102.
	101	Electric Plant In Service	-	$ 416,871,885	
	106	Completed Construction Not Classified - Electric	-	138,791,365	
	107	Construction Work in Progress - Electric		24,202,002	
	108	Accumulated Provision for Depreciation of Electric Utility Plant	204,383,430	-	

Entry #		FERC Account	Debit	Credit	Entry Description
2	123	Investment in Associated Companies (KATCo)	$ 334,850,876	-	To record West Penn LLC's investment in KATCo through its contribution of regulatory assets associated with income taxes recoverable related to AFUDC - equity, excess deferred income taxes and flow-through and vegetation management, the contribution of transmission plant and associated tax attributes.
	182.3	Other Regulatory Assets (Income Taxes Recoverable Related to AFUDC - Equity, Excess Deferred Income Tax and Flow-Through)	-	$ 5,388,277	
	182.3	Other Regulatory Assets (Vegetation Management)	-	21,163,961	
	182.3	Other Regulatory Assets (PJM Receivable)	-	1,939,404	
	190	Accumulated Deferred Income Taxes	-	15,216,873	
	254	Other Regulatory Liabilities (Income Taxes Refundable Related to Excess Deferred Income Tax)	14,372,706	-	
	282	Accumulated Deferred Iincome Taxes - Other Property (Plant)	66,585,353	-	
	283	Accumulated Deferred Income Taxes - Other	-	2,595,790	
	283	Accumulated Deferred Income Taxes - Other (Vegetation Management)	5,977,192	-	
	102	Electric Plant Purchased or Sold	-	375,481,822	

Entry #		FERC Account	Debit	Credit	Entry Description
3	131	Cash	$ 334,850,876	-	To record West Penn LLC's sale of its investment in KATCo to FirstEnergy for cash.
	123	Investment in Associated Company (KATCo)	-	$ 334,850,876	

Transfer of Transmission Net Assets from West Penn LLC to KATCo
KATCo Entries
Actual Dollars
As of December 31, 2021; Subject to Change Upon Transaction Close

Entry #		FERC Account	Debit	Credit	Entry Description
1	102	Electric Plant Purchased or Sold	$ 375,481,822	-	To record the contribution of transmission electric plant assets, regulatory assets associated with income taxes recoverable related to AFUDC - equity, EDIT, flow-through and deferred vegetation management as well as associated tax attributes to KATCo in exchange for Class B common shares in KATCo.
	182.3	Other Regulatory Assets (Income Taxes Recoverable Related to AFUDC - Equity, Excess Deferred Income Tax and Flow-Through)	5,388,277	-	
	182.3	Other Regulatory Assets (Vegetation Management)	21,163,961	-	
	182.3	Other Regulatory Assets (PJM Receivable)	1,939,404	-	
	190	Accumulated Deferred Income Taxes	15,216,873	-	
	254	Other Regulatory Liabilities (Income Taxes Refundable Related to Excess Deferred Income Tax)	-	14,372,706	
	282	Accumulated Deferred Iincome Taxes - Other Property (Plant)	-	66,585,353	
	283	Accumulated Deferred Income Taxes - Other	2,595,790	-	
	283	Accumulated Deferred Income Taxes - Other (Vegetation Management)	-	5,977,192	
	201.1	Common Stock Issued (KATCo - Class B)	-	334,850,876	

Entry #		FERC Account	Debit	Credit	Entry Description
2	101	Electric Plant In Service	$ 416,871,885	-	To classify the balance in account 102 into accounts 101, 106, 107 and 108 based on the transferred assets' original cost and accumulated depreciation.
	106	Completed Construction Not Classified - Electric	138,791,365	-	
	107	Construction Work in Progress - Electric	24,202,002	-	
	108	Accumulated.Provision for Depreciation of Electric Utility Plant	-	$ 204,383,430	
	102	Electric Plant Purchased or Sold	-	375,481,822	

JOINT APPLICANTS

EXHIBIT AP-7

FORM OF CAPITAL CONTRIBUTION AGREEMENT

This Capital Contribution Agreement (this "Agreement") by and among **West Penn Power Company LLC**, a Pennsylvania limited liability company, as successor-in-interest to West Penn Power Company ("WP"), and **Keystone Appalachian Transmission Company**, a Virginia corporation ("KATCo") is made pursuant to §351 of the Internal Revenue Code of 1986, as amended, and is effective as of the [DAY] day of [MONTH], [YEAR] (the "Effective Date").

BACKGROUND

WHEREAS, KATCo was organized under the laws of the Commonwealth of Virginia on October 23, 2020;

WHEREAS, WP is the successor-in-interest, by merger, to all of the assets and liabilities of West Penn Power Company, a Pennsylvania corporation, and a wholly-owned subsidiary of FirstEnergy Corp., an Ohio corporation ("Parent");

WHEREAS, WP owns and operates certain equipment and other assets used for the transmission of electric power, as more fully described on the Schedules attached hereto and incorporated herein by reference, that are part of the Contributed Assets (as defined herein);

WHEREAS, WP desires to transfer and relinquish all rights in the Contributed Assets to KATCo, in the form of a capital contribution (the "Asset Contribution"), in return for [TBD] shares of Class B common stock, par value $[TBD], of KATCo issued by KATCo (the "Purchased Stock") to WP, and KATCo desires to acquire and accept the Asset Contribution from WP.

WHEREAS, immediately following the transactions contemplated by this Agreement, Parent and WP shall execute and consummate a Share Purchase Agreement, pursuant to which WP shall sell all of the Purchased Stock to Parent in exchange for cash.

WHEREAS, prior to the date of this Agreement, the Parties have provided applicable notice to or obtained applicable approval of the Federal Energy Regulatory Commission, the Pennsylvania Public Utility Commission and the Virginia Division of Public Utility Regulation with respect to the purchase and sale of the Contributed Assets, upon the terms and conditions set forth in this Agreement.

WHEREAS, pursuant to the terms and conditions set forth below, WP and KATCo desire to enter into such transactions in which WP contributes the Contributed Assets to KATCo in consideration of its common stock ownership in KATCo.

AGREEMENT

NOW THEREFORE, in consideration of the above premises and the promises contained in this Agreement, and intending to be legally bound, the parties to this Agreement agree as follows:

§1. Transfer of Capital Contribution to KATCo

Except as otherwise provided in, and upon the terms and subject to the conditions of this Agreement, on the Effective Date, WP shall contribute, transfer, assign, convey and deliver, to KATCo, free and clear of all liens other than permitted liens, and KATCo shall accept, all of WP's and its Affiliates' right, title and interest in, to and under all of the following assets and properties (collectively, the "Contributed Assets"):

(a) the in-service equipment (including communications equipment), tools, fixtures and other tangible personal property as set forth on Schedule 1(a), including, to the extent transferable, all rights of WP to warranties and licenses received from manufacturers and sellers of such tangible personal property (the "In-Service Assets"), and all leasehold or license interests in, or valid leases or licenses to, such In-Service Assets;

(b) the tangible personal property constituting construction work in progress, including equipment (including communications equipment), tools, fixtures and other tangible personal property, including, to the extent transferable, all rights of WP to warranties and licenses received from manufacturers and sellers of such tangible personal property (the "CWIP Assets"), and all leasehold or license interests in, or valid leases or licenses to, such CWIP Assets;

(c) the regulatory assets and liabilities associated with the In-Service Assets and CWIP Assets, if any, as set forth on Schedule 1(b) (the "Regulatory Assets and Liabilities"); and

(d) all of WP's liabilities and obligations associated with the Contributed Assets; and

(e) all of WP's rights under warranties, indemnities and all similar rights against third parties to the extent related to any Contributed Assets.

For the avoidance of doubt, the Contributed Assets exclude any land or land rights. KATCo is expected to obtain the right of access to and use of WP's property upon which the Contributed Assets are located, pursuant to a Ground Lease, by and between FirstEnergy Pennsylvania Electric Company and KATCo, in substantially the form set forth on Exhibit A, which Ground Lease will be executed and delivered at Closing.

§2. Equity Interest in KATCo

In exchange for, and upon the completion of, the transfer described in §1 above, KATCo shall issue, and WP shall own, 100% of the Class B common stock in KATCo. Upon the issuance by KATCo of the Purchased Stock to WP, the Purchased Stock shall be duly authorized and validly issued, fully paid, and non-assessable. The Parties will execute all required documentation to effect the transactions contemplated by this §2.

§3. Closing

Pending receipt of all required governmental approvals, the closing of the transactions contemplated herein (the "Closing") will take place remotely on the date of this Agreement by electronic exchange of documents and signatures, unless another time, date and/or place is agreed to in writing by the Parent. The date on which the Closing occurs is referred to in this Agreement as the "Closing Date."

§4. Warranties of KATCo

§4.1 KATCo is a corporation duly incorporated, validly existing and in good standing under the Laws of the Commonwealth of Virginia. KATCo has full power and authority to conduct its business as it is now being conducted, to own or use the properties and assets relating to its business that it purports to own or use, and to perform all its obligations with respect thereto.

§4.2 KATCo has the relevant power and authority necessary to execute and deliver this Agreement. KATCo has taken all actions necessary to authorize the Agreement, the performance of its obligations thereunder, and the consummation of the transaction contemplated by §2. This Agreement has been duly authorized by, and has been or will be duly executed, and delivered by, and, assuming the due authorization, execution and delivery thereof by each counterparty, is enforceable against, KATCo, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting the rights and remedies of creditors and to general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

§4.3 To the best of the knowledge of the undersigned officer of KATCo, there is no legal action or proceeding pending against KATCo that would inhibit the transaction of KATCo's ordinary business or prevent KATCo from validly entering into this Agreement.

§4.4 The execution and performance of the obligations contained in this Agreement do not constitute a violation, breach or default under any other agreement by which KATCo is bound.

§5. Warranties of WP

§5.1 WP is a limited liability company, duly organized, validly existing and in good standing under the Laws of the Commonwealth of Pennsylvania. WP has full power and authority to own, lease or use the Contributed Assets that it purports to own, lease or use, and to perform all its obligations with respect thereto;

§5.2 WP has the relevant power and authority necessary to execute and deliver this Agreement. WP has taken all actions necessary to authorize the Agreement, the performance of its obligations thereunder, and the consummation of the transaction contemplated by §1. This Agreement has been duly authorized by, and has been or will be

duly executed, and delivered by, and, assuming the due authorization, execution and delivery thereof by each counterparty, is enforceable against, WP, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting the rights and remedies of creditors and to general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

§5.3 To the best of the knowledge of the undersigned officer of WP, there is no legal action or proceeding pending against WP that would inhibit the transaction of WP's ordinary business or would prevent WP from validly entering into this Agreement and performing the transactions contemplated herein.

§5.3 WP has good, marketable and valid title to all of the Contributed Assets, in each case free and clear of all Liens other than Permitted Liens.

§5.4 WP (a) understands that the Purchased Stock to be received hereunder has not been, and will not be, registered under the Securities Act of 1933, as amended (the "Securities Act") or under any state securities laws, and is being offered and sold in reliance upon federal and state exemptions for transactions not involving any public offering, (b) is acquiring the Purchased Stock solely for this own account for investment purposes, and not with a view to the distribution thereof, (c) is a sophisticated investor with knowledge and experience in business and financial matters, (d) has received certain information concerning KATCo and has had the opportunity to obtain additional information as desired in order to evaluate the merits and the risks inherent in holding the Purchased Stock, (e) is able to bear the economic risk and lack of liquidity inherent in holding the Purchased Stock, and (f) is an accredited investor as set forth in Regulation D promulgated under the Securities Act. Furthermore, WP hereby acknowledges that KATCo makes no representations or warranties with respect to KATCo's company.

§5.5 Except as disclosed herein, no governmental authorizations are or will be required in connection with the execution, delivery or performance by WP, or the consummation by it of the transactions contemplated by this Agreement.

§6. Mutuality of Consent.

Each party to this Agreement acknowledges that this Agreement is the manifestation of direct negotiation, and each such agreement represents the mutual and voluntary consent and understanding of the parties hereto and thereto.

§7. Each Party Familiar with Operations of Other Party.

Each party to this Agreement acknowledges that it (i) is familiar with the operations of the other parties, (ii) has been provided access to all necessary financial records, statements, accounts or other materials of the other parties to the extent such party so requested, and (iii) is competent to evaluate the risks associated with the performance of its obligations under the Agreement.

§8. Governing Law.

This Agreement is to be governed by and interpreted and enforced in accordance with Delaware law without reference to the conflict of laws provisions thereof.

§9. Non-assignability.

This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns; provided, however, that this Agreement, or any portion thereof, may not be assigned without the written consent of each non-assigning party, which consent shall not be unreasonably withheld.

§10. Severability.

If any provision of the Agreement is determined to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining provisions of this Agreement.

§11. Entire Agreement.

This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior understandings, contracts and agreements between the parties.

§12. Amendment.

This Agreement may not be amended or modified without the written consent of each party hereto.

§13. Expenses.

Each party agrees to pay its respective expenses incurred with respect to this Agreement and the consummation of the transactions contemplated thereby.

§14. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

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IN WITNESS WHEREOF, the undersigned have duly executed this Agreement of the date first written above.

KEYSTONE APPALACHIAN TRANSMISSION COMPANY

By:_____
Name:
Its:

WEST PENN POWER COMPANY LLC
as successor-in-interest to WEST PENN POWER COMPANY

By:_____
Name:
Its:

EXHIBIT A

FORM OF GROUND LEASE

GROUND LEASE

BETWEEN FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY, LESSOR

AND

KEYSTONE APPALACHIAN TRANSMISSION COMPANY, LESSEE

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Exhibit A Leased Property

Schedule A Base Rent Formula

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GROUND LEASE

This Lease made as of the [•] day of [•], 202[•], by and between FirstEnergy Pennsylvania Electric Company, a Pennsylvania corporation ("Lessor"), as successor-in-interest to West Penn LLC, itself a successor-in-interest to West Penn Power Company (and together with West Penn LLC, "West Penn"), and KEYSTONE APPALACHIAN TRANSMISSION COMPANY, a Virginia corporation ("KATCo").

RECITALS

On the date of this Lease, West Penn has transferred to KATCo all of the electric energy transmission system of Lessor including, without limitation, all high tension electric transmission lines, towers, poles, posts, cables, conduits, transformers, insulators, meters, electrical connections, fuses, junction boxes and other fixtures and equipment, together with various substations and switching stations, all as more particularly described in the Capital Contribution Agreement executed and delivered by West Penn to KATCo on the date hereof (collectively the "Transmission Facilities").

Pursuant to this Ground Lease, Lessor leases to KATCo all such lands, easements, franchises and other rights as Lessor has or may have upon, under or over which Transmission Facilities are located on the date hereof, for the purposes and on the terms set forth below.

The Premises are leased to KATCo so as to permit continued use of Transmission Facilities on the portion of the Premises on which the same exist on the date of this Lease for an annual rental representing a reasonable return on Lessor's net book value thereof. Such terms recognize that Lessor has reserved the right to use, and to permit Authorized Users to use, portions of the Premises for all purposes that do not cause Transmission Facilities to violate the National Electric Safety Code ("NESC") or Applicable Laws or that do not materially impair KATCo's ability to satisfy its service obligations under applicable tariffs. Additional, or extensions of, uses of the Premises for KATCo facilities relating to transmission of electricity that additionally burden the Premises are subject to Lessor's prior written approval, which shall not be withheld except as necessary to preserve Lessor's Compatible Uses (as hereinafter defined) but will require payment to Lessor of the fair market value for the additional burden or limitation upon other uses resulting therefrom as set forth in this Lease.

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties hereto, Lessor and KATCo have agreed and do hereby agree as follows:

ARTICLE 1.

Demise of Leased Property

Section 1.1. Premises: Leased Property. Lessor hereby leases to KATCo, and KATCo hereby leases from Lessor, the following described property and rights to the extent of Lessor's rights and interests therein, for the purposes set forth in Article 1 hereof and none other (collectively, the "Premises"):

(a) The tracts or parcels of land described on Exhibit A hereto as fee lands, together with portions of the buildings, structures, and fixtures thereon to the extent used for transmission, but not distribution, of electricity on the date of this Lease.

(b) The easements granted to Lessor on, under or over which Transmission Facilities are situated on the date of this Lease, as described on Exhibit A hereto.

(c) The leased lands, servitudes, interests in land, permits, privileges, licenses, consents, franchises, and authorizations granted to or held by Lessor on, under or over which Transmission Facilities are situated on the date of this Lease as described on Exhibit A hereto and not identified as being either fee land or an easement.

The portions of the Premises that are required for Transmission Facilities as the same exist and are used for transmission of electricity on the Commencement Date are referred to herein as "Leased Property" and constitute a burden upon the Premises only to the extent necessary for operation of Transmission Facilities thereon in compliance with the NESC and Applicable Laws and KATCo's service obligations under applicable tariffs. KATCo is to have the priority right to use Leased Property for electric transmission and the right to replace and modify Transmission Facilities on Leased Property so long as the same do not increase KATCo's uses of, or the burden upon, the portions of the Premises that are not within Leased Property. Because the Premises are primarily used for Transmission Facilities and the Leased Property is not capable of being separately described, KATCo leases the entire Premises and is to be responsible for the control and maintenance thereof and for payment of the Impositions thereon except to the extent specifically provided otherwise in this Lease.

Section 1.2 No Warranty. KATCo accepts the Premises "AS IS" in the condition existing on the date of this Lease and acknowledges that Lessor has made no representations or warranties with respect thereto including, without limitation, the extent of Lessor's title thereto or rights in the Premises, the location of Transmission Facilities on, under or over the Premises, encroachments of Transmission Facilities on the property of others or encroachments of facilities of third parties on, under or over the Premises.

ARTICLE 2.

Term

Section 2.1 Commencement Date: Initial Term. The Initial Term of this Lease shall commence on the date of this Lease (the "Commencement Date") and expire at midnight on the twenty-fifth (25^{th}) anniversary of the Lease (hereinafter referred to as the "Initial Term") unless this Lease shall sooner terminate as provided in this Lease. The Initial Term and any period for which the same may be extended by KATCo pursuant to Section 2.2 hereof is hereinafter referred to as the "Term."

Section 2.2 Extension Periods. KATCo shall have three separate options – consecutive terms of twenty-five (25) years and one term of twenty-four (24) years – to extend the Term of this Lease for additional periods such that the total term of the Lease shall not exceed ninety-nine (99) years from the Commencement Date, upon terms and conditions set forth herein, provided KATCo

is not in material default in performing or observing any of its obligations under this Lease at the time of exercise of such option. KATCo shall be deemed to have exercised its option to extend the Term for the Extension Period and the Term shall automatically be so extended unless KATCo shall have given Lessor written notice of KATCo's decision not to extend the Term at least one (1) year prior to the expiration of the then current Term. If KATCo exercises its options for the three renewal periods, the Parties agree to begin negotiations in the 98th year of the Lease to extend the Lease for additional periods beyond ninety-nine (99) years.

ARTICLE 3.

Rent

Section 3.1 Base Rent during the Term. As provided at Schedule A herein, Lessor shall calculate an annual Base Rent using the following inputs: (i) net book value of the Premises; (ii) KATCo's weighted average cost of capital as reviewed and approved by the Federal Energy Regulatory Commission; (iii) KATCo's statutory tax rate; (iv) property taxes; and (v) all other costs, expenses, liabilities or charges that may be incurred by Lessor pursuant to any lease agreement, license agreement, consent agreement or other similar agreement relating to the Premises. Base rent shall be payable in equal quarterly installments on the first day of each calendar quarter during the Term; except that KATCo shall pay to Lessor within five (5) business days after the Commencement Date prorated rent for the period from the Commencement Date to the end of the calendar quarter in which the Commencement occurs. A projected base rent will be estimated for quarterly installments until actual information becomes available. At that time, a reconciliation adjustment to reflect actual end of year values will be included in the subsequent quarterly installment.

Section 3.2 Payment. KATCo covenants and agrees to pay Base Rent to Lessor as required by this Lease as and when due and payable. All Base Rent payable, as well as all other amounts payable by KATCo to Lessor pursuant to this Lease, shall be payable to Lessor via the FirstEnergy Utility Money Pool, pursuant to the Revised and Restated FirstEnergy Utility Money Pool Agreement as such agreement may be amended from time to time, or in such other manner or at such place as Lessor shall, from time to time, designate by notice to KATCo.

Section 3.3 Net Operating Lease. It is intended that the Base Rent provided for in this Lease shall be absolutely net to Lessor throughout the Term, net of any taxes, costs, expenses, liabilities, charges or other deductions whatsoever, with respect to the Premises or with respect to any interest of Lessor therein, except as specifically provided otherwise herein.

ARTICLE 4.

Permitted Uses of Leased Property and Transmission Facilities

KATCo shall have use of Leased Property for operation of Transmission Facilities solely for transmission, but not distribution, of electricity, and purposes incidental thereto including, without limitation, operating, inspecting, maintaining, repairing, replacing and removing Transmission Facilities (the "Permitted Uses"). Subject to Article 5 hereof, KATCo shall also have the right to construct, improve, alter and/or relocate Transmission Facilities on Leased Property.

KATCo shall not have the right to use the Premises and KATCo may not permit others to use any Leased Property or Transmission Facilities for any purpose other than Permitted Uses, all such rights being reserved to Lessor as provided in Article 5.

ARTICLE 5.

Additions/Alterations

Section 5.1 Additions/Alterations. KATCo may construct, erect, alter, add to or relocate Transmission Facilities (an "Addition/Alteration") on Leased Property only after prior written notice thereof to Lessor. Prior to undertaking any Addition/Alteration, KATCo shall submit plans, specifications, surveys and/or other information pertaining to the proposed Addition/Alteration so as to fully inform Lessor as to the nature and extent thereof. Within sixty (60) days after such notice to Lessor, Lessor shall notify KATCo whether such proposed Addition/Alteration will result in an additional burden on the Premises and Lessor's estimate of the amount of the fair market value of the property rights required therefor.

Section 5.2 New Facilities. With the prior written approval of Lessor, which approval shall not be withheld except as necessary to preserve Lessor's Compatible Uses (as hereinafter defined), KATCo may construct, erect, install and operate electric transmission lines, towers, poles, posts, cables, conduits, transformers, insulators, meters, electric connections, fuses, junction boxes and other fixtures and any equipment ("New Facilities") on the Premises provided that KATCo pays to Lessor the fair market value of the property rights required therefor. KATCo may submit to Lessor from time-to-time written requests to use portions of the Premises for New Facilities and shall accompany such request with plans, specifications, surveys and/or other information pertaining thereto so as to fully inform Lessor as to the nature and extent thereof. Within sixty (60) days after submission of such request to Lessor, Lessor shall notify KATCo whether or not Lessor approves use of the Premises for the New Facilities and of Lessor's estimate of the fair market value of the property rights required therefor. Lessor shall accommodate, if practically feasible, KATCo's requests for New Facilities to the extent that the same are related to the Transmission Facilities or to the provision of adequate and reliable transmission service by KATCo, including the interconnection of generation sources or load.

Section 5.3 Payment of Fair Market Value. Prior to making any Addition/Alteration on Leased Property or undertaking work on the Premises with respect to New Facilities, KATCo shall pay to Lessor a lump sum equal to the fair market value of the property rights required therefor. If KATCo wishes to proceed with making the Addition/Alteration on Leased Property or undertaking work on the Premises with respect to New Facilities prior to final determination of the fair market value of the property rights required therefor, KATCo shall deposit with Lessor a sum equal to the amount of Lessor's estimate without prejudice to its right to a refund of a portion thereof with interest if the fair market value is subsequently determined to be less than the amount so deposited.

Section 5.4 Compliance with Laws. All Additions/Alterations and New Facilities shall be undertaken in a good and workmanlike manner and in compliance with the laws, regulations and requirements of all governmental authorities having jurisdiction.

Section 5.5 Additions to Leased Property. Unless Lessor and KATCo agree otherwise in writing, all Additions/Alterations and New Facilities shall become Transmission Facilities as if originally subject to this Lease and the same shall remain the property of KATCo. Further, any additional property rights in the Premises for which KATCo has made payment to Lessor pursuant to Section 5.2, Section Section 5.3, Section Section 7.2 or Section Section 7.3 hereof shall become Leased Property as if originally subject to this Lease.

ARTICLE 6.

Maintenance of the Premises and Transmission Facilities

Section 6.1 KATCo Maintenance Obligations. Except as provided in Section 9.4, KATCo shall be solely responsible for maintaining, at its expense, all Transmission Facilities and the Premises. KATCo shall maintain the portions of the Premises for which KATCo is responsible for maintenance in a clean and orderly condition, free from all litter and debris without regard to how the same became placed thereon or therein. KATCo shall be responsible for maintaining and repairing buildings, structures and fixtures on Leased Property (but not Distribution Facilities therein or thereon) so as to keep the same in good condition and repair. KATCo shall keep and maintain the Transmission Facilities located on Leased Property in a structurally and operationally safe condition and keep the same in a state of repair complying with all requirements of NESC and Applicable Law. KATCo shall be solely responsible for repairing, maintaining and replacing, as necessary, all parking areas, driveways, passageways, walkways and other areas on the Premises (except such as may be or have been installed by Lessor or an Authorized User in connection with a Compatible Use of the Premises that is related to any exclusive use by Lessor and/or an Authorized User and not KATCo) and the sidewalks and tree lawns adjoining the Premises. KATCo also shall be responsible for mowing portions of the Premises for which KATCo is responsible for maintenance, for removal of noxious weeds and brush therefrom and for removal of snow and ice from driveways and parking areas other than those exclusively related to a Compatible Use of Leased Property by Lessor and/or an Authorized User and not KATCo.

Section 6.2 Patrol: Encroachments. KATCo shall patrol by air the Premises at least annually and KATCo shall notify Lessor of any unauthorized uses of the Premises or encroachments thereon that may be identified as a result of such patrol or otherwise. If there are unauthorized uses of, or encroachments upon, the Premises, Lessor shall determine in the first instance whether or not action should be undertaken to terminate or otherwise address the same. If Lessor undertakes to terminate the unauthorized use or encroachment, Lessor shall do so at its sole cost and expense. If Lessor notifies KATCo that Lessor has determined that no action will be required by Lessor to terminate such unauthorized use or encroachment, then KATCo may take action, at KATCo's sole cost and expense, as it may deem appropriate to terminate such unauthorized use or encroachment.

Section 6.3 Lessor Not Responsible for Maintenance. Except as otherwise provided herein, Lessor shall not be responsible or liable to KATCo for, or by reason of, the condition of Premises, or arising from any failure to keep the same in good and lawful order and condition. Lessor shall not be required to make any expenditure whatsoever for the maintenance of Premises except as necessary to permit its Compatible Uses thereof or related to Lessor's facilities and equipment on, under or over Premises.

ARTICLE 7.

Electric Distribution Facilities on Transmission Facilities and Leased Property

Section 7.1 Priority Rights for Transmission Facilities. Lessor acknowledges that KATCo is to have the priority right to use Transmission Facilities and the Leased Property for its electric transmission lines and that Lessor's proposed installation of Distribution Facilities (defined in Section 8.1 hereof) on or in Transmission Facilities and/or Leased Property or Lessor's existing Distribution Facilities on or in Transmission Facilities and/or Leased Property may conflict with KATCo's planned installation of additional transmission lines thereon or therein.

Section 7.2 Proposed Installation of Distribution Facilities. To the extent that Lessor proposes to install Distribution Facilities on or in Transmission Facilities or Premises that KATCo regards as conflicting with KATCo's planned installation of additional transmission lines thereon or therein, KATCo may preclude Lessor's use for such installation. In such event, KATCo shall reimburse Lessor for the additional incremental cost of the alternative required in order to facilitate the Distribution Facilities proposed by Lessor (it being recognized that alternative rights-of-way for electric distribution lines are less difficult to obtain and less costly than KATCo alternative rights-of-way for transmission lines) over the cost Lessor would have incurred if Distribution Facilities were installed on Transmission Facilities or Premises.

Section 7.3 Relocation of Distribution Facilities. Lessor and KATCo also recognize that Distribution Facilities may presently be installed on or in Transmission Facilities or Leased Property or hereafter installed thereon or therein that KATCo subsequently determines preclude installation of additional transmission lines unless such Distribution Facilities are removed and relocated. In such event, KATCo shall have the right to require Lessor to remove such Distribution Facilities provided KATCo has reimbursed Lessor for alternative rights-of-way such that Lessor may install Distribution Facilities that are a suitable alternative to the existing Distribution Facilities that are to be removed and relocated. KATCo shall also reimburse Lessor for the cost of removing its Distribution Facilities from Transmission Facilities or Leased Property and for the cost of installing the alternative Distribution Facilities and shall pay to Lessor a lump sum equal to the fair market value of the property rights reserved or used for KATCo's additional transmission lines if the same result in an additional burden on the Premises.

ARTICLE 8.

Lessor's Reserved Rights to Use the Premises and Transmission Facilities

Section 8.1 Compatible Uses. Subject to Article 9 hereof, Lessor reserves and retains the right to use, and to permit other users authorized in writing by Lessor to use (each an "Authorized User"), the Premises and Transmission Facilities for any and all purposes not inconsistent with KATCo's Permitted Uses including, without limitation, all such uses as are being made of the Premises and Transmission Facilities on the date of this Lease and any future uses that do not cause Transmission Facilities to be in violation of the NESC or any other law, ordinance, rule or regulation applicable to Transmission Facilities or Leased Property, including the Reliability Standards adopted by the Federal Energy Regulatory Commission and enforced by the North American Electric Reliability Corporation and ReliabilityFirst Corporation ("Applicable

Laws") or that do not materially impair KATCo's ability to satisfy its service obligations under applicable tariffs. Such uses of Premises and Transmission Facilities by Lessor or an Authorized User are herein referred to as "Compatible Uses." Compatible Uses of Leased Property include, for example and not limitation, towers, poles, posts, cables, conduits, transformers, insulators, meters, electrical connections, fuses, junction boxes and other equipment relating to distribution, but not transmission, of electricity ("Distribution Facilities") of Lessor or Authorized Users; any and all underground lines, conduits, pipes, equipment and facilities including, without limitation, sewer, water and gas lines and mains; farming, gardening, and other agricultural uses, roadways, parking lots and buildings; microwave and cellular telephone and other telecommunication towers, poles, antennae and equipment, fiberoptic cables and all other structures and facilities of every type and nature. Compatible Uses of Transmission Facilities includes, for example and not limitation, installation, and operation thereon of Distribution Facilities, telephone, fiber optic and other communication lines and equipment, installation of communication poles, antennae or structures within or on Transmission Facilities and use of Transmission Facilities for support thereof.

Section 8.2 Conflicting Uses. Any use of Leased Property that is not a Compatible Use, i.e., that causes Transmission Facilities to be in violation of the NESC or Applicable Law or that materially impairs KATCo's ability to satisfy its service obligations under applicable tariffs, is referred to herein as a "Conflicting Use."

ARTICLE 9.

Compatible Uses by Lessor or Authorized Users

Section 9.1 Notice of Compatible Use. Lessor shall give KATCo written notice of an intention to initiate any use that Lessor or an Authorized User, as the case may be, (an "Initiating User") deems to be a Compatible Use at least thirty (30) days prior to undertaking activities in furtherance of such proposed use provided, however, that no such notice shall be required unless the Compatible Use involves an attachment to Transmission Facilities (such as Distribution Facilities, electric distribution lines, equipment, supports, antenna and other equipment or facilities attached in any way thereto or suspended therefrom) or an installation requiring excavation within the surface area underlying or within thirty (30) feet adjacent to, Transmission Facilities at ground level. Within thirty (30) days after notice to KATCo of such proposed use, KATCo shall notify Lessor whether KATCo believes the proposed use to be a Conflicting Use. If KATCo notifies Lessor that it regards the proposed use to be a Conflicting Use, then activities in furtherance thereof shall not be undertaken until and unless KATCo notifies Lessor in writing that KATCo withdraws its claim that such proposed use is a Conflicting Use or KATCo and Lessor otherwise agree in writing to modification of the proposed use of the Transmission Facilities affected thereby so as to accommodate the objections by KATCo. Lessor shall furnish to KATCo such plans and specifications, surveys, or other information regarding the proposed use as KATCo may reasonably request in order to evaluate the nature and extent of the proposed use.

KATCo and Lessor shall cooperate in good faith to accommodate Permitted Uses and Compatible Uses of Leased Property and Transmission Facilities to the extent reasonably feasible. If and to the extent that Transmission Facilities may be relocated or modified to accommodate Compatible Uses and thereby avoid Conflicting Uses without materially adversely affecting the

operation thereof, KATCo shall undertake, or authorize Lessor or an Authorized User to undertake, such relocation or modification provided Lessor or the Authorized User, as the case may be, pays all costs reasonably incurred in making such relocations or modifications (including, without limitation, land or right of way acquisition costs, engineering and legal fees and expenses and construction costs) and observes such requirements as KATCo may reasonably specify in connection therewith.

Section 9.2 Informational Notices. Lessor may give KATCo written notice of an intention to initiate any proposed use of Leased Property by Lessor or an Authorized User in proximity to Transmission Facilities that might adversely affect the structure of, or subjacent or lateral support for, Transmission Facilities and furnish such plans and specifications, surveys and other information regarding such proposed use so that KATCo may specify appropriate protective requirements with respect to the work so as to avoid possible damage to Transmission Facilities. Lessor also may give KATCo informational notice of other Compatible Uses of the Premises that do not require notice to KATCo prior to initiating same. Such informational notices may result in relieving KATCo of some maintenance responsibility for the Premises or for payment of a share of Impositions that are attributable to the facilities or equipment related to Compatible Use or may be merely for the purpose of informing KATCo of the existence of such Compatible Use.

Section 9.3 Repair Obligations of Lessor Authorized User. Lessor shall promptly cause all damage to the Premises or Transmission Facilities resulting from activities associated with Compatible Uses undertaken by Lessor to be repaired to a condition at least substantially equivalent to that existing prior thereto including, as appropriate in the case of the Premises, leveling of the surface thereof and seeding with grasses or other ground cover as appropriate following excavation of the surface and such other restorative requirements, as the case may be, set forth in the plans and specifications therefor submitted to KATCo. Lessor shall also require each Authorized User to cause all damage to the Premises or Transmission Facilities resulting from activities associated with Compatible Uses by such Authorized User to be so repaired.

Section 9.4 Maintenance Obligation of Lessor or Authorized User. Lessor or an Authorized User, as the case may be, shall be solely responsible for maintenance and repair of all facilities and equipment relating to its Compatible Uses of the Premises or Transmission Facilities and shall keep and maintain the same in a structurally and operationally safe condition. Lessor or an Authorized User, as the case may be, shall also be responsible for maintaining any portion of the Premises that is exclusively used by Lessor or the Authorized User.

ARTICLE 10.

Right of First Offering

Section 10.1 Sale Offer of Leased Property. In the event Lessor determines to sell any Leased Property, Lessor shall notify in writing KATCo thereof and the sales price and terms upon which Lessor wishes to sell the same (the "Sale Offer"). KATCo shall have the right to purchase the Leased Property that Lessor proposes to sell at the price and upon the terms of the Sale Offer for a period of thirty (30) days after such notice to KATCo. KATCo shall exercise such right by written notice of acceptance of such Sale Offer within such 30-day period. In the event KATCo does not accept such Sale Offer, Lessor may sell the Leased Property subject to the Sale Offer at

any time within one (1) year after notice of the Sale Offer to KATCo upon substantially the same terms and for a sale price that is not less than 90% of the sale price set forth in the Sale Offer.

Section 10.2 KATCo's Lease Rights Preserved. Any sale of Leased Property to a third party pursuant to a Sale Offer shall not affect the rights of KATCo under this Lease and, unless Lessor and KATCo shall agree otherwise in writing, such sale shall not result in adjustment of the Base Rent otherwise payable by KATCo to Lessor with respect to such Leased Property.

Section 10.3 Sale of Premises other than Leased Property. Lessor shall have the right to sell any portion of the Premises that does not include Leased Property without offering to sell the same to KATCo.

ARTICLE 11.

Taxes and Other Impositions

Section 11.1 KATCo's Responsibility for Impositions. Except as hereinafter provided in Section 11.2 and Section Section 11.4, KATCo shall reimburse Lessor within ten (10) business days after receipt of an invoice from Lessor therefor, before any fine, penalty, interest or cost may be added thereto for the non-payment thereof, all real estate taxes, assessments, water and sewer rents and charges, any occupancy tax or similar tax, whether or not imposed on or measured by the rents payable by KATCo, and other governmental levies and charges, of any kind and nature whatsoever, which are assessed, levied, confirmed, imposed or become a lien upon the Premises and/or any part thereof, during the Term and any tax measured by the rent payable by KATCo under this Lease or any tax solely on the rent payable by KATCo under this Lease, whether or not such tax is imposed on Lessor or KATCo (all of which are hereinafter referred to as "Impositions"). Upon request, Lessor shall furnish to KATCo all bills relating to Impositions received by Lessor so that KATCo may determine whether or not to contest same as permitted by Section 11.3 hereof. If, by law, any Imposition is payable or may at the option of the taxpayer be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Lessor shall pay the same (and any accrued interest on the unpaid balance of such Imposition) in installments as the same respectively become due and before any fine, penalty, interest or cost may be added thereto for the non-payment of any such installment and interest. Any Imposition, the lien of which relates to a period in which the Term of this Lease as to any of the Premises begins or ends, shall be apportioned so that KATCo shall pay only that portion of such Imposition which corresponds with the portion of said period as is within the Term. Upon request by KATCo, Lessor will cooperate with KATCo in applying for any exemption from real estate taxes to which the Premises may be entitled under applicable law provided KATCo reimburses Lessor for any out-of-pocket costs reasonably incurred by Lessor in connection therewith.

Section 11.2 Apportionment. Notwithstanding Section 11.1, KATCo shall not be responsible for reimbursing Lessor for the portions of Impositions attributable to buildings, improvements or Distribution Facilities of Lessor or an Authorized User, it being contemplated that KATCo will be responsible for Impositions attributable to the Premises and to buildings and improvements that relate to Transmission Facilities (i.e., to the extent attributable to use for transmission of electricity). Distribution Facilities and the Transmission Facilities are generally treated under applicable state tax law as personal property and taxed as such to Lessor or KATCo,

as the case may be. Real estate taxes on rights-of-way are generally payable by the fee owner and not Lessor. Accordingly, it is anticipated that real estate taxes and assessments with respect to fee land that is a part of the Premises will have to be apportioned so that the taxes attributable to the land and buildings and improvements (or portions thereof) relating to transmission of electricity are allocated to KATCo and Lessor shall cooperate in order to effect an appropriate allocation of real estate taxes, assessments and any other Impositions such that KATCo, Lessor or Authorized Users are charged with payment of the proper portion thereof.

Section 11.3 Contested Impositions. Notwithstanding anything to the contrary herein contained, if KATCo deems any Imposition for which it is responsible to be excessive or illegal, KATCo may request that Lessor defer payment thereof in order to permit the validity or the amount thereof to be contested in good faith by KATCo (or by Lessor on KATCo's behalf) provided KATCo shall have furnished to Lessor such security as Lessor may reasonably require in order to assure the discharge of the amounts so contested and unpaid, together with all interest and penalties in connection therewith and all charges that may or might be assessed against or become a charge on the Premises in said proceedings. If, at any time during the continuance of such proceedings, Lessor shall deem the security provided to it insufficient, KATCo shall, upon demand, furnish to Lessor such additional security as Lessor may reasonably require, and upon failure of KATCo so to do, the security theretofore provided may be applied to the payment, removal and discharge of such Imposition and interest and penalties in connection therewith and any costs, fees or other liabilities accruing in such proceedings, and the balance, if any, shall be returned to KATCo, provided KATCo is not in default hereunder. If the amount so deposited or the amount paid by KATCo or its surety shall be insufficient for this purpose, KATCo shall forthwith pay to Lessor such additional sum as may be necessary to pay the same. Any contest as to the validity or amount of any Imposition, whether before or after payment, may be made by KATCo, in the name of Lessor or of KATCo, or both, as KATCo shall determine, and Lessor will, at KATCo's expense, cooperate with KATCo in any such contest to such extent as KATCo may reasonably request. It is understood, however, that Lessor shall not be subject to any liability for the payment of any costs or expenses in connection with any such proceeding brought by KATCo and KATCo covenants to pay, and to indemnify and save Lessor harmless from, any such costs or expenses. KATCo shall be entitled to any refund of any such Imposition and penalties or interest thereon which have been paid by KATCo or which have been paid by Lessor and reimbursed to Lessor by KATCo.

Section 11.4 Lessor's Taxes. It is expressly understood and agreed that KATCo shall not be required to pay, or reimburse Lessor for any federal, capital levy, franchise tax, gross receipts tax, revenue tax, premium tax, personal property tax, income tax or profits tax of Lessor or any such tax imposed after the date hereof, by any state or local governmental authority or jurisdiction if such tax is determined on the basis of the general assets, or the general net income or net revenue of Lessor.

ARTICLE 12.

Compliance with Applicable Laws

Section 12.1 Compliance with Applicable Law. KATCo shall, throughout the Term, and at no expense whatsoever to Lessor, promptly comply, or cause compliance, with all Applicable

Laws and all orders, rules, regulations and requirements of duly constituted public authorities relating to the Transmission Facilities and all of the Premises except as the same relate to Compatible Uses by Lessor and/or Authorized Users.

Section 12.2 KATCo's Contest of Applicable Law. KATCo shall have the right to contest by appropriate legal proceedings, without cost or expense to Lessor, the validity of any Applicable Law relating to its use of Leased Property or Transmission Facilities and to postpone compliance with the same if, by the terms of any such Applicable Law, compliance therewith may legally be held in abeyance without incurring any lien, charge or liability of any kind against the Premises or any interest of Lessor therein and without subjecting Lessor to any liability, civil or criminal, whatsoever nature for failure to comply therewith. KATCo may postpone compliance therewith until the final determination of any proceedings, provided that all such proceedings shall be prosecuted with all due diligence and dispatch. If KATCo shall initiate or carry on any such legal proceedings in the name of Lessor, or of Lessor and KATCo, and, except in the case of an emergency, KATCo shall so advise Lessor in writing not less than fifteen (15) days before initiating such proceedings and give full details as to the tribunal in which said proceedings are to be filed, the law, ordinance, order, ruling, regulation or requirement contested, and such additional data as Lessor may require to enable it to understand the facts and evaluate them. If any lien, charge or civil liability, but not criminal liability, is incurred by reason of non-compliance, KATCo may nevertheless make the contest and delay compliance as aforesaid, provided that KATCo furnishes to Lessor such security as Lessor may reasonably require against any loss or injury by reason of such non-compliance or delay therein and KATCo prosecutes the contest with due diligence and dispatch.

Section 12.3 Contest of Applicable Law by Lessor or Authorized User. Nothing in this Article 12 shall preclude Lessor or an Authorized User from contesting the validity of any law, ordinance, rule, or regulation applicable to the Premises or any use thereof by Lessor or an Authorized User as the case may be.

ARTICLE 13.

Damage or Destruction of Transmission Facilities and Condemnation

Section 13.1 Damage; Destruction and Condemnation. This Lease shall not terminate, nor, except to the extent otherwise specifically provided herein, shall KATCo be entitled to any abatement or return of Base Rent or reduction thereof, nor shall the respective obligations of Lessor and KATCo be otherwise affected, by reason of damage to or destruction of all or any of the Transmission Facilities from whatever cause, the taking of the Premises or Transmission Facilities by condemnation or exercise of the power of eminent domain or otherwise, the lawful prohibition of KATCo's use of any Leased Property or Transmission Facilities, or any other cause similar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the Base Rent and charges paid or payable by KATCo shall continue to be payable in all events unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease.

Section 13.2 Condemnation Award. Lessor shall be entitled to the entire award resulting from any taking of the Premises pursuant to exercise of the power of eminent domain and KATCo

shall have no claim with respect thereto. Notwithstanding the foregoing, in the event of a taking of Leased Property by exercise of the power of eminent domain such that KATCo cannot continue use of the portion affected thereby for its Transmission Facilities, then KATCo shall have the right to terminate this Lease as to such portion, however, Base Rent payable by KATCo shall not be reduced as a result thereof.

ARTICLE 14.

Environmental Matters

Section 14.1 Hazardous Material. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any governmental authority, including without limitation, any material or substance which is (a) defined or listed as a "hazardous waste," "extremely hazardous waste," "restricted hazardous waste," "hazardous substance" or "hazardous material" under any applicable federal, state or local law or administrative code promulgated thereunder; (b) petroleum or any derivative thereof; (c) asbestos; (d) PCB's; or (e) lead. KATCo shall not cause or permit any Hazardous Material to be brought upon, stored, used, handled, generated, released or disposed of on, in, under or about the Premises by KATCo, its agents, employees, contractors or invitees, except in compliance with applicable laws and regulations. Moreover, KATCo shall be responsible for removal of any and all Hazardous Material on or under the Premises excepting only such Hazardous Material as was present prior to the Commencement Date or hereafter is placed on or under the Premises as a result of acts of Lessor or Authorized Users or the presence of facilities and equipment of Lessor or Authorized Users thereon or therein or on, under or over other properties of Lessor adjacent to or in the vicinity of the Premises.

Section 14.2 KATCo's Environmental Indemnity. KATCo shall indemnify, defend and hold Lessor and its officers, directors and employees harmless from any and all claims, actions, administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, liabilities, interest or losses, attorney's fees and expenses, consultant and expert fees, costs of investigation, monitoring, cleanup, containment, restoration, removal or other remedial work, together with all other costs and expenses of any kind or nature that arise during or after the Term from any breach of KATCo's obligations set forth in this Article 14.

Section 14.3 Lessor's Environmental Indemnity. Lessor shall indemnify, defend and hold KATCo and its officers, directors and employees harmless from any and all claims, actions, administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, liabilities, interest or losses, attorney's fees and expenses, consultant and expert fees, costs of investigation, monitoring, cleanup, containment, restoration, removal or other remedial work, together with all other costs and expenses of any kind or nature that arise during or after the Term from the presence of Hazardous Material on or under the Premises prior to the Commencement Date or that is hereafter placed on or under the Premises as a result of acts of Lessor or Authorized Users or the presence of facilities of Lessor or Authorized Users thereon or therein or on, under or over other properties of Lessor and adjacent to or in the vicinity of the Premises.

Section 14.4 Survival of Environmental Indemnity Covenants. Each of the covenants and agreements of KATCo and Lessor set forth in this Article 14 shall survive termination of this Lease.

ARTICLE 15.

Indemnification

Section 15.1 KATCo's Indemnification Obligation. Except as herein expressly provided otherwise, KATCo covenants and agrees, at its sole cost and expense, to indemnify, defend and save harmless Lessor against and from any and all claims by or on behalf of any person, firm, corporation or governmental authority, arising from the construction, occupancy, use, possession, conduct or maintenance of or from any work or thing whatsoever done in or about Premises during the Term and further to indemnify, defend and hold Lessor harmless against and from any and all claims arising with respect to Transmission Facilities, or arising from any breach or default on the part of KATCo in the performance or observance of any covenant or agreement on the part of KATCo to be performed or observed pursuant to the terms of this Lease, or arising from any negligent act or omission or willful misconduct of KATCo, or any of its agents, employees, contractors or invitees, or arising from any accident, injury or damage whatsoever, however caused, occurring during the Term, in or about the Premises, and from and against all costs, counsel and consultants' fees, expenses and liabilities incurred by Lessor in connection with any such claim, action or proceeding brought thereon; and in case any action or proceeding be brought against Lessor, covenants to resist or defend such action or proceeding by counsel reasonably satisfactory to Lessor unless such action or proceeding is resisted or defended by counsel for any carrier of commercial general liability insurance referred to in Section 17.1 hereof, as authorized by the provisions of any policy of commercial general liability insurance maintained pursuant to said Section. The foregoing indemnification, defense and hold harmless provision for the benefit of Lessor (a) shall apply only to the extent that the proceeds of insurance required hereunder or otherwise obtained by KATCo for the benefit of Lessor are insufficient fully to protect Lessor and (b) shall not apply or extend to any negligent act or omission or willful misconduct of Lessor or an Authorized User, or any agents, employees or contractors of Lessor or an Authorized User nor to any condition, or circumstance resulting from operation, maintenance, repair, replacement or removal, of the Distribution Facilities of Lessor on the Premises or improvements, equipment or facilities of an Authorized User on the Premises.

Section 15.2 KATCo's Indemnification for Lessor's Costs of Enforcing Lease. KATCo shall indemnify, defend and hold Lessor harmless against and from, all costs and charges, including counsel and consultants' fees, reasonably incurred in obtaining possession of the Premises after default by KATCo or upon expiration or earlier termination of the Term hereof, or in enforcing any covenant or agreement of KATCo herein contained.

Section 15.3 Workers' Compensation Indemnity Waivers. For the purpose of indemnification of Lessor from judgments, claims, suits or actions brought against it by KATCo employees, KATCo expressly and specifically waives any and all immunity to which it may be entitled under the workers' compensation laws of the jurisdiction in which the Premises are located.

ARTICLE 16.

Liens

Section 16.1 No Liens. Except as provided in Article 11 and Article 24 hereof, KATCo shall not allow the interest of Lessor or KATCo in the Premises or Transmission Facilities to become subject to any lien, charge or encumbrance whatsoever and shall indemnify, defend and hold Lessor harmless from and against all such liens, charges and encumbrances.

Section 16.2 Discharge of Certain Liens. KATCo shall not suffer or permit any mechanic's, laborer's, or materialman's liens to stand against the Premises, or any part thereof by reason of any work, labor, services, or materials done for, or supplied to, or claim to have been done for, or supplied to, KATCo. If any such lien shall at any time be filed against the Premises, or any part thereof, or against the interest of KATCo in the Premises, KATCo shall cause the same to be discharged of record within thirty (30) days after the date of filing the same, by either payment, deposit or bond. If KATCo shall fail to discharge any such lien within such period, then, in addition to any other right or remedy of Lessor, Lessor may, but shall not be obligated to, procure the discharge of the same either by paying the amount claimed to be due by deposit in court or bonding, and/or Lessor shall be entitled, if Lessor so elects, to compel the prosecution of any action for the foreclosure of such lien by the lienor and to pay the amount of the judgment, if any, in favor of the lienor, with interest, costs and allowances. Any amount paid or deposited by Lessor for any of the aforesaid purposes, and all reasonable costs and other expenses of Lessor, including reasonable counsel and consultants' fees, in defending any such action or procuring the discharge of such lien, with all necessary disbursements in connection therewith, shall be payable by KATCo to Lessor as additional rent within thirty (30) days after invoice by Lessor to KATCo therefor.

Section 16.3 No Lessor Consent to Liens. Nothing in this Lease shall be deemed to be, or construed in any way as constituting, the consent of Lessor to the filing of any lien against Lessor's interest in the Premises by any person, firm or corporation for the performance of any labor or the furnishing of any materials for any construction, rebuilding, alteration or repair of Transmission Facilities, or any part thereof.

ARTICLE 17.

Insurance and Waiver of Subrogation

Section 17.1 Insurance. During the Term, KATCo shall maintain in effect commercial general liability insurance protecting KATCo and Lessor (as evidenced by policies in which Lessor is named as an additional insured) against claims of any and all persons, firms and corporations for personal injury, death or property damage occurring upon, in or about the Premises, with such limits of liability as are customarily carried by prudent electric transmission companies or such amount as Lessor shall approve in writing from time to time. All insurance policies provided pursuant to this Section 17.1 shall be obtained by KATCo from an insurance carrier or carriers of good reputation and sound financial responsibility selected by KATCo and shall be subject to self-retention deductibles in such amounts as Lessor may approve in writing from time to time, which approval Lessor agrees not to unreasonably withhold, delay or condition. Policies or certificates evidencing such insurance have been delivered by KATCo to Lessor prior to execution of this

Lease and certificates evidencing renewal of such insurance shall be delivered to Lessor at least ten (10) days prior to the expiration of any such policy of insurance. Each such policy shall contain an agreement by the insurers not to cancel such policy or materially alter its coverages except upon at least thirty (30) days' prior written notice to Lessor.

Section 17.2 Waivers of Subrogation. Lessor and KATCo each hereby mutually waive its respective rights of subrogation and recovery against the other for any loss insured by property insurance maintained by such party. The Transmission Facilities and all other property on the Premises belonging to KATCo, its agents, employees or invitees shall be at the risk of KATCo or such other person only, and Lessor shall not be liable for damage thereto or for the theft, misappropriation or loss thereof.

ARTICLE 18.

Lessor's Rights to Perform KATCo's Covenants

Except to the extent otherwise provided in Section 11.3, KATCo covenants and agrees that if it shall at any time fail to pay, or cause to be paid, any Imposition required to be paid by KATCo pursuant to the provisions of Article 11 hereof, or to take out, pay for, maintain or deliver or cause to be taken out, paid for, maintained or delivered any of the insurance policies provided for in Article 17 hereof, or shall fail to make any other payment or perform any other act which KATCo is obligated to make or perform under this Lease, or cause such to be done, then Lessor may, but shall not be obligated so to do, after thirty (30) days' written notice to KATCo (but without notice in the event of an emergency) and without waiving, or releasing KATCo from, any obligation of KATCo in this Lease contained, pay any such Imposition or effect such insurance coverage and pay premiums therefor, and may make any other payment or perform any other act which KATCo is obligated to perform under this Lease, in such manner and to such extent as shall be necessary, reasonable and, in exercising any such rights, pay necessary, reasonable and incidental costs and expenses, employ counsel and incur and pay attorneys' and consultants' fees. All sums so paid by Lessor and all necessary, reasonable and incidental costs and expenses in connection with the performance of any such act by Lessor, shall be deemed additional Base Rent hereunder and, except as otherwise expressly provided in this Lease, shall be payable to Lessor as additional Base Rent within thirty (30) days after the date of Lessor's invoice to KATCo therefor, and KATCo covenants to pay any such sum or sums and Lessor shall have the same rights and remedies in the event of the nonpayment thereof by KATCo as in the case of default by KATCo in the payment of Base Rent.

ARTICLE 19.

Default Provisions

Section 19.1 Events of Default. This Lease and the Term hereof are subject to the limitation that if, at any time during the Term, any one or more of the following events (herein called an "Event of Default") shall occur:

(a) if KATCo shall fail to pay any installment of the Base Rent provided for herein, or any part thereof, when the same shall become due and payable, and such failure

shall continue for ten (10) days after receipt of written notice thereof from Lessor to KATCo; or

(b) if KATCo shall fail to pay any other charge or sum required to be paid by KATCo hereunder and any such failure shall continue for thirty (30) days after receipt of written notice thereof from Lessor to KATCo; or

(c) if KATCo shall fail to perform or observe any other requirement of this Lease (not already specified in this Section 19.1) on the part of the KATCo to be performed or observed, and such failure shall continue for thirty (30) days after receipt of written notice thereof from Lessor to KATCo; or

(d) if substantially all Transmission Facilities in or on Leased Property or KATCo's interest in this Lease are attached or levied upon under execution and the same is not discharged within sixty (60) days thereafter,

Lessor shall have the right, then or at any time thereafter, and while such default or defaults shall continue, to give KATCo written notice of Lessor's intention to terminate this Lease on a date specified in such notice, which date shall not be less than thirty (30) days after the date of giving of such notice, and, on the date specified in such notice, KATCo's right to possession of Leased Property shall cease and KATCo shall peaceably and quietly yield to and surrender to Lessor the Premises and this Lease shall thereupon be terminated and all of the right, title and interest of KATCo hereunder shall wholly cease and expire in the same manner and with the same force and effect as if the date of expiration of such thirty (30) day period were the date originally specified herein for the expiration of this Lease and the Term hereof, and KATCo shall then quit and surrender the Premises and the Transmission Facilities on Leased Property to Lessor, but KATCo shall remain liable to Lessor as provided below. In the event of termination of this Lease, KATCo shall be deemed to have abandoned all Transmission Facilities on, under or over Leased Property to the extent the same have not been removed thereon prior to the date of such termination.

Section 19.2 Possession Following Event of Default. In the event of any termination of this Lease pursuant to Section 19.1 or if an Event of Default shall continue beyond the expiration of any grace or cure period provided for above, Lessor may enter upon the Premises and have, repossess and enjoy the same by summary proceedings, ejectment or otherwise, and in any such event neither KATCo nor any person claiming through or under KATCo shall be entitled to possession or to remain in possession of the Premises but shall forthwith quit and surrender the Premises. Lessor shall be under no liability for or by reason of any such entry, repossession or removal of KATCo or any person claiming through or under KATCo.

Section 19.3 KATCo's Responsibility for Costs. In case of any such termination, re-entry or dispossession by summary proceedings, ejectment or otherwise, the rent and other charges required to be paid by KATCo hereunder shall thereupon become due and payable up to the time of such termination, re-entry or dispossession, and KATCo shall also pay to Lessor all reasonable expenses which Lessor may then or thereafter incur for legal expenses, attorney's and consultants' fees, brokerage commissions, and all other reasonable costs paid or incurred by Lessor for keeping or restoring the Premises and the Transmission Facilities to good order and condition or, if Lessor elects to do so, for removing Transmission Facilities from Leased Property. Lessor shall be under

no obligation to lease or relet Leased Property or Transmission Facilities or any part of either in order to mitigate damages.

Section 19.4 Survival of KATCo's Payment Obligation. The right of Lessor to recover from KATCo the amounts provided for above shall survive the issuance of any order for possession or other cancellation or termination hereof.

Section 19.5 Extension of Cure Period for Certain Events of Default. Anything in this Article 19 to the contrary notwithstanding, it is expressly understood that, with respect to any Event of Default within the purview of clause (c) of Section 19.1 hereof, if such Event of Default is of such a nature that it cannot, with due diligence, be cured within a period of thirty (30) days, Lessor shall not be entitled to re-enter the Premises, serve a notice of termination upon KATCo as provided in said Section 19.1, or exercise any right, power or remedy with respect to such Event of Default nor shall the same be regarded as an Event of Default for any of the purposes of this Lease, if KATCo shall have notified Lessor in writing that KATCo will undertake curing such default and commenced the curing of such default within the period of thirty (30) days referred to in said clause 19.1(c), and so long as KATCo shall thereafter proceed in good faith with reasonable diligence to complete the curing of such default, and the time within which KATCo must cure the same shall be extended for such period as may be necessary to complete the same with due diligence.

ARTICLE 20.

Cumulative Remedies, Waiver

Section 20.1 Cumulative Remedies. The specified remedies to which Lessor may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which Lessor may be lawfully entitled in case of any breach or threatened breach by KATCo of any provision of this Lease. In addition to the other remedies in this Lease provided, Lessor shall be entitled to the restraint by injunction of any violation or attempted or threatened violation of any of the terms, covenants, conditions, provisions or agreements of this Lease.

Section 20.2 No Waiver. The failure of Lessor to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, provisions or agreements of this Lease or to exercise any option herein contained shall not be construed as a waiver or a relinquishment for the future of any such term, covenant, condition, provision, agreement or option. A receipt and acceptance by Lessor of Base Rent or any other payment, or the acceptance of any performance of anything required by this Lease to be performed, with knowledge of the breach of any term, covenant, condition, provision or agreement of this Lease, shall not be deemed a waiver of such breach, nor shall any acceptance of any payment in a lesser amount than is herein provided for (regardless of any endorsement on any check, or any statement in any letter accompanying any payment) operate or be construed either as an accord and satisfaction or in any manner other than as payment on account of the amounts then unpaid by KATCo, and no waiver by Lessor of any term, covenant, condition, provision or agreement of this Lease shall be deemed to have been made unless specifically acknowledged as such in a writing signed by Lessor.

ARTICLE 21.

Quiet Enjoyment and Surrender of Leased Property

Section 21.1 Quiet Enjoyment. So long as KATCo shall make the Base Rent and other payments provided for herein and shall keep, observe and perform all of the other covenants of this Lease, KATCo shall and may peaceably and quietly have, hold and enjoy the Premises for Permitted Uses during the Term hereof free of interference from Lessor or those claiming by, through or under Lessor except that nothing herein shall preclude use of the Premises or Transmission Facilities by Lessor or Authorized Users to the extent provided elsewhere in this Lease. This covenant shall be construed as running with the land to and against subsequent owners and successors in interest, and is not, nor shall it operate or be construed as, a personal covenant of Lessor, except to the extent of Lessor's interest in the Premises and only so long as such interest shall continue, and thereafter this covenant shall be binding only upon such subsequent owners and successors in interest, to the extent of their respective interests, as and when they shall acquire the same, and only so long as they shall retain such interest.

Section 21.2 Surrender of Premises. Except as otherwise provided in this Lease, KATCo shall, upon the expiration or termination of this Lease for any reason whatsoever, surrender the Premises to Lessor in good order, condition and repair, except for reasonable wear and tear. KATCo shall surrender to Lessor all the Premises to Lessor upon expiration of the Term without notice of any kind, and KATCo hereby waives all right to any such notice as may be provided under any present or future law.

Section 21.3 Holdover. If KATCo continues to occupy the Premises with the written consent of Lessor after the last day of the Term, KATCo shall be a tenant from month to month, at Base Rent twice the rate in effect prior to the end of the Term and such tenancy shall otherwise be subject to all of the covenants and agreements of this Lease. In the event that Lessor does not so consent to KATCo's continued possession after the expiration of the Term of this Lease, or if no new agreement shall have been entered into by the parties hereto, KATCo shall pay Lessor all damages sustained by reason of KATCo's retention of possession after such expiration.

Section 21.4 KATCo's Right to Terminate Lease as to All or Part of Premises. From time to time during the Term, KATCo shall have the right to terminate this Lease as to, and surrender possession of, all or a portion of Leased Property and portions of the Premises adjoining such Leased Property as of the end of a calendar quarter. KATCo shall give Lessor written notice of its intention to terminate this Lease as to, and surrender possession of, Leased Property not less than one hundred eighty (180) days prior to the date for termination specified therein and, if appropriate, its wish to remove some or all of the Transmission Facilities located thereon as specified in such notice. If a Leasehold Mortgagee shall exist as of the time of any notice of termination to Lessor pursuant to this Section, such notice of termination shall be accompanied by a written consent thereto signed by the Leasehold Mortgagee and no such notice of termination shall be effective unless accompanied by such written consent. In the event of termination of this Lease as to some, but not all, of the Premises, Base Rent shall not be reduced by the portion thereof that is attributable to the Leased Property as to which such termination relates.

Section 21.5 Surrender or Removal of Transmission Facilities. Upon expiration of the Term or termination of this Lease, in its entirety or with respect to but not all Leased Property, or termination of this Lease pursuant to Article 21 hereof, KATCo shall surrender to Lessor all Transmission Facilities then on, under or over Leased Property and title thereto shall vest in Lessor unless Lessor shall have notified KATCo in writing prior to the expiration of the Term or the effective date of such termination that some or all of the Transmission Facilities are to be removed therefrom. If Lessor notifies KATCo that some or all of the Transmission Facilities are to be removed from Leased Property, KATCo shall undertake removal thereof with reasonable diligence thereafter and shall cause the surface of Leased Property affected thereby to be restored. KATCo shall coordinate removal activities with Lessor and Authorized Users as and to the extent necessary to protect or relocate Distribution Facilities or other uses of Transmission Facilities then being made of Transmission Facilities by Lessor and/or Authorized Users. KATCo shall continue to have access to Leased Property after such expiration or termination for such purpose and shall not be deemed to be continuing to occupy Leased Property pursuant to Section 21.3. Until completion of such removal, Section 6.1, Section 12.2, Article 14, and Article 15 shall continue in effect notwithstanding expiration or termination of this Lease. In the event title to some or all of the Transmission Facilities vests in Lessor pursuant to this Section 21.5, KATCo shall execute and deliver to Lessor from time to time such bills of sale or other conveyance as Lessor may reasonably request for the purpose of confirming Lessor's ownership thereof.

ARTICLE 22.

Assignment Subletting

Section 22.1 Prohibition Against Assignment of Lease Without Lessor's Approval. Except as specifically provided otherwise in this Lease, neither this Lease nor the leasehold estate created hereby shall be sold or assigned without the prior written approval of Lessor which Lessor may withhold for any reason or no reason. No sale or assignment of this Lease shall be effective until there has been delivered to Lessor an undertaking, signed by such proposed purchaser or assignee, in which such purchaser or assignee assumes the due performance of all obligations on KATCo's part to be performed under this Lease. Upon such assumption, KATCo shall have no further liability under this Lease except as to liabilities that arose prior to the sale or assignment. In the event KATCo has been notified by Lessor of an Event of Default which has not been cured as of the time of a proposed sale or assignment the undertaking to be signed by the proposed purchaser or assignee shall include a specific commitment to cure any such Event of Default in timely fashion.

Section 22.2 Prohibition Against Subleasing. KATCo shall not sublet all or any part of the Premises to any third party without the prior written approval of Lessor, which Lessor may withhold, for any reason or no reason.

Section 22.3 Permitted Assignments by KATCo. Notwithstanding Section 22.1, this Lease may be assigned without Lessor's prior written approval to any electric transmission company with which KATCo is merged or consolidated or which is a purchaser of substantially all of the Transmission Facilities or to any Leasehold Mortgagee or the nominee of a Leasehold Mortgagee or purchaser or assignee of the leasehold estate pursuant to Article 24 hereof.

Section 22.4 Assumption by Assignee. Each assignee of this Lease shall promptly execute and deliver to Lessor a written assumption of KATCo's obligations under this Lease in such form as Lessor may require.

ARTICLE 23.

Fee Mortgage Indenture

[Reserved].

ARTICLE 24.

Mortgaging of Leasehold Interest

Section 24.1 Leasehold Mortgages. KATCo, without Lessor's consent, shall have the unrestricted right to mortgage the leasehold estate created by this Lease pursuant to a leasehold mortgage or mortgages, at any time and from time to time, on any terms KATCo may deem desirable. If more than one such mortgage shall at the time be in effect, each such mortgage, at the time in effect, is herein called a "Leasehold Mortgage." No holder of a Leasehold Mortgage shall have the rights or benefits set forth in this Article 24, nor shall the provisions of this Article be binding upon Lessor unless and until holder of a Leasehold Mortgage shall have notified Lessor in writing that it is a holder of such Leasehold Mortgage and of the name and address to which all notices and other communications hereunder to it may be addressed; and such a holder of a Leasehold Mortgage, having given such notice, is herein called "Leasehold Mortgagee."

Section 24.2 Notices to Leasehold Mortgagees. Any notice which the holder of a Leasehold Mortgage shall desire or be required to give to Lessor shall be in writing and shall be deemed to have been given (a) upon receipt when the same is delivered in person or by courier or (b) as of the third business day after the same has been deposited with the United States Postal Service, postage prepaid for certified or registered mail, at the address set forth in Section 26.1 hereof or at such other addresses as shall be designated by Lessor in a written notice thereof to the Leasehold Mortgagee. Any notice which Lessor shall desire or be required to give to a Leasehold Mortgagee shall be in writing and shall be deemed to have been given (i) upon receipt when the same is delivered in person or by courier or (ii) as of the third business day after the same has been deposited with the United States Postal Service, postage prepaid for certified or registered mail, addressed to such Leasehold Mortgagee at the address set forth in the Leasehold Mortgage or in such last recorded assignment thereof or at such other address as shall have been designated by such Leasehold Mortgagee in a written notice thereof to Lessor.

Section 24.3 No Lease Cancellation, Surrender or Material Modification Without Leasehold Mortgagee Consent. Lessor and KATCo shall not agree between themselves to any cancellation, surrender or material modification of this Lease without the prior written consent of each Leasehold Mortgagee.

Section 24.4 Notices of Default to Leasehold Mortgagee. Lessor shall give to each Leasehold Mortgagee a copy of any Notice of Default or notice of Lessor's intention to terminate

this Lease given by Lessor to KATCo hereunder not later than ten (10) days after giving any such notice to KATCo.

Section 24.5 Payment or Performance by Leasehold Mortgagee. At any time when any Leasehold Mortgage shall remain unsatisfied of record, any Leasehold Mortgagee may make any payment or perform any act required hereunder to be made or performed by KATCo and Lessor shall accept such payment and performance. No entry by a Leasehold Mortgagee upon the Premises for such purpose shall constitute or be deemed to be an eviction of KATCo or release KATCo from any obligation or default hereunder (except in the case of any obligation or default which shall have been fully performed or corrected by such payment or performance by a Leasehold Mortgagee).

Section 24.6 Leasehold Mortgagee Notices to Lessor of Intention to Cure Event of Default. For purposes of this Article, no Event of Default shall be deemed to exist under Article 19 in respect of performance or observance of any requirement of this Lease on the part of KATCo to be performed or observed if a Leasehold Mortgagee shall have notified Lessor in writing of its intention to cure such default and commenced the curing of such default within the time permitted therefor and shall thereafter have proceeded in good faith with reasonable diligence to complete the curing of such default and the time within which such default must be cured shall be extended for such period as may be necessary to complete the same with due diligence.

Section 24.7 Leasehold Mortgagee Opportunities to Cure Events of Default. Anything herein contained to the contrary notwithstanding, upon the occurrence of an Event of Default (inclusive of the occurrence of any of the events specified in paragraph (c) or (d) of Section 19.1 hereof), other than an event of default due to a default in the payment of money, Lessor shall take no action to effect a termination of this Lease without first giving to each Leasehold Mortgagee written notice thereof and a reasonable time thereafter within which notify Lessor in writing of its intention, and thereafter diligently proceeding, either (i) to obtain possession of the Premises (including possession by a receiver) or (ii) to institute, prosecute and complete foreclosure proceedings or otherwise acquire KATCo's interest under this Lease. Upon obtaining possession or acquiring KATCo's interest under this Lease, a Leasehold Mortgagee shall be required promptly to cure all defaults then reasonably susceptible of being cured by such Leasehold Mortgagee. Notwithstanding the foregoing, (i) such Leasehold Mortgagee shall not be obligated to continue such possession or to continue such foreclosure proceedings after the Events of Default shall have been cured; (ii) nothing herein contained shall preclude Lessor, subject to the provisions of this Article, from exercising any rights or remedies under this Lease with respect to any other default by KATCo during the pendency of such foreclosure proceedings; (iii) if such Leasehold Mortgagee shall be a party other than a bank, insurance company or other entity having a net worth exceeding $30,000,000 at the time the Leasehold Mortgage is granted or a group of such banks, insurance companies or other entities (a "Lending Institution"), such Leasehold Mortgagee shall deposit with Lessor during the period of forbearance by Lessor from taking action to effect a termination of this Lease such security as shall be reasonably satisfactory to Lessor to assure Lessor of compliance by such Leasehold Mortgagee during the period of such forbearance with such of the terms, conditions and covenants of this Lease as are reasonably susceptible of being complied by such Leasehold Mortgagee and (iv) such Leasehold Mortgagee, if a Lending Institution, shall agree with Lessor in writing to comply during the period of such forbearance with such of the terms, conditions and covenants of this Lease as are reasonably susceptible of being complied with by

such Leasehold Mortgagee. Any Event of Default by KATCo not reasonably susceptible of being cured by such Leasehold Mortgagee shall be deemed to have been waived by Lessor upon completion of such foreclosure proceedings or upon such acquisition of KATCo's interest in this Lease, except that any of such Events of Default which are reasonably susceptible of being cured after such completion and acquisition shall then be cured with reasonable diligence by such Leasehold Mortgagee or its designee or other purchaser, as the case may be. Such Leasehold Mortgagee or its designee, or other purchaser in foreclosure proceedings, may become the legal owner and holder of this Lease through such foreclosure proceedings or by assignment of this Lease in lieu of foreclosure.

Section 24.8 Leasehold Mortgagee Right to New Lease. In the event of the termination of this Lease prior to the expiration of the Term, Lessor shall serve upon each Leasehold Mortgagee written notice that the Lease has been terminated together with a statement of any and all such sums which would at the time be due under this Lease but for such termination, and all other Events of Default, if any, under this Lease then known to Lessor. Any Leasehold Mortgagee shall thereupon have the option to obtain a new lease in accordance and upon the following terms and conditions:

> Upon the written request of the Leasehold Mortgagee, within sixty (60) days after service of such notice that the Lease has been terminated, Lessor shall enter into a new lease with respect to the Premises with such Leasehold Mortgagee as follows:
>
> Such new lease shall be entered into at the reasonable cost of the lessee thereunder, shall be effective as of the date of termination of this Lease and shall be for the remainder of the Term of this Lease and at the Base Rent and upon all the agreements, terms, covenants and conditions hereof, including any options to extend the Term. Such new lease shall require the lessee to perform any unfulfilled obligation of KATCo under this Lease, which is reasonably susceptible of being performed, by such lessee. Upon the execution of such new lease, the lessee named therein shall pay any and all sums which would at the time of the execution thereof be due under this Lease but for such termination, and shall pay all expenses, including reasonable counsel fees, court costs and disbursements incurred by Lessor in connection with such Events of Default and termination, the recovery of possession of the Leased Property and the preparation, execution and delivery of such new lease.

Section 24.9 Extension of Term Pursuant to New Lease. If the Term is not extended pursuant to Section 2.2 hereof, or for any other reason whatsoever, KATCo shall not become entitled to extend the Term of this Lease, Lessor shall serve upon each Leasehold Mortgagee written notice thereof and any such Leasehold Mortgagee shall have the option upon written request served upon Lessor to obtain from Lessor a new lease of the Premises for such renewal term in accordance with and upon the following terms and conditions:

> Such written request shall be served upon Lessor not later than sixty (60) days after the service of the aforementioned notice by Lessor on such

Leasehold Mortgagee, and within thirty (30) days after the service of such written request, lessor and the Leasehold Mortgagee, or its designee, shall enter into a new lease with respect to the Premises as follows:

Such new lease shall be entered into at the reasonable cost and expense of the lessee thereunder, shall be effective as of the date of termination of the then current Term of this Lease, and shall be for the Extended Term next succeeding the then current term of this Lease, and at the Base Rent and upon all the agreements, terms, covenants and conditions hereof, including any further options to extend the Term. Such new lease shall require the lessee to perform any unfulfilled obligation of KATCo under this Lease, which is reasonably susceptible of being performed, by such lessee. Upon execution of such new lease, the lessee therein named shall pay any and all sums remaining unpaid under the Lease then expiring, then unpaid, plus the reasonable expenses incurred by Lessor in connection with the preparation, execution and delivery of such new lease.

Section 24.10 Benefited Leasehold Mortgagees. Anything herein contained to the contrary notwithstanding, the provisions of this Article shall inure only to the benefit of Leasehold Mortgagees under Leasehold Mortgages which shall be, respectively, a first, second and third lien against the leasehold estate hereunder. If Leasehold Mortgagees of more than one such Leasehold Mortgage shall make written requests upon Lessor for a new lease in accordance with this Section, the new lease shall be entered into pursuant to the request of the holder whose Leasehold Mortgage shall be of the highest priority and thereupon the written requests for a new lease of each holder of a Leasehold Mortgage junior in lien shall be and be deemed to be void and of no force or effect.

Section 24.11 Possession Pursuant to New Lease. Nothing herein contained shall be deemed to obligate Lessor to deliver possession of the Premises to the lessee under any new lease entered into pursuant to this Article.

Section 24.12 Assignment by Leasehold Mortgagee. If any Leasehold Mortgagee shall acquire title to KATCo's interest in this Lease, by foreclosure of a Leasehold Mortgage thereon or by assignment in lieu of foreclosure or by assignment from a designee or subsidiary of such Leasehold Mortgagee, or under a new lease pursuant to this Article, such Leasehold Mortgagee may assign such lease and shall thereupon be released from all liability for the performance or observance of the covenants and conditions in such lease contained on the part of KATCo or such lessee, as the case may be, to be performed and observed from and after the date of such assignment, provided that the assignee from such Leasehold Mortgagee shall have assumed such lease in accordance with Section 22.4 hereof and shall have complied otherwise with said Section.

ARTICLE 25.

Estoppel Certificates

Lessor and KATCo agree at any time and from time to time, upon not less than ten (10) days' prior written request by KATCo, Lessor, the Trustee or a Leasehold Mortgagee, to execute, acknowledge and deliver to the party requesting the same a statement in writing certifying that this

Lease is unmodified and is in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating the modifications), the Base Rent currently payable, and the dates to which the Base Rent and other charges have been paid in advance, if any, it being intended that any such statement delivered pursuant to this Article may be relied upon by any prospective purchaser or mortgagee of the Premises of KATCo's interest in this Lease. Such certificate by KATCo shall contain a statement that there are no Defaults by Lessor under this Lease, or, if there be any, a reasonably detailed specification of all such Defaults and such other matters as may be reasonably requested. Such certificate by Lessor shall contain a statement that it has knowledge of no Defaults by KATCo under this Lease, or, if there be any of which it has knowledge, a reasonably detailed specification of all such Defaults and such other matters as may be reasonably requested.

ARTICLE 26.

Miscellaneous

Section 26.1 Notices. Any and all notices upon receipt when required or permitted under this Lease shall be in writing and shall be deemed sufficiently given (a) upon receipt when the same is delivered in person or by courier or (b) as of the third business day after the same has been deposited with the United States Postal Service, postage prepaid for certified or registered mail, addressed as follows:

To Lessor:

FirstEnergy Pennsylvania Electric Company
800 Cabin Hill Drive
Greensburg, Pennsylvania 15601
Attention: President and General Counsel

To KATCo:

Keystone Appalachian Transmission Company
76 South Main Street
Akron, Ohio 44308
Attention: President and General Counsel

or to such other address or addresses as either Lessor or KATCo by notice to the other may designate from time to time in the manner herein provided.

Section 26.2 Dispute Resolution. In the event of any dispute, controversy, or claim arising out of, under, or relating to this Ground Lease, Lessor and KATCo shall first attempt to resolve such dispute through good faith negotiations between representatives who will have the authority to settle the dispute. Lessor and/or KATCo shall give the other party written notice of any dispute not resolved in the ordinary course of business. Within ten (10) calendar days after delivery of any such notice, the aforementioned representatives will meet at a mutually acceptable time and place to attempt to resolve the dispute. If such designated representatives are unable to resolve a dispute within thirty (30) calendar days after receipt of notice of the dispute, then upon request of either Lessor or KATCo such dispute will be referred to a senior officer designated by

each party for resolution. Each such senior officer shall be an individual who has authority to resolve the dispute on behalf of Lessor or KATCo. Any dispute not resolved within sixty (60) calendar days following receipt of the request for submission to senior officers may, by mutual determination of Lessor and KATCo, be addressed and resolved through an alternative dispute resolution method to be agreed upon by Lessor and KATCo in good faith at such time, such as, but not limited to, binding arbitration or mediation; provided, however, neither Lessor nor KATCo shall be obligated to agree to any alternative resolution method to address the unresolved dispute. Nothing in this section shall in any way limit or preclude Lessor or KATCo from pursuing any rights or remedies or obtaining any relief to which it may be entitled at law or equity.

Section 26.3 Invalidity of Particular Provisions. If any term or provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and may be enforced to the fullest extent permitted by law.

Section 26.4 Successors and Assigns. The terms, conditions, covenants, provisions and agreements herein contained shall be binding upon and inure to the benefit of Lessor, its successors and assigns, and KATCo, its successors and assigns.

Section 26.5 Amendments: Modifications. This Lease may be modified only by written agreement signed by Lessor and KATCo with the same formalities attendant as upon the execution of this Lease, it being the express intention of the parties hereto that no provision, term or condition of this Lease may be amended or varied in any way by an oral understanding or by any document not executed in accordance with this Section 26.5.

Section 26.6 Memoranda of Lease. Upon request by either Lessor or KATCo, the parties hereto shall execute, for recording purposes, memoranda of this Lease in conformity with the law and practice of the state in which the Premises are located, and the same shall be placed of record at KATCo's expense. If requested by Lessor, KATCo shall, upon termination of this Lease as to some or all Leased Property as provided herein, execute and deliver to Lessor an appropriate release, in form proper for recording, of KATCo's interest therein.

Section 26.7 Governing Law. This Lease shall be governed by and interpreted in accordance with the laws of the state in which the Premises are located.

Section 26.8 Entire Agreement. Except as set forth in an Operating Agreement of even date herewith that Lessor and KATCo expect will terminate before expiration of the Initial Term and except as provided in any amendment of this Lease hereafter entered into by Lessor and KATCo, this Lease sets forth the entire agreement and understanding between Lessor and KATCo to the subject matter hereof.

Section 26.9 Further Assurances. Subject to the terms and conditions of this Lease, each of the parties hereto, including without limitation subsidiaries and affiliates of the parties, will use their best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things

necessary, proper or advisable to consummate the transactions contemplated by this Lease and to fully effect the intent of this Lease.

IN WITNESS WHEREOF, the parties hereto have caused this Ground Lease to be duly executed as of the day and year first above written,

(Witnesses as to Lessor)

FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY

_____ By _____
Primed Name:

_____
Printed Name:

(Witnesses as to KATCo)

KEYSTONE APPALACHIAN TRANSMISSION COMPANY

_____ By _____
Printed Name:

_____
Printed Name

EXHIBIT A

Leased Property

General Description: This exhibit identifies the property that Lessor has agreed to lease to KATCo as of [•], 202[•], in return for quarterly installments of Base Rent and subject to the rights, terms and conditions of this Ground Lease:

(1) Tracts or parcels owned by the Lessor (fee lands), together with portions of the buildings, structures and fixtures thereon to the extent used for transmission, but not distribution, of electricity on the date of this Lease.

(2) Easements granted to Lessor on, under or over which Transmission Facilities are situated on the date of this Lease.

(3) Leased lands, servitudes, interests in land, permits, privileges, licenses, consents, franchises and authorizations granted to or held by Lessor on, under or over which Transmission Facilities are situated on the date of this Lease and not identified as being either fee land or an easement.

SCHEDULE A

"Base Rent" = (Net Book Value of Premises - ADITs) * Pre-Tax WACC + Book Depreciation Expense + Property Taxes + All other costs, expenses, liabilities or charges that may be incurred by Lessor pursuant to any lease agreement, license agreement, consent agreement or other similar agreement relating to the Premises.

For purposes of this definition:

"ADIT" means Accumulated Deferred Income Taxes associated with the Premises.

"Pre-Tax WACC" = $\frac{\text{WACC}}{(1 - \text{Statutory Tax Rate})}$

"Weighted Average Cost of Capital ("WACC") =

((Debt Ratio * KATCo's Effective Cost of Outstanding Long-Term Debt) * (1 - Statutory Tax Rate))

+

(Equity Ratio * KATCo's Authorized Rate of Return on Equity)

SCHEDULE 1(a)

IN-SERVICE ASSETS

Schedule 1(a) In-Service Assets

Company	Major Location	Asset Location	Utility Account	Retirement Unit	Original Cost	Allocated Accumulated Depreciation	Net Book Value
WEST PENN POWER	WPCO - PA UNSPECIFIED	502 JCT SS - WP	35300 - Station Equipment	Non-Unitized	$954	$8	$946
WEST PENN POWER	WPCO - PA UNSPECIFIED	502 JCT SS - WP	35300 - Station Equipment	Security System	$2,265	$304	$1,961
WEST PENN POWER	WPCO - PA UNSPECIFIED	502 JCT SS - WP	35620 - Clearing, Grading of Land	Site Clearing	$10,466	$1,132	$9,334
WEST PENN POWER	WPCO - PA TL 500KV	502 JUNCTION-HARRISON 500KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$180	$156	$24
WEST PENN POWER	WPCO - PA TL 500KV	502 JUNCTION-HARRISON 500KV	35610 - Overhd Conductr, Devices	Non-Unitized	$1,046	$10	$1,037
WEST PENN POWER	WPCO - PA TL 500KV	502 JUNCTION-HARRISON 500KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$62,385	$49,057	$13,328
WEST PENN POWER	WPCO - PA TL 500KV	502 JUNCTION-HARRISON 500KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$51,824	$15,731	$36,093
WEST PENN POWER	WPCO - PA TL 500KV	502 JUNCTION-HARRISON 500KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$107,982	$67,223	$40,759
WEST PENN POWER	WPCO - PA TL 500KV	502 JUNCTION-NORTH LONGVIEW 500KV	35610 - Overhd Conductr, Devices	Non-Unitized	$960	$7	$953
WEST PENN POWER	WPCO - PA TL 500KV	502 JUNCTION-NORTH LONGVIEW 500KV	35610 - Overhd Conductr, Devices	Transmission Shunt Splice	$4,431	$479	$3,952
WEST PENN POWER	WPCO - PA TL 138KV	Albright - Bethelboro	35620 - Clearing, Grading of Land	Non-Unitized	$836	$6	$831
WEST PENN POWER	WPCO - PA TL 138KV	Albright - Bethelboro	35500 - Poles And Fixtures	Non-Unitized	$948	$7	$940
WEST PENN POWER	WPCO - PA TL 138KV	Albright - Bethelboro	35610 - Overhd Conductr, Devices	Non-Unitized	$962	$7	$955
WEST PENN POWER	WPCO - PA TL 138KV	Albright - Bethelboro	39700 - Communication Equipment	Aerial Fiber Optic Cable	$39,099	$14,788	$24,311
WEST PENN POWER	WPCO - PA TL 138KV	Albright - Bethelboro	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$71,154	$34,895	$36,259
WEST PENN POWER	WPCO - PA TL 138KV	Albright - Bethelboro	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$146,998	$101,746	$45,251
WEST PENN POWER	WPCO - PA TL 138KV	Albright - Bethelboro	35620 - Clearing, Grading of Land	Site Clearing	$185,522	$77,728	$107,794
WEST PENN POWER	WPCO - PA TL 138KV	Albright - Bethelboro	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$361,997	$215,327	$146,671
WEST PENN POWER	WPCO - PA TL 138KV	Albright - Bethelboro	35500 - Poles And Fixtures	Crossarm	$239,427	$71,615	$167,811
WEST PENN POWER	WPCO - PA TL 138KV	Albright - Bethelboro	35610 - Overhd Conductr, Devices	Insulator - transmission	$370,119	$124,406	$245,712
WEST PENN POWER	WPCO - PA TL 138KV	Albright - Bethelboro	35500 - Poles And Fixtures	Wood Pole	$1,659,768	$518,174	$1,141,594
WEST PENN POWER	WPCO - PA TL 138KV	ALL DAM 6-BRACKENRIDGE-SPRINGDALE 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$867	$6	$861
WEST PENN POWER	WPCO - PA TL 138KV	ALL DAM 6-BRACKENRIDGE-SPRINGDALE 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$952	$7	$945
WEST PENN POWER	WPCO - PA TL 138KV	ALL DAM 6-BRACKENRIDGE-SPRINGDALE 138KV	35500 - Poles And Fixtures	Non-Unitized	$1,750	$31	$1,720
WEST PENN POWER	WPCO - PA TL 138KV	ALL DAM 6-BRACKENRIDGE-SPRINGDALE 138KV	35400 - Towers And Fixtures	Non-Unitized	$1,815	$24	$1,791
WEST PENN POWER	WPCO - PA TL 138KV	ALL DAM 6-BRACKENRIDGE-SPRINGDALE 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$49,115	$7,599	$41,516
WEST PENN POWER	WPCO - PA TL 138KV	ALL DAM 6-BRACKENRIDGE-SPRINGDALE 138KV	35620 - Clearing, Grading of Land	Site Clearing	$160,733	$60,708	$100,024
WEST PENN POWER	WPCO - PA TL 138KV	ALL DAM 6-BRACKENRIDGE-SPRINGDALE 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$260,024	$109,845	$150,178
WEST PENN POWER	WPCO - PA TL 138KV	ALL DAM 6-BRACKENRIDGE-SPRINGDALE 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$845,317	$662,721	$182,596
WEST PENN POWER	WPCO - PA TL 138KV	ALL DAM 6-BRACKENRIDGE-SPRINGDALE 138KV	35400 - Towers And Fixtures	Structure	$316,170	$32,935	$283,235
WEST PENN POWER	WPCO - PA TL 138KV	ALL DAM 6-BRACKENRIDGE-SPRINGDALE 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$1,038,992	$665,562	$373,430
WEST PENN POWER	WPCO - PA TL 138KV	ALL DAM 6-BRACKENRIDGE-SPRINGDALE 138KV	35500 - Poles And Fixtures	Wood Pole	$815,007	$76,079	$738,928
WEST PENN POWER	WPCO - PA TL 138KV	ALL DAM 6-BRACKENRIDGE-SPRINGDALE 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$1,029,853	$67,174	$962,679
WEST PENN POWER	WPCO - PA Trans Subs	Allegheny Lock & Dam #6 Interconnec	35300 - Station Equipment	Conduit	$360	$48	$312
WEST PENN POWER	WPCO - PA Trans Subs	Allegheny Lock & Dam #6 Interconnec	39700 - Communication Equipment	Non-Unitized	$422	$88	$334
WEST PENN POWER	WPCO - PA Trans Subs	Allegheny Lock & Dam #6 Interconnec	35210 - Structures, Improvements	Landscaping	$1,830	$681	$1,149
WEST PENN POWER	WPCO - PA Trans Subs	Allegheny Lock & Dam #6 Interconnec	35300 - Station Equipment	Non-Unitized	$1,556	($95)	$1,651
WEST PENN POWER	WPCO - PA Trans Subs	Allegheny Lock & Dam #6 Interconnec	35300 - Station Equipment	Bus-Insulators	$3,048	$409	$2,639
WEST PENN POWER	WPCO - PA Trans Subs	Allegheny Lock & Dam #6 Interconnec	35300 - Station Equipment	Coupling Capacitor	$9,443	$6,803	$2,640
WEST PENN POWER	WPCO - PA Trans Subs	Allegheny Lock & Dam #6 Interconnec	35300 - Station Equipment	RTU - SCADA	$11,594	$8,942	$2,653
WEST PENN POWER	WPCO - PA Trans Subs	Allegheny Lock & Dam #6 Interconnec	35300 - Station Equipment	Relaying Equipment	$3,524	$473	$3,051
WEST PENN POWER	WPCO - PA Trans Subs	Allegheny Lock & Dam #6 Interconnec	35300 - Station Equipment	Structure	$8,552	$1,148	$7,403
WEST PENN POWER	WPCO - PA Trans Subs	Allegheny Lock & Dam #6 Interconnec	35300 - Station Equipment	Wiring	$9,031	$1,212	$7,818
WEST PENN POWER	WPCO - PA Trans Subs	Allegheny Lock & Dam #6 Interconnec	35300 - Station Equipment	Line Tuning Assembly	$13,082	$1,757	$11,326
WEST PENN POWER	WPCO - PA Trans Subs	Allegheny Lock & Dam #6 Interconnec	35300 - Station Equipment	Battery System	$22,220	$2,308	$19,912
WEST PENN POWER	WPCO - PA Trans Subs	Allegheny Lock & Dam #6 Interconnec	35610 - Overhd Conductr, Devices	Insulator - transmission	$21,861	$1,192	$20,669
WEST PENN POWER	WPCO - PA Trans Subs	Allegheny Lock & Dam #6 Interconnec	35500 - Poles And Fixtures	Wood Pole	$22,431	$1,308	$21,122
WEST PENN POWER	WPCO - PA Trans Subs	Allegheny Lock & Dam #6 Interconnec	35300 - Station Equipment	CT 138KV	$44,202	$5,935	$38,267
WEST PENN POWER	WPCO - PA Trans Subs	Allegheny Lock & Dam #6 Interconnec	35300 - Station Equipment	Cable	$52,410	$7,037	$45,373
WEST PENN POWER	WPCO - PA Trans Subs	Allegheny Lock & Dam #6 Interconnec	35300 - Station Equipment	MO 138KV	$69,071	$9,274	$59,797
WEST PENN POWER	WPCO - PA Trans Subs	Allegheny Lock & Dam #6 Interconnec	35300 - Station Equipment	Line Wave Trap	$122,450	$16,441	$106,009
WEST PENN POWER	WPCO - PA Trans Subs	Allegheny Lock & Dam #6 Interconnec	35300 - Station Equipment	Cabinets/Panels/Consoles	$218,978	$29,401	$189,576
WEST PENN POWER	WPCO - PA Trans Subs	Allegheny Lock & Dam #6 Interconnec	35300 - Station Equipment	Circuit Breaker	$246,801	$33,137	$213,664
WEST PENN POWER	WPCO - PA TL 138KV	Allegheny Ludlum #4 Branch	35500 - Poles And Fixtures	Crossarm	$87	$86	$0
WEST PENN POWER	WPCO - PA TL 138KV	Allegheny Ludlum #4 Branch	35610 - Overhd Conductr, Devices	Insulator - transmission	$239	$238	$1
WEST PENN POWER	WPCO - PA TL 138KV	Allegheny Ludlum #4 Branch	35500 - Poles And Fixtures	Wood Pole	$2,157	$2,145	$11
WEST PENN POWER	WPCO - PA TL 138KV	Allegheny Ludlum #4 Branch	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$3,285	$3,273	$12
WEST PENN POWER	WPCO - PA TL 138KV	Allegheny Ludlum #4 Branch	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$5,068	$4,397	$671
WEST PENN POWER	WPCO - PA TL 138KV	Allegheny Ludlum #4 Branch	35620 - Clearing, Grading of Land	Site Clearing	$10,897	$9,706	$1,191
WEST PENN POWER	WPCO - PA Dist Subs	ALLENPORT	39700 - Communication Equipment	Non-Unitized	$10,484	$3,081	$7,403
WEST PENN POWER	WPCO - PA Dist Subs	ALLENPORT	35300 - Station Equipment	Non-Unitized	$1,563,947	$13,338	$1,550,609
WEST PENN POWER	WPCO - PA General Plant	Amortized G P - WP - Pennsylvania	39120 - Data Processing Equipment	Non-Unitized	$2,050	$692	$1,358
WEST PENN POWER	WPCO - PA General Plant	Amortized G P - WP - Pennsylvania	39120 - Data Processing Equipment	Data Processing Equipment	$417,051	$138,504	$278,547
WEST PENN POWER	WPCO - PA General Plant	Amortized G P - WP - Pennsylvania	39700 - Communication Equipment	WPCO- Communication Equipment	$635,022	$133,093	$501,928
WEST PENN POWER	WPCO - PA General Plant	Amortized G P - WP - Pennsylvania	30300 - Misc. Intangible Plant	Non-Unitized	$1,052,073	$271,597	$780,475
WEST PENN POWER	WPCO - PA General Plant	Amortized G P - WP - Pennsylvania	30300 - Misc. Intangible Plant	Software	$1,687,094	$404,691	$1,282,404
WEST PENN POWER	WPCO - PA TL 138KV	Antrim Loop	35610 - Overhd Conductr, Devices	Insulator - transmission	$16,960	$12,926	$4,033
WEST PENN POWER	WPCO - PA TL 138KV	Antrim Loop	35620 - Clearing, Grading of Land	Site Clearing	$36,387	$18,737	$17,651
WEST PENN POWER	WPCO - PA TL 138KV	Antrim Loop	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$154,457	$105,516	$48,940
WEST PENN POWER	WPCO - PA TL 138KV	Antrim Loop	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$307,964	$235,864	$72,100
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Switching Equipment	$2,004	$1,842	$161
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Driveways, Parking, Roads and Walks	$308	$37	$271
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Oil Storage & Filtering System	$4,053	$3,727	$327
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Cable Tray	$5,859	$5,079	$780
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Fence	$969	$116	$854
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35220 - Clearing, Grading Of Land	Non-Unitized	$966	$7	$959
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Carrier Transmitter/Receiver Assemb	$8,946	$7,790	$1,156
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35210 - Structures, Improvements	Road & Trails	$1,518	$156	$1,362
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35210 - Structures, Improvements	Non-Unitized	$1,533	$22	$1,512
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Fuse Equipment	$2,095	$250	$1,845
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Minor Station Equipment	$4,984	$1,781	$3,203
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Equipment Protective Lighting & Pow	$25,777	$21,890	$3,887
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Cable Trench	$4,646	$554	$4,093
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Bus	$23,050	$18,830	$4,220
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Conduit/Duct System	$47,011	$42,543	$4,468
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Grounding Conductor	$5,783	$689	$5,094
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35220 - Clearing, Grading Of Land	Site Clearing	$6,567	$392	$6,175
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Line Tuning Assembly	$9,311	$3,127	$6,184
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	39700 - Communication Equipment	Non-Unitized	$9,914	$2,913	$7,001
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35210 - Structures, Improvements	Heater	$11,726	$1,507	$10,219
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	RTU - SCADA	$15,688	$5,429	$10,258
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Grounding System, Station	$50,874	$40,039	$10,835
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Coupling Capacitor	$37,253	$24,053	$13,200
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Structure	$149,168	$134,958	$14,210
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Switch	$166,786	$152,488	$14,298
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Equipment Enclosure	$23,689	$8,412	$15,277
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Arrester, Lightning & Surge Protect	$25,093	$9,581	$15,511
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Yard range & protective lighting	$27,124	$2,907	$24,217
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	CT 138KV	$28,364	$3,380	$24,984
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Conduit	$34,755	$4,286	$30,469
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Relays	$35,789	$4,265	$31,524
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Bus-Insulators	$116,375	$82,790	$33,585
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Transformer, Current : Each	$45,092	$5,373	$39,719
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Foundation - Equipment	$228,257	$174,122	$54,135
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Transformer, Instrument	$116,366	$56,340	$60,026
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Line Wave Trap	$149,005	$79,767	$69,238
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Cabinets/Panels/Consoles	$323,228	$207,259	$115,969
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35210 - Structures, Improvements	Wall	$200,141	$25,727	$174,414
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Controls and Instrumentation	$325,922	$48,034	$277,888
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Non-Unitized	$317,872	$7,890	$309,982
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Control Wiring	$384,036	$67,839	$316,197
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Cable, Wiring	$532,694	$99,142	$433,551
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Circuit Breaker	$1,048,177	$187,772	$860,405
WEST PENN POWER	WPCO - PA Trans Subs	ARMSTRONG	35300 - Station Equipment	Relaying Equipment	$1,003,466	$119,571	$883,896
WEST PENN POWER	WPCO - PA TL 138KV	Armstrong - Butler	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$67,313	$66,438	$875
WEST PENN POWER	WPCO - PA TL 138KV	Armstrong - Butler	35620 - Clearing, Grading of Land	Non-Unitized	$933	$6	$927
WEST PENN POWER	WPCO - PA TL 138KV	Armstrong - Butler	35610 - Overhd Conductr, Devices	Insulator - transmission	$22,914	$20,890	$2,024
WEST PENN POWER	WPCO - PA TL 138KV	Armstrong - Butler	35500 - Poles And Fixtures	Crossarm	$27,417	$23,192	$4,225

Schedule 1(a) In-Service Assets

Company	Major Location	Asset Location	Utility Account	Retirement Unit	Original Cost	Allocated Accumulated Depreciation	Net Book Value
WEST PENN POWER	WPCO - PA TL 138KV	Armstrong - Butler	35500 - Poles And Fixtures	Wood Pole	$115,516	$94,492	$21,024
WEST PENN POWER	WPCO - PA TL 138KV	Armstrong - Butler	35610 - Overhd Conductr, Devices	Fiber Optic Cable	$67,699	$46,551	$21,148
WEST PENN POWER	WPCO - PA TL 138KV	Armstrong - Butler	35620 - Clearing, Grading of Land	Site Clearing	$143,140	$85,851	$57,289
WEST PENN POWER	WPCO - PA TL 138KV	Armstrong - Kissinger Jct.	35620 - Clearing, Grading of Land	Non-Unitized	$936	$6	$929
WEST PENN POWER	WPCO - PA TL 138KV	Armstrong - Kissinger Jct.	35500 - Poles And Fixtures	Non-Unitized	$1,219	$15	$1,204
WEST PENN POWER	WPCO - PA TL 138KV	Armstrong - Kissinger Jct.	35610 - Overhd Conductr, Devices	Switch: Equipment Enclosure	$10,969	$8,546	$2,423
WEST PENN POWER	WPCO - PA TL 138KV	Armstrong - Kissinger Jct.	35500 - Poles And Fixtures	Crossarm	$101,604	$57,313	$44,291
WEST PENN POWER	WPCO - PA TL 138KV	Armstrong - Kissinger Jct.	35610 - Overhd Conductr, Devices	Insulator - transmission	$111,428	$58,913	$52,515
WEST PENN POWER	WPCO - PA TL 138KV	Armstrong - Kissinger Jct.	35500 - Poles And Fixtures	Phase Raiser	$98,853	$13,365	$85,488
WEST PENN POWER	WPCO - PA TL 138KV	Armstrong - Kissinger Jct.	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$287,989	$182,830	$105,159
WEST PENN POWER	WPCO - PA TL 138KV	Armstrong - Kissinger Jct.	35620 - Clearing, Grading of Land	Site Clearing	$214,137	$89,514	$124,623
WEST PENN POWER	WPCO - PA TL 138KV	Armstrong - Kissinger Jct.	35500 - Poles And Fixtures	Wood Pole	$764,058	$413,943	$350,114
WEST PENN POWER	WPCO - PA TL 138KV	Armstrong - Kittanning #2	35500 - Poles And Fixtures	Crossarm	$15,915	$15,607	$307
WEST PENN POWER	WPCO - PA TL 138KV	Armstrong - Kittanning #2	35610 - Overhd Conductr, Devices	Non-Unitized	$984	$8	$976
WEST PENN POWER	WPCO - PA TL 138KV	Armstrong - Kittanning #2	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$82,667	$81,428	$1,239
WEST PENN POWER	WPCO - PA TL 138KV	Armstrong - Kittanning #2	35500 - Poles And Fixtures	Wood Pole	$75,125	$73,698	$1,427
WEST PENN POWER	WPCO - PA TL 138KV	Armstrong - Kittanning #2	35620 - Clearing, Grading of Land	Site Clearing	$67,697	$56,430	$11,267
WEST PENN POWER	WPCO - PA TL 138KV	Armstrong - Kittanning #2	35610 - Overhd Conductr, Devices	Insulator - transmission	$28,758	$16,488	$12,270
WEST PENN POWER	WPCO - PA TL 138KV	ARMSTRONG-BURMA 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$856	$6	$850
WEST PENN POWER	WPCO - PA TL 138KV	ARMSTRONG-BURMA 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$977	$8	$969
WEST PENN POWER	WPCO - PA TL 138KV	ARMSTRONG-BURMA 138KV	35500 - Poles And Fixtures	Non-Unitized	$1,534	$24	$1,509
WEST PENN POWER	WPCO - PA TL 138KV	ARMSTRONG-BURMA 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$17,855	$13,608	$4,246
WEST PENN POWER	WPCO - PA TL 138KV	ARMSTRONG-BURMA 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$166,767	$119,860	$46,907
WEST PENN POWER	WPCO - PA TL 138KV	ARMSTRONG-BURMA 138KV	35500 - Poles And Fixtures	Crossarm	$204,423	$156,564	$47,859
WEST PENN POWER	WPCO - PA TL 138KV	ARMSTRONG-BURMA 138KV	35620 - Clearing, Grading of Land	Site Clearing	$205,534	$91,041	$114,493
WEST PENN POWER	WPCO - PA TL 138KV	ARMSTRONG-BURMA 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$624,941	$476,311	$148,630
WEST PENN POWER	WPCO - PA TL 138KV	ARMSTRONG-BURMA 138KV	35500 - Poles And Fixtures	Wood Pole	$757,230	$577,144	$180,086
WEST PENN POWER	WPCO - PA TL 138KV	ARMSTRONG-BURMA 138KV	35500 - Poles And Fixtures	Phase Raiser	$213,519	$28,867	$184,652
WEST PENN POWER	WPCO - PA TL 138KV	ARMSTRONG-KITTANNING 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$1,816	$12	$1,803
WEST PENN POWER	WPCO - PA TL 138KV	ARMSTRONG-KITTANNING 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$69,119	$44,613	$24,506
WEST PENN POWER	WPCO - PA TL 138KV	ARMSTRONG-KITTANNING 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$144,892	$85,965	$58,927
WEST PENN POWER	WPCO - PA TL 138KV	ARMSTRONG-KITTANNING 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$64,524	$3,399	$61,124
WEST PENN POWER	WPCO - PA TL 138KV	ARMSTRONG-KITTANNING 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$127,000	$18,264	$108,735
WEST PENN POWER	WPCO - PA TL 138KV	ARMSTRONG-KITTANNING 138KV	35620 - Clearing, Grading of Land	Site Clearing	$238,688	$23,237	$215,451
WEST PENN POWER	WPCO - PA TL 138KV	ARMSTRONG-KITTANNING 138KV	35500 - Poles And Fixtures	Crossarm	$311,634	$29,556	$282,078
WEST PENN POWER	WPCO - PA TL 138KV	ARMSTRONG-KITTANNING 138KV	35500 - Poles And Fixtures	Phase Raiser	$404,815	$23,809	$381,006
WEST PENN POWER	WPCO - PA TL 138KV	ARMSTRONG-KITTANNING 138KV	35500 - Poles And Fixtures	Wood Pole	$1,015,825	$82,953	$932,872
WEST PENN POWER	WPCO - PA TL 138KV	Belmon Branch	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$1,853	$1,738	$115
WEST PENN POWER	WPCO - PA TL 138KV	Belmon Branch	35620 - Clearing, Grading of Land	Site Clearing	$1,351	$996	$355
WEST PENN POWER	WPCO - PA Dist Subs	BETHELBORO	35300 - Station Equipment	Non-Unitized	$948	$8	$940
WEST PENN POWER	WPCO - PA Dist Subs	BETHELBORO	35300 - Station Equipment	Oil Storage & Filtering System	$121,444	$29,669	$91,775
WEST PENN POWER	WPCO - PA TL 138KV	Bethelboro - North Union Tap1	35620 - Clearing, Grading of Land	Non-Unitized	$944	$6	$938
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-CONNELLSVILLE 138KV	35610 - Overhd Conductr, Devices	Switch: Equipment Enclosure	$5,312	$5,235	$77
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-CONNELLSVILLE 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$833	$6	$827
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-CONNELLSVILLE 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$6,514	$651	$5,863
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-CONNELLSVILLE 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$221,721	$208,318	$13,403
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-CONNELLSVILLE 138KV	35620 - Clearing, Grading of Land	Site Clearing	$88,861	$71,177	$17,684
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-CONNELLSVILLE 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$88,187	$50,736	$37,451
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-CONNELLSVILLE 138KV	35500 - Poles And Fixtures	Crossarm	$102,248	$51,048	$51,200
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-CONNELLSVILLE 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$227,413	$129,314	$98,099
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-CONNELLSVILLE 138KV	35500 - Poles And Fixtures	Wood Pole	$478,831	$265,772	$213,059
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-CONNELLSVILLE 138KV	35500 - Poles And Fixtures	Phase Raiser	$531,863	$31,024	$500,839
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-NECESSITY 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$44	$39	$5
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-NECESSITY 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$927	$6	$920
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-NECESSITY 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$987	$9	$979
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-NECESSITY 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$44,624	$14,799	$29,825
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-NECESSITY 138KV	35620 - Clearing, Grading of Land	Site Clearing	$104,220	$27,508	$76,712
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-NECESSITY 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$305,428	$181,054	$124,374
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-NECESSITY 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$516,683	$209,232	$307,452
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-YUKON 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$890	$6	$884
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-YUKON 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$950	$7	$943
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-YUKON 138KV	35500 - Poles And Fixtures	Non-Unitized	$1,014	$9	$1,004
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-YUKON 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$20,474	$16,009	$4,465
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-YUKON 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$15,332	$836	$14,496
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-YUKON 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$332,351	$165,621	$166,731
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-YUKON 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$902,587	$699,923	$202,664
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-YUKON 138KV	35620 - Clearing, Grading of Land	Site Clearing	$612,881	$307,602	$305,279
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-YUKON 138KV	35500 - Poles And Fixtures	Crossarm	$611,822	$257,542	$354,280
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-YUKON 138KV	35500 - Poles And Fixtures	Wood Pole	$1,954,988	$981,787	$973,202
WEST PENN POWER	WPCO - PA TL 138KV	BETHELBORO-YUKON 138KV	35500 - Poles And Fixtures	Phase Raiser	$4,564,835	$266,273	$4,298,562
WEST PENN POWER	WPCO - PA TL 500KV	BLACK OAK - HATFIELD 500 KV LINE	35610 - Overhd Conductr, Devices	Arrester, Lightning Mass	$48	$14	$34
WEST PENN POWER	WPCO - PA TL 500KV	BLACK OAK - HATFIELD 500 KV LINE	35610 - Overhd Conductr, Devices	Grounding (T & D)	$1,770	$1,661	$108
WEST PENN POWER	WPCO - PA TL 500KV	BLACK OAK - HATFIELD 500 KV LINE	35400 - Towers And Fixtures	Non-Unitized	$948	$6	$942
WEST PENN POWER	WPCO - PA TL 500KV	BLACK OAK - HATFIELD 500 KV LINE	35610 - Overhd Conductr, Devices	Non-Unitized	$983	$8	$975
WEST PENN POWER	WPCO - PA TL 500KV	BLACK OAK - HATFIELD 500 KV LINE	35610 - Overhd Conductr, Devices	Insulator - transmission	$207,423	$170,529	$36,894
WEST PENN POWER	WPCO - PA TL 500KV	BLACK OAK - HATFIELD 500 KV LINE	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$1,336,466	$1,174,707	$161,759
WEST PENN POWER	WPCO - PA TL 500KV	BLACK OAK - HATFIELD 500 KV LINE	35620 - Clearing, Grading of Land	Site Clearing	$442,941	$166,965	$275,976
WEST PENN POWER	WPCO - PA TL 500KV	BLACK OAK - HATFIELD 500 KV LINE	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$1,774,513	$1,160,342	$614,171
WEST PENN POWER	WPCO - PA TL 138KV	Blairsville East - Loyalhanna	35610 - Overhd Conductr, Devices	Grounding (T & D)	$60	$56	$4
WEST PENN POWER	WPCO - PA TL 138KV	Blairsville East - Loyalhanna	35500 - Poles And Fixtures	Crossarm	$18,642	$18,381	$260
WEST PENN POWER	WPCO - PA TL 138KV	Blairsville East - Loyalhanna	35610 - Overhd Conductr, Devices	Insulator - transmission	$21,819	$21,352	$467
WEST PENN POWER	WPCO - PA TL 138KV	Blairsville East - Loyalhanna	35500 - Poles And Fixtures	Wood Pole	$93,780	$92,362	$1,419
WEST PENN POWER	WPCO - PA TL 138KV	Blairsville East - Loyalhanna	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$84,885	$83,407	$1,478
WEST PENN POWER	WPCO - PA TL 138KV	Blairsville East - Loyalhanna	35620 - Clearing, Grading of Land	Site Clearing	$23,729	$20,422	$3,307
WEST PENN POWER	WPCO - PA TL 138KV	Blairsville East - Loyalhanna	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$26,718	$17,515	$9,204
WEST PENN POWER	WPCO - PA TL 138KV	BRACKEN JCT (LOYALHANNA-LUXOR-YOUNGWOOD) 138KV	35500 - Poles And Fixtures	Crossarm	$1,419	$1,316	$103
WEST PENN POWER	WPCO - PA TL 138KV	BRACKEN JCT (LOYALHANNA-LUXOR-YOUNGWOOD) 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$74,025	$67,834	$6,190
WEST PENN POWER	WPCO - PA TL 138KV	BRACKEN JCT (LOYALHANNA-LUXOR-YOUNGWOOD) 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$107,377	$100,149	$7,228
WEST PENN POWER	WPCO - PA TL 138KV	BRACKEN JCT (LOYALHANNA-LUXOR-YOUNGWOOD) 138KV	35620 - Clearing, Grading of Land	Site Clearing	$26,420	$18,284	$8,137
WEST PENN POWER	WPCO - PA TL 138KV	BRACKEN JCT (LOYALHANNA-LUXOR-YOUNGWOOD) 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$154,706	$143,522	$11,185
WEST PENN POWER	WPCO - PA TL 138KV	BRACKEN JCT (LOYALHANNA-LUXOR-YOUNGWOOD) 138KV	35500 - Poles And Fixtures	Wood Pole	$239,987	$206,417	$33,570
WEST PENN POWER	WPCO - PA TL 138KV	Bracken Jct. - Luxor	35620 - Clearing, Grading of Land	Non-Unitized	$943	$6	$937
WEST PENN POWER	WPCO - PA TL 138KV	Bracken Jct. - Luxor	35610 - Overhd Conductr, Devices	Non-Unitized	$1,460	$21	$1,440
WEST PENN POWER	WPCO - PA TL 138KV	Bracken Jct. - Luxor	35500 - Poles And Fixtures	Non-Unitized	$1,966	$37	$1,929
WEST PENN POWER	WPCO - PA TL 138KV	Bracken Jct. - Luxor	35610 - Overhd Conductr, Devices	Grounding (T & D)	$21,047	$2,680	$18,367
WEST PENN POWER	WPCO - PA TL 138KV	Bracken Jct. - Luxor	35210 - Structures, Improvements	Landscaping	$73,061	$18,475	$54,587
WEST PENN POWER	WPCO - PA TL 138KV	Bracken Jct. - Luxor	35500 - Poles And Fixtures	Crossarm	$69,348	$9,376	$59,972
WEST PENN POWER	WPCO - PA TL 138KV	Bracken Jct. - Luxor	35610 - Overhd Conductr, Devices	Insulator - transmission	$165,698	$21,096	$144,603
WEST PENN POWER	WPCO - PA TL 138KV	Bracken Jct. - Luxor	35500 - Poles And Fixtures	Wood Pole	$301,818	$40,805	$261,013
WEST PENN POWER	WPCO - PA TL 138KV	BRACKENRIDGE-KISKI VALLEY-SHAFFERS CORNER 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$197	$185	$12
WEST PENN POWER	WPCO - PA TL 138KV	BRACKENRIDGE-KISKI VALLEY-SHAFFERS CORNER 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$2,605	$2,448	$157
WEST PENN POWER	WPCO - PA TL 138KV	BRACKENRIDGE-KISKI VALLEY-SHAFFERS CORNER 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$7,436	$6,988	$448
WEST PENN POWER	WPCO - PA TL 138KV	BRACKENRIDGE-KISKI VALLEY-SHAFFERS CORNER 138KV	35620 - Clearing, Grading of Land	Site Clearing	$6,973	$4,977	$1,996
WEST PENN POWER	WPCO - PA TL 138KV	BRACKENRIDGE-KISKI VALLEY-SHAFFERS CORNER 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$61,133	$40,803	$20,330
WEST PENN POWER	WPCO - PA TL 138KV	BRANDONVILLE JCT (ALBRIGHT-HAZELTON-LAKE LYNN) 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$641	$637	$4
WEST PENN POWER	WPCO - PA TL 138KV	BRANDONVILLE JCT (ALBRIGHT-HAZELTON-LAKE LYNN) 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$1,412	$1,403	$9
WEST PENN POWER	WPCO - PA TL 138KV	BRANDONVILLE JCT (ALBRIGHT-HAZELTON-LAKE LYNN) 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$944	$6	$938
WEST PENN POWER	WPCO - PA TL 138KV	Bredinville Loop	35610 - Overhd Conductr, Devices	Grounding (T & D)	$403	$376	$27
WEST PENN POWER	WPCO - PA TL 138KV	Bredinville Loop	35610 - Overhd Conductr, Devices	Insulator - transmission	$3,862	$3,602	$260
WEST PENN POWER	WPCO - PA TL 138KV	Bredinville Loop	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$27,711	$25,845	$1,865
WEST PENN POWER	WPCO - PA TL 138KV	Bredinville Loop	35620 - Clearing, Grading of Land	Site Clearing	$18,673	$16,168	$2,505
WEST PENN POWER	WPCO - PA TL 138KV	Bredinville Loop	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$78,914	$51,386	$27,528
WEST PENN POWER	WPCO - PA TL 138KV	BROOKVILLE-ELKO (WPCO)	35620 - Clearing, Grading of Land	Non-Unitized	$898	$6	$892
WEST PENN POWER	WPCO - PA TL 138KV	BROOKVILLE-SQUAB HOLLOW (WPCO)	35500 - Poles And Fixtures	Wood Pole	$571	$66	$505
WEST PENN POWER	WPCO - PA TL 138KV	BROOKVILLE-SQUAB HOLLOW (WPCO)	35500 - Poles And Fixtures	Non-Unitized	$954	$8	$946
WEST PENN POWER	WPCO - PA TL 138KV	BROOKVILLE-SQUAB HOLLOW (WPCO)	35610 - Overhd Conductr, Devices	Non-Unitized	$954	$7	$947
WEST PENN POWER	WPCO - PA TL 138KV	BROOKVILLE-SQUAB HOLLOW (WPCO)	35620 - Clearing, Grading of Land	Non-Unitized	$993	$9	$984
WEST PENN POWER	WPCO - PA TL 138KV	BROOKVILLE-SQUAB HOLLOW (WPCO)	35610 - Overhd Conductr, Devices	Grounding (T & D)	$25,482	$15,316	$10,167

Schedule 1(a) In-Service Assets

Company	Major Location	Asset Location	Utility Account	Retirement Unit	Original Cost	Allocated Accumulated Depreciation	Net Book Value
WEST PENN POWER	WPCO - PA TL 138KV	BROOKVILLE-SQUAB HOLLOW (WPCO)	35610 - Overhd Conductr, Devices	Insulator - transmission	$201,254	$121,138	$80,116
WEST PENN POWER	WPCO - PA TL 138KV	BROOKVILLE-SQUAB HOLLOW (WPCO)	35610 - Overhd Conductr, Devices	Fiber Optic Cable	$730,874	$441,118	$289,755
WEST PENN POWER	WPCO - PA TL 138KV	BROOKVILLE-SQUAB HOLLOW (WPCO)	35620 - Clearing, Grading of Land	Site Clearing	$584,886	$193,580	$391,306
WEST PENN POWER	WPCO - PA TL 138KV	BROOKVILLE-SQUAB HOLLOW (WPCO)	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$1,109,988	$669,156	$440,832
WEST PENN POWER	WPCO - PA TL 138KV	BROOKVILLE-SQUAB HOLLOW (WPCO)	35500 - Poles And Fixtures	Structure	$1,893,235	$1,161,930	$731,305
WEST PENN POWER	WPCO - PA TL 138KV	BROWNSVILLE JCT (CHARLEROI-GATES HILL-EMERALD) 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$12,074	$866	$11,208
WEST PENN POWER	WPCO - PA TL 138KV	BROWNSVILLE JCT (CHARLEROI-GATES HILL-EMERALD) 138KV	35500 - Poles And Fixtures	Wood Pole	$43,051	$3,297	$39,754
WEST PENN POWER	WPCO - PA TL 138KV	BROWNSVILLE JCT (CHARLEROI-GATES HILL-EMERALD) 138KV	35500 - Poles And Fixtures	Crossarm	$43,636	$3,342	$40,294
WEST PENN POWER	WPCO - PA TL 138KV	BROWNSVILLE JCT (CHARLEROI-GATES HILL-EMERALD) 138KV	35500 - Poles And Fixtures	Phase Raiser	$451,901	$34,609	$417,292
WEST PENN POWER	WPCO - PA TL 138KV	BUFFALO JCT (CECIL-WEIRTON-WINDSOR) 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$2,947	$2,930	$17
WEST PENN POWER	WPCO - PA TL 138KV	BUFFALO JCT (CECIL-WEIRTON-WINDSOR) 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$858	$6	$853
WEST PENN POWER	WPCO - PA TL 138KV	BUFFALO JCT (CECIL-WEIRTON-WINDSOR) 138KV	35500 - Poles And Fixtures	Crossarm	$4,899	$2,979	$1,920
WEST PENN POWER	WPCO - PA TL 138KV	BUFFALO JCT (CECIL-WEIRTON-WINDSOR) 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$7,207	$4,027	$3,179
WEST PENN POWER	WPCO - PA TL 138KV	BUFFALO JCT (CECIL-WEIRTON-WINDSOR) 138KV	35610 - Overhd Conductr, Devices	Switch: Equipment Enclosure	$31,379	$16,083	$15,295
WEST PENN POWER	WPCO - PA TL 138KV	BUFFALO JCT (CECIL-WEIRTON-WINDSOR) 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$77,023	$60,320	$16,703
WEST PENN POWER	WPCO - PA TL 138KV	BUFFALO JCT (CECIL-WEIRTON-WINDSOR) 138KV	35500 - Poles And Fixtures	Wood Pole	$88,956	$68,052	$20,905
WEST PENN POWER	WPCO - PA TL 138KV	BUFFALO JCT (CECIL-WEIRTON-WINDSOR) 138KV	35400 - Towers And Fixtures	Structure	$38,276	$12,075	$26,201
WEST PENN POWER	WPCO - PA TL 138KV	BUFFALO JCT (CECIL-WEIRTON-WINDSOR) 138KV	35620 - Clearing, Grading of Land	Site Clearing	$138,955	$54,651	$84,304
WEST PENN POWER	WPCO - PA TL 138KV	BUFFALO JCT (CECIL-WEIRTON-WINDSOR) 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$779,739	$694,824	$84,914
WEST PENN POWER	WPCO - PA TL 138KV	BUFFALO JCT (CECIL-WEIRTON-WINDSOR) 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$499,114	$374,656	$124,459
WEST PENN POWER	WPCO - PA TL 138KV	BULL CREEK JCT (CABOT-HOUSEVILLE-MCCALMONT) 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$2,372	$2,229	$143
WEST PENN POWER	WPCO - PA TL 138KV	BULL CREEK JCT (CABOT-HOUSEVILLE-MCCALMONT) 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$921	$6	$915
WEST PENN POWER	WPCO - PA TL 138KV	BULL CREEK JCT (CABOT-HOUSEVILLE-MCCALMONT) 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$24,045	$22,683	$1,362
WEST PENN POWER	WPCO - PA TL 138KV	BULL CREEK JCT (CABOT-HOUSEVILLE-MCCALMONT) 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$136,864	$129,123	$7,742
WEST PENN POWER	WPCO - PA TL 138KV	BULL CREEK JCT (CABOT-HOUSEVILLE-MCCALMONT) 138KV	35620 - Clearing, Grading of Land	Site Clearing	$39,862	$28,566	$11,296
WEST PENN POWER	WPCO - PA TL 138KV	BULL CREEK JCT (CABOT-HOUSEVILLE-MCCALMONT) 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$243,087	$170,492	$72,595
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Line Tuning Assembly	$3,865	$5,280	($1,415)
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Misc Tools & Equipment	$71	$71	$0
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Minor Station Equipment	$2,500	$2,499	$1
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Battery Charger	$829	$809	$20
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Equipment Protective Lighting & Pow	$1,392	$1,355	$37
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Crossarm	$1,560	$1,504	$56
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35210 - Structures, Improvements	Foundation - Building	$629	$470	$159
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Fuse Equipment	$3,932	$3,761	$171
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35210 - Structures, Improvements	Yard Drainage System	$1,330	$1,138	$191
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Cable Tray	$7,372	$7,054	$318
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Conduit/Duct System	$10,386	$9,938	$448
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35210 - Structures, Improvements	Lighting/Power System	$3,254	$2,647	$607
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Wood Pole	$7,721	$6,941	$780
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35210 - Structures, Improvements	Non-Unitized	$1,013	$8	$1,004
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	RTU - SCADA	$8,658	$7,203	$1,455
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35210 - Structures, Improvements	Building	$7,394	$5,800	$1,595
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Grounding System, Station	$34,991	$33,152	$1,839
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35210 - Structures, Improvements	Landscaping	$7,946	$5,764	$2,181
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Switching Equipment	$10,232	$7,708	$2,524
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Bus	$24,336	$21,494	$2,842
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35210 - Structures, Improvements	Heater	$5,149	$2,262	$2,887
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35210 - Structures, Improvements	Fence	$9,596	$6,312	$3,284
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	39700 - Communication Equipment	Non-Unitized	$5,061	$1,061	$4,000
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Wiring	$8,199	$1,819	$6,380
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Foundation - Equipment	$119,687	$113,061	$6,626
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Structure	$137,362	$129,825	$7,536
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Control Wiring	$105,770	$98,195	$7,575
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35210 - Structures, Improvements	Driveways, Parking, Roads and Walks	$32,684	$20,618	$12,066
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Battery System	$17,582	$4,122	$13,459
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Arrester, Lightning & Surge Protect	$89,194	$73,952	$15,242
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Transformer, Instrument	$118,717	$103,377	$15,340
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Cable, Wiring	$47,775	$32,282	$15,493
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Bus-Insulators	$65,418	$49,920	$15,498
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35210 - Structures, Improvements	Yard range & protective lighting	$23,616	$2,110	$21,506
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Line Wave Trap	$79,367	$57,526	$21,841
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35210 - Structures, Improvements	Yard Surfacing	$57,931	$33,010	$24,922
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Cabinets/Panels/Consoles	$279,387	$244,569	$34,818
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Coupling Capacitor	$48,287	$9,981	$38,305
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Non-Unitized	$45,140	$1,346	$43,794
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Switch	$225,338	$155,107	$70,232
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Circuit Breaker	$295,193	$206,041	$89,151
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Oil Storage & Filtering System	$274,982	$68,452	$206,530
WEST PENN POWER	WPCO - PA Trans Subs	BURMA	35300 - Station Equipment	Transformer, Power	$974,334	$541,759	$432,575
WEST PENN POWER	WPCO - PA TL 138KV	Burma - Clarion	35620 - Clearing, Grading of Land	Non-Unitized	$868	$6	$862
WEST PENN POWER	WPCO - PA TL 138KV	Burma - Clarion	35620 - Clearing, Grading of Land	Site Clearing	$222,065	$24,025	$198,040
WEST PENN POWER	WPCO - PA TL 138KV	BURMA-PINEY 115KV	35620 - Clearing, Grading of Land	Non-Unitized	$936	$6	$929
WEST PENN POWER	WPCO - PA TL 138KV	BURMA-PINEY 115KV	35500 - Poles And Fixtures	Crossarm	$70,586	$37,092	$33,494
WEST PENN POWER	WPCO - PA TL 138KV	BURMA-PINEY 115KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$90,720	$46,499	$44,220
WEST PENN POWER	WPCO - PA TL 138KV	BURMA-PINEY 115KV	35620 - Clearing, Grading of Land	Site Clearing	$90,755	$43,338	$47,417
WEST PENN POWER	WPCO - PA TL 138KV	BURMA-PINEY 115KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$287,016	$147,113	$139,903
WEST PENN POWER	WPCO - PA TL 138KV	BURMA-PINEY 115KV	35500 - Poles And Fixtures	Wood Pole	$422,065	$221,787	$200,277
WEST PENN POWER	WPCO - PA TL 138KV	BURMA-RIDGWAY 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$808	$5	$802
WEST PENN POWER	WPCO - PA TL 138KV	BURMA-RIDGWAY 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$980	$8	$972
WEST PENN POWER	WPCO - PA TL 138KV	BURMA-RIDGWAY 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$67,292	$26,924	$40,368
WEST PENN POWER	WPCO - PA TL 138KV	BURMA-RIDGWAY 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$356,760	$187,825	$168,934
WEST PENN POWER	WPCO - PA TL 138KV	BURMA-RIDGWAY 138KV	35500 - Poles And Fixtures	Crossarm	$950,934	$493,151	$457,783
WEST PENN POWER	WPCO - PA TL 138KV	BURMA-RIDGWAY 138KV	35620 - Clearing, Grading of Land	Site Clearing	$1,143,975	$466,011	$677,964
WEST PENN POWER	WPCO - PA TL 138KV	BURMA-RIDGWAY 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$2,201,350	$1,279,348	$922,002
WEST PENN POWER	WPCO - PA TL 138KV	BURMA-RIDGWAY 138KV	35500 - Poles And Fixtures	Wood Pole	$3,220,102	$1,840,584	$1,379,518
WEST PENN POWER	WPCO - PA TL 138KV	BURMA-RIDGWAY 138KV	35500 - Poles And Fixtures	Phase Raiser	$1,572,219	$120,408	$1,451,811
WEST PENN POWER	WPCO - PA Dist Subs	BUTLER SS	35300 - Station Equipment	Non-Unitized	$948	$8	$940
WEST PENN POWER	WPCO - PA Dist Subs	BUTLER SS	35300 - Station Equipment	Oil Storage & Filtering System	$248,114	$86,465	$161,649
WEST PENN POWER	WPCO - PA TL 138KV	BUTLER-CABOT EAST 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$944	$6	$937
WEST PENN POWER	WPCO - PA TL 138KV	BUTLER-CABOT EAST 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$1,455	$20	$1,434
WEST PENN POWER	WPCO - PA TL 138KV	BUTLER-CABOT EAST 138KV	35500 - Poles And Fixtures	Non-Unitized	$1,456	$22	$1,434
WEST PENN POWER	WPCO - PA TL 138KV	BUTLER-CABOT EAST 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$32,184	$1,754	$30,430
WEST PENN POWER	WPCO - PA TL 138KV	BUTLER-CABOT EAST 138KV	35620 - Clearing, Grading of Land	Site Clearing	$99,617	$58,191	$41,426
WEST PENN POWER	WPCO - PA TL 138KV	BUTLER-CABOT EAST 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$105,037	$23,765	$81,271
WEST PENN POWER	WPCO - PA TL 138KV	BUTLER-CABOT EAST 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$271,950	$174,795	$97,155
WEST PENN POWER	WPCO - PA TL 138KV	BUTLER-CABOT EAST 138KV	35500 - Poles And Fixtures	Wood Pole	$185,294	$10,808	$174,486
WEST PENN POWER	WPCO - PA TL 138KV	BUTLER-CABOT EAST 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$714,162	$396,926	$317,235
WEST PENN POWER	WPCO - PA TL 138KV	BUTLER-CABOT WEST 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$916	$6	$910
WEST PENN POWER	WPCO - PA TL 138KV	BUTLER-CABOT WEST 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$1,421	$20	$1,402
WEST PENN POWER	WPCO - PA TL 138KV	BUTLER-CABOT WEST 138KV	35500 - Poles And Fixtures	Non-Unitized	$1,875	$34	$1,841
WEST PENN POWER	WPCO - PA TL 138KV	BUTLER-CABOT WEST 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$56,122	$52,698	$3,424
WEST PENN POWER	WPCO - PA TL 138KV	BUTLER-CABOT WEST 138KV	35620 - Clearing, Grading of Land	Site Clearing	$52,091	$5,946	$46,146
WEST PENN POWER	WPCO - PA TL 138KV	BUTLER-CABOT WEST 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$183,487	$19,218	$164,269
WEST PENN POWER	WPCO - PA TL 138KV	BUTLER-CABOT WEST 138KV	35500 - Poles And Fixtures	Wood Pole	$337,979	$19,715	$318,264
WEST PENN POWER	WPCO - PA TL 138KV	Cabot - Bull Creek Jct.	35620 - Clearing, Grading of Land	Site Clearing	$3,298	$1,970	$1,328
WEST PENN POWER	WPCO - PA TL 138KV	Cabot - Bull Creek Jct.	35610 - Overhd Conductr, Devices	Insulator - transmission	$13,189	$11,247	$1,942
WEST PENN POWER	WPCO - PA TL 138KV	Cabot - Bull Creek Jct.	35500 - Poles And Fixtures	Wood Pole	$13,690	$11,657	$2,034
WEST PENN POWER	WPCO - PA TL 138KV	Cabot - Bull Creek Jct.	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$92,842	$79,169	$13,673
WEST PENN POWER	WPCO - PA TL 500KV	CABOT - CRANBERRY 500 KV LINE	35610 - Overhd Conductr, Devices	Non-Unitized	$172,422	$3,838	$168,584
WEST PENN POWER	WPCO - PA TL 138KV	Cabot - Kittaning	35620 - Clearing, Grading of Land	Site Clearing	$6,131	$1,269	$4,862
WEST PENN POWER	WPCO - PA TL 138KV	Cabot - Lawson Jct. North	35610 - Overhd Conductr, Devices	Grounding (T & D)	$1,571	$1,476	$95
WEST PENN POWER	WPCO - PA TL 138KV	Cabot - Lawson Jct. North	35610 - Overhd Conductr, Devices	Insulator - transmission	$5,729	$5,363	$367
WEST PENN POWER	WPCO - PA TL 138KV	Cabot - Lawson Jct. North	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$52,177	$49,031	$3,146
WEST PENN POWER	WPCO - PA TL 138KV	Cabot - Lawson Jct. North	35620 - Clearing, Grading of Land	Site Clearing	$27,421	$19,551	$7,870
WEST PENN POWER	WPCO - PA TL 138KV	Cabot - Lawson Jct. North	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$153,062	$101,656	$51,406
WEST PENN POWER	WPCO - PA TL 500KV	CABOT-KEYSTONE 500KV	35500 - Poles And Fixtures	Crossarm	$2	$1	$1
WEST PENN POWER	WPCO - PA TL 500KV	CABOT-KEYSTONE 500KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$1,101	$345	$757
WEST PENN POWER	WPCO - PA TL 500KV	CABOT-KEYSTONE 500KV	35610 - Overhd Conductr, Devices	Non-Unitized	$954	$7	$947

Schedule 1(a) In-Service Assets

Company	Major Location	Asset Location	Utility Account	Retirement Unit	Original Cost	Allocated Accumulated Depreciation	Net Book Value
WEST PENN POWER	WPCO - PA TL 500KV	CABOT-KEYSTONE 500KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$7,159	$5,336	$1,823
WEST PENN POWER	WPCO - PA TL 500KV	CABOT-KEYSTONE 500KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$206,533	$181,716	$24,817
WEST PENN POWER	WPCO - PA TL 500KV	CABOT-KEYSTONE 500KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$1,192,828	$1,059,523	$133,305
WEST PENN POWER	WPCO - PA TL 500KV	CABOT-KEYSTONE 500KV	35620 - Clearing, Grading of Land	Site Clearing	$300,824	$125,437	$175,388
WEST PENN POWER	WPCO - PA TL 500KV	CABOT-KEYSTONE 500KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$1,468,330	$1,088,118	$380,213
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-KISKI VALLEY 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$918	$6	$912
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-KISKI VALLEY 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$14,005	$12,993	$1,013
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-KISKI VALLEY 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$1,249	$15	$1,234
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-KISKI VALLEY 138KV	35500 - Poles And Fixtures	Non-Unitized	$4,534	$111	$4,423
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-KISKI VALLEY 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$20,956	$3,623	$17,333
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-KISKI VALLEY 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$287,058	$265,886	$21,173
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-KISKI VALLEY 138KV	35620 - Clearing, Grading of Land	Site Clearing	$75,689	$52,377	$23,313
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-KISKI VALLEY 138KV	35500 - Poles And Fixtures	Crossarm	$121,960	$37,885	$84,075
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-KISKI VALLEY 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$134,421	$49,817	$84,603
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-KISKI VALLEY 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$300,942	$196,587	$104,355
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-KISKI VALLEY 138KV	35500 - Poles And Fixtures	Wood Pole	$570,397	$214,797	$355,601
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-KISKI VALLEY 138KV	35500 - Poles And Fixtures	Phase Raiser	$836,625	$65,185	$771,439
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-SAXONBURG 138KV	35300 - Station Equipment	RTU - SCADA	$909	$909	$0
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-SAXONBURG 138KV	35210 - Structures, Improvements	Lighting/Power System	$154	$39	$115
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-SAXONBURG 138KV	35300 - Station Equipment	Conduit/Duct System	$406	$121	$285
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-SAXONBURG 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$924	$6	$918
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-SAXONBURG 138KV	35300 - Station Equipment	Cable, Wiring	$1,472	$438	$1,033
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-SAXONBURG 138KV	35500 - Poles And Fixtures	Wood Pole	$3,578	$1,205	$2,373
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-SAXONBURG 138KV	35300 - Station Equipment	Grounding System, Station	$7,020	$2,091	$4,929
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-SAXONBURG 138KV	35300 - Station Equipment	Coupling Capacitor	$10,385	$3,094	$7,292
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-SAXONBURG 138KV	35300 - Station Equipment	Bus	$11,635	$3,466	$8,169
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-SAXONBURG 138KV	35300 - Station Equipment	Bus-Insulators	$16,834	$5,015	$11,819
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-SAXONBURG 138KV	35300 - Station Equipment	Structure	$31,715	$9,448	$22,267
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-SAXONBURG 138KV	35300 - Station Equipment	Control Wiring	$49,638	$14,787	$34,851
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-SAXONBURG 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$52,089	$16,830	$35,259
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-SAXONBURG 138KV	35300 - Station Equipment	Switch	$54,194	$16,144	$38,049
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-SAXONBURG 138KV	35300 - Station Equipment	Foundation - Equipment	$57,918	$17,254	$40,664
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-SAXONBURG 138KV	35300 - Station Equipment	Cabinets/Panels/Consoles	$76,082	$22,665	$53,417
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-SAXONBURG 138KV	35300 - Station Equipment	Circuit Breaker	$132,447	$33,119	$99,329
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-SAXONBURG 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$466,547	$150,741	$315,807
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-SAXONBURG 138KV	35620 - Clearing, Grading of Land	Site Clearing	$481,656	$102,449	$379,207
WEST PENN POWER	WPCO - PA TL 138KV	CABOT-SAXONBURG 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$1,297,042	$436,752	$860,290
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	RTU - SCADA	$108,063	$108,063	$0
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Carrier Equipment System	$4,435	$4,435	$0
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Crossarm	$79	$51	$28
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Fuse Equipment	$94	$17	$77
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35210 - Structures, Improvements	Heater	$353	$262	$91
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35210 - Structures, Improvements	Culvert	$524	$407	$117
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35210 - Structures, Improvements	Well	$1,197	$930	$267
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Wood Pole	$850	$545	$305
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Computer	$372	$61	$311
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35210 - Structures, Improvements	Non-Unitized	$1,212	$13	$1,198
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Equipment Enclosure	$1,924	$372	$1,552
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35210 - Structures, Improvements	Landscaping	$7,614	$5,697	$1,917
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35210 - Structures, Improvements	Yard Drainage System	$8,128	$6,065	$2,063
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35210 - Structures, Improvements	Fence	$13,314	$10,341	$2,973
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35210 - Structures, Improvements	Foundation - Building	$9,130	$4,340	$4,789
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Misc Tools & Equipment	$12,013	$5,962	$6,050
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Carrier Transmitter/Receiver Assemb	$12,087	$4,713	$7,374
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Line Tuning Assembly	$23,686	$11,078	$12,607
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Controls and Instrumentation	$15,901	$2,841	$13,060
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35210 - Structures, Improvements	Yard Surfacing	$60,129	$46,704	$13,425
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35210 - Structures, Improvements	Railroad Track System	$56,158	$42,006	$14,152
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Cable Tray	$77,480	$61,703	$15,777
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Battery Charger	$18,226	$151	$18,074
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Transformer, Station Service : Each	$21,558	$2,894	$18,663
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35210 - Structures, Improvements	Lighting/Power System	$73,319	$52,093	$21,227
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Pole	$25,272	$1,440	$23,832
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Transformer, Potential : Each	$36,465	$8,090	$28,375
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35210 - Structures, Improvements	Driveways, Parking, Roads and Walks	$127,076	$97,316	$29,760
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Relays	$37,913	$6,444	$31,469
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Tank	$41,342	$9,757	$31,585
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35210 - Structures, Improvements	Security System	$41,646	$8,713	$32,933
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Transformer, Current : Each	$41,467	$7,409	$34,058
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Conduit/Duct System	$134,145	$95,832	$38,313
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Generator, Motor Sets & Auxiliary S	$85,008	$46,499	$38,510
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Cable, Wiring	$106,354	$66,837	$39,517
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Bus	$139,312	$95,114	$44,198
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Line Wave Trap	$99,762	$43,799	$55,963
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Transformer, Instrument	$85,346	$26,549	$58,797
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Bus-Insulators	$307,970	$244,732	$63,238
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Relaying Equipment	$75,858	$11,834	$64,024
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Coupling Capacitor	$186,841	$111,422	$75,418
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Grounding System, Station	$207,665	$130,942	$76,722
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Yard range & protective lighting	$95,325	$8,430	$86,895
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Battery System	$89,480	$743	$88,737
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35210 - Structures, Improvements	Roof	$96,369	$6,112	$90,257
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Switch	$477,614	$372,521	$105,093
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Arrester, Lightning & Surge Protect	$224,878	$119,223	$105,654
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Structure	$623,440	$496,787	$126,652
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35210 - Structures, Improvements	Building	$255,033	$123,817	$131,217
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Cable	$204,504	$39,509	$164,995
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Communication System	$217,820	$8,924	$208,895
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Foundation - Equipment	$642,608	$431,924	$210,684
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Control Wiring	$651,922	$395,255	$256,667
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Non-Unitized	$287,087	$15,723	$271,363
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Cabinets/Panels/Consoles	$788,727	$493,942	$294,786
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Oil Storage & Filtering System	$432,540	$96,675	$335,866
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Capacitor Bank	$545,807	$190,208	$355,599
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Transformer, Power	$1,745,905	$1,177,628	$568,277
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Security System	$802,167	$78,265	$723,902
WEST PENN POWER	WPCO - PA Trans Subs	CABOT-WP	35300 - Station Equipment	Circuit Breaker	$4,618,095	$1,012,801	$3,605,294
WEST PENN POWER	WPCO - PA TL 138KV	CABREY JCT (BREDINVILLE-BUTLER-CABOT) 138KV	35500 - Poles And Fixtures	Wood Pole	$887	$835	$52
WEST PENN POWER	WPCO - PA TL 138KV	CABREY JCT (BREDINVILLE-BUTLER-CABOT) 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$1,658	$1,568	$89
WEST PENN POWER	WPCO - PA TL 138KV	CABREY JCT (BREDINVILLE-BUTLER-CABOT) 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$1,608	$1,513	$95
WEST PENN POWER	WPCO - PA TL 138KV	CABREY JCT (BREDINVILLE-BUTLER-CABOT) 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$14,590	$13,804	$786
WEST PENN POWER	WPCO - PA TL 138KV	CABREY JCT (BREDINVILLE-BUTLER-CABOT) 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$81,492	$77,103	$4,389
WEST PENN POWER	WPCO - PA TL 138KV	CABREY JCT (BREDINVILLE-BUTLER-CABOT) 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$328,095	$222,545	$105,550
WEST PENN POWER	WPCO - PA TL 138KV	California Branch	35610 - Overhd Conductr, Devices	Grounding (T & D)	$291	$262	$29
WEST PENN POWER	WPCO - PA TL 138KV	California Branch	35610 - Overhd Conductr, Devices	Insulator - transmission	$4,991	$4,655	$336
WEST PENN POWER	WPCO - PA TL 138KV	California Branch	35620 - Clearing, Grading of Land	Site Clearing	$4,109	$2,880	$1,230
WEST PENN POWER	WPCO - PA TL 138KV	California Branch	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$24,483	$22,835	$1,648
WEST PENN POWER	WPCO - PA TL 138KV	California Branch	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$130,718	$82,854	$47,864
WEST PENN POWER	WPCO - PA TL 138KV	CAMPBELL-KEISTERS 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$940	$6	$934
WEST PENN POWER	WPCO - PA TL 138KV	CAMPBELL-KEISTERS 138KV	35500 - Poles And Fixtures	Non-Unitized	$4,011,296	$307,204	$3,704,092
WEST PENN POWER	WPCO - PA TL 138KV	CAMPBELL-KEISTERS 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$5,220,878	$374,309	$4,846,569
WEST PENN POWER	WPCO - PA TL 138KV	Carbon Center Branch	35610 - Overhd Conductr, Devices	Non-Unitized	$957	$7	$950
WEST PENN POWER	WPCO - PA TL 138KV	Carbon Center Branch	35500 - Poles And Fixtures	Non-Unitized	$1,016	$9	$1,006
WEST PENN POWER	WPCO - PA TL 138KV	Carbon Center Branch	35610 - Overhd Conductr, Devices	Grounding (T & D)	$28,521	$22,683	$5,838
WEST PENN POWER	WPCO - PA TL 138KV	Carbon Center Branch	35610 - Overhd Conductr, Devices	Insulator - transmission	$58,456	$44,974	$13,482
WEST PENN POWER	WPCO - PA TL 138KV	Carbon Center Branch	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$124,619	$102,828	$21,790
WEST PENN POWER	WPCO - PA TL 138KV	Carbon Center Branch	35500 - Poles And Fixtures	Wood Pole	$139,525	$116,199	$23,326
WEST PENN POWER	WPCO - PA TL 138KV	Carbon Center Branch	35500 - Poles And Fixtures	Crossarm	$42,726	$17,048	$25,678

Schedule 1(a) In-Service Assets

Company	Major Location	Asset Location	Utility Account	Retirement Unit	Original Cost	Allocated Accumulated Depreciation	Net Book Value
WEST PENN POWER	WPCO - PA TL 138KV	Carbon Center Branch	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$51,842	$26,109	$25,733
WEST PENN POWER	WPCO - PA TL 138KV	Carbon Center Branch	35620 - Clearing, Grading of Land	Site Clearing	$93,299	$57,820	$35,478
WEST PENN POWER	WPCO - PA TL 138KV	CARBON CENTER JCT (CARBON CENTER-ELKO-PAPER CITY) 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$40,388	$36,503	$3,885
WEST PENN POWER	WPCO - PA TL 138KV	CARBON CENTER JCT (CARBON CENTER-ELKO-PAPER CITY) 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$8,502	$463	$8,038
WEST PENN POWER	WPCO - PA TL 138KV	CARBON CENTER JCT (CARBON CENTER-ELKO-PAPER CITY) 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$169,632	$154,005	$15,627
WEST PENN POWER	WPCO - PA TL 138KV	CARBON CENTER JCT (CARBON CENTER-ELKO-PAPER CITY) 138KV	35620 - Clearing, Grading of Land	Site Clearing	$48,776	$31,996	$16,780
WEST PENN POWER	WPCO - PA TL 138KV	CARBON CENTER JCT (CARBON CENTER-ELKO-PAPER CITY) 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$79,259	$37,134	$42,125
WEST PENN POWER	WPCO - PA TL 138KV	CARBON CENTER JCT (CARBON CENTER-ELKO-PAPER CITY) 138KV	35500 - Poles And Fixtures	Crossarm	$132,980	$40,570	$92,410
WEST PENN POWER	WPCO - PA TL 138KV	CARBON CENTER JCT (CARBON CENTER-ELKO-PAPER CITY) 138KV	35500 - Poles And Fixtures	Wood Pole	$544,875	$253,177	$291,698
WEST PENN POWER	WPCO - PA TL 138KV	CARBON CENTER JCT (CARBON CENTER-ELKO-PAPER CITY) 138KV	35500 - Poles And Fixtures	Phase Raiser	$961,850	$56,106	$905,744
WEST PENN POWER	WPCO - PA TL 138KV	Cecil - Bethel Park	35610 - Overhd Conductr, Devices	Grounding (T & D)	$61	$40	$22
WEST PENN POWER	WPCO - PA TL 138KV	Cecil - Bethel Park	35620 - Clearing, Grading of Land	Non-Unitized	$848	$6	$843
WEST PENN POWER	WPCO - PA TL 138KV	Cecil - Bethel Park	35500 - Poles And Fixtures	Crossarm	$9,277	$8,282	$995
WEST PENN POWER	WPCO - PA TL 138KV	Cecil - Bethel Park	35500 - Poles And Fixtures	Non-Unitized	$1,064	$11	$1,053
WEST PENN POWER	WPCO - PA TL 138KV	Cecil - Bethel Park	35610 - Overhd Conductr, Devices	Non-Unitized	$1,143	$12	$1,131
WEST PENN POWER	WPCO - PA TL 138KV	Cecil - Bethel Park	35500 - Poles And Fixtures	Wood Pole	$36,414	$29,874	$6,540
WEST PENN POWER	WPCO - PA TL 138KV	Cecil - Bethel Park	35500 - Poles And Fixtures	Phase Raiser	$42,202	$6,580	$35,622
WEST PENN POWER	WPCO - PA TL 138KV	Cecil - Bethel Park	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$310,186	$259,488	$50,698
WEST PENN POWER	WPCO - PA TL 138KV	Cecil - Bethel Park	35610 - Overhd Conductr, Devices	Insulator - transmission	$222,755	$129,953	$92,802
WEST PENN POWER	WPCO - PA TL 138KV	Cecil - Bethel Park	35620 - Clearing, Grading of Land	Site Clearing	$235,346	$93,101	$142,246
WEST PENN POWER	WPCO - PA TL 138KV	Cecil - Bethel Park	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$1,190,301	$960,440	$229,861
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Equipment Enclosure	$209	$209	$0
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Crossarm	$201	$201	$0
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Steel Pole Fully Dressed	$1,383	$1,382	$1
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Misc Tools & Equipment	$528	$520	$8
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Equipment Protective Lighting & Pow	$2,517	$2,507	$10
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35210 - Structures, Improvements	Culvert	$106	$75	$31
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35210 - Structures, Improvements	Heater	$228	$157	$71
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Line Wave Trap	$13,517	$13,425	$92
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Switching Equipment	$3,398	$3,086	$312
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35210 - Structures, Improvements	Yard Drainage System	$2,714	$2,056	$658
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35210 - Structures, Improvements	Non-Unitized	$948	$7	$941
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Fuse Equipment	$12,489	$11,545	$945
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35210 - Structures, Improvements	Lighting/Power System	$4,079	$2,808	$1,271
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Wood Pole	$5,482	$4,182	$1,300
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Regulating Equipment	$7,055	$5,045	$2,010
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Under-load Tap Changer (LTC)	$3,216	$982	$2,234
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Carrier Transmitter/Receiver Assemb	$10,622	$8,239	$2,383
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Cable Tray	$7,021	$4,452	$2,569
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Grounding System, Station	$35,703	$32,670	$3,034
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Coupling Capacitor	$24,830	$19,637	$5,193
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Battery Charger	$9,859	$3,602	$6,257
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Line Tuning Assembly	$15,930	$9,561	$6,370
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Foundation - Equipment	$133,614	$126,964	$6,650
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35210 - Structures, Improvements	Driveways, Parking, Roads and Walks	$22,080	$14,813	$7,266
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Bus-Insulators	$54,859	$47,053	$7,807
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Bus	$44,991	$36,673	$8,317
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Transformer, Instrument	$76,635	$66,792	$9,842
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Cable, Wiring	$46,644	$36,786	$9,857
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	RTU - SCADA	$55,382	$41,852	$13,530
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35210 - Structures, Improvements	Yard Surfacing	$44,141	$28,335	$15,806
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Conduit/Duct System	$49,452	$32,507	$16,945
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Structure	$173,002	$154,183	$18,818
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35210 - Structures, Improvements	Roof	$29,916	$9,002	$20,914
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Switch	$190,114	$165,488	$24,626
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Battery System	$37,811	$12,911	$24,900
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Arrester, Lightning & Surge Protect	$61,547	$35,860	$25,687
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35210 - Structures, Improvements	Fence	$54,614	$18,386	$36,227
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Non-Unitized	$48,334	$2,823	$45,511
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Cabinets/Panels/Consoles	$268,042	$213,967	$54,075
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Circuit Breaker	$346,077	$247,251	$98,826
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Control Wiring	$322,723	$207,405	$115,318
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35210 - Structures, Improvements	Building	$149,510	$31,726	$117,785
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Capacitor Bank	$291,006	$162,092	$128,915
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Oil Storage & Filtering System	$181,845	$41,309	$140,536
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Recloser	$359,648	$120,017	$239,630
WEST PENN POWER	WPCO - PA Dist Subs	CECIL - DIISTRIBUTION	35300 - Station Equipment	Transformer, Power	$1,317,869	$554,787	$763,082
WEST PENN POWER	WPCO - PA TL 138KV	Cecil - Smith	35620 - Clearing, Grading of Land	Non-Unitized	$948	$6	$941
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-ENLOW 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$865	$6	$859
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-ENLOW 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$1,011	$9	$1,003
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-ENLOW 138KV	35500 - Poles And Fixtures	Non-Unitized	$1,924	$36	$1,889
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-ENLOW 138KV	35500 - Poles And Fixtures	Structure	$45,302	$42,337	$2,965
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-ENLOW 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$9,519	$1,039	$8,481
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-ENLOW 138KV	35500 - Poles And Fixtures	Wood Pole	$30,107	$2,306	$27,801
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-ENLOW 138KV	35500 - Poles And Fixtures	Crossarm	$72,277	$26,625	$45,652
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-ENLOW 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$262,217	$171,094	$91,123
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-ENLOW 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$290,340	$160,098	$130,242
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-ENLOW 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$450,716	$279,995	$170,721
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-ENLOW 138KV	35500 - Poles And Fixtures	Phase Raiser	$274,286	$21,006	$253,280
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-ENLOW 138KV	35620 - Clearing, Grading of Land	Site Clearing	$1,208,824	$431,178	$777,646
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-ENLOW 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$1,962,720	$1,119,966	$842,755
WEST PENN POWER	WPCO - PA TL 138KV	Cecil-Nyswaner	35610 - Overhd Conductr, Devices	Non-Unitized	$975	$8	$967
WEST PENN POWER	WPCO - PA TL 138KV	Cecil-Nyswaner	35500 - Poles And Fixtures	Non-Unitized	$1,050	$10	$1,040
WEST PENN POWER	WPCO - PA TL 138KV	Cecil-Nyswaner	35610 - Overhd Conductr, Devices	Insulator - transmission	$9,781	$1,439	$8,342
WEST PENN POWER	WPCO - PA TL 138KV	Cecil-Nyswaner	35500 - Poles And Fixtures	Structure	$37,278	$5,812	$31,466
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-NYSWANER 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$886	$6	$880
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-NYSWANER 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$1,314	$17	$1,297
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-NYSWANER 138KV	35500 - Poles And Fixtures	Non-Unitized	$5,314	$133	$5,181
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-NYSWANER 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$8,615	$470	$8,146
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-NYSWANER 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$25,155	$1,371	$23,784
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-NYSWANER 138KV	35620 - Clearing, Grading of Land	Site Clearing	$76,980	$8,328	$68,652
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-NYSWANER 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$101,456	$5,530	$95,927
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-NYSWANER 138KV	35500 - Poles And Fixtures	Phase Raiser	$648,057	$37,802	$610,255
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-NYSWANER 138KV	35500 - Poles And Fixtures	Wood Pole	$950,513	$55,445	$895,069
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-PETERS 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$36,294	$22,696	$13,598
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-PETERS 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$67,563	$42,249	$25,314
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-PETERS 138KV	35620 - Clearing, Grading of Land	Site Clearing	$65,273	$27,146	$38,127
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-PETERS 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$244,229	$155,125	$89,104
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-SOUTH FAYETTE	35500 - Poles And Fixtures	Crossarm	$9,175	$7,381	$1,794
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-SOUTH FAYETTE	35610 - Overhd Conductr, Devices	Insulator - transmission	$15,704	$13,785	$1,919
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-SOUTH FAYETTE	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$75,462	$70,911	$4,551
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-SOUTH FAYETTE	35620 - Clearing, Grading of Land	Site Clearing	$6,843	$2,158	$4,685
WEST PENN POWER	WPCO - PA TL 138KV	CECIL-SOUTH FAYETTE	35500 - Poles And Fixtures	Structure	$45,385	$27,637	$17,748
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Pump	$870	$870	$0
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Equipment Enclosure	$299	$299	$0
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Battery Charger	$4,102	$4,094	$8
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35210 - Structures, Improvements	HVAC	$154	$144	$10
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35210 - Structures, Improvements	Railroad Track System	$1,418	$1,408	$10
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35210 - Structures, Improvements	Roof Covering	$2,204	$2,188	$16
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Misc Tools & Equipment	$1,298	$1,281	$16
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35210 - Structures, Improvements	Sanitary/Septic Sewer System	$584	$565	$19
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Crossarm	$322	$295	$26
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Switching Equipment	$9,262	$9,233	$29
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Wood Pole	$754	$695	$59
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35210 - Structures, Improvements	Foundation - Building	$8,381	$8,314	$68
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Line Wave Trap	$29,439	$29,335	$104
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35210 - Structures, Improvements	Potable Water Supply System	$1,184	$1,050	$134
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35210 - Structures, Improvements	Heater	$1,341	$982	$359

Schedule 1(a) In-Service Assets

Company	Major Location	Asset Location	Utility Account	Retirement Unit	Original Cost	Allocated Accumulated Depreciation	Net Book Value
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35210 - Structures, Improvements	Yard Drainage System	$7,267	$6,806	$461
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Carrier Transmitter/Receiver Assemb	$8,766	$8,011	$755
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35210 - Structures, Improvements	Roof	$3,311	$2,498	$813
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35210 - Structures, Improvements	Fire Protection System, Building	$5,839	$4,946	$893
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Wire Fully Dressed	$1,207	$285	$922
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Equipment Protective Lighting & Pow	$9,591	$8,476	$1,115
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35210 - Structures, Improvements	Building	$56,169	$54,975	$1,195
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Conduit/Duct System	$35,146	$33,924	$1,222
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35210 - Structures, Improvements	Landscaping	$4,508	$3,207	$1,300
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Fuse Equipment	$22,730	$21,424	$1,306
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Grounding Conductor	$1,812	$216	$1,596
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Structure	$137,970	$136,219	$1,751
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Regulating Equipment	$7,099	$5,291	$1,808
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Conduit	$2,462	$61	$2,401
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Bus-Insulators	$82,085	$79,526	$2,560
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Disconnect Switch	$3,585	$846	$2,739
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Line Tuning Assembly	$11,033	$7,490	$3,544
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Lighting Fixtures	$4,029	$293	$3,736
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Battery System	$10,094	$5,849	$4,245
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Coupling Capacitor	$18,438	$12,954	$5,484
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Relays	$8,087	$1,562	$6,524
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	39700 - Communication Equipment	WPCO- Communication Equipment	$20,664	$13,026	$7,639
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Switch	$319,535	$310,424	$9,111
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Bus	$85,369	$75,853	$9,516
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Recloser	$19,817	$9,690	$10,126
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Foundation - Equipment	$108,750	$97,612	$11,139
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Grounding System, Station	$38,324	$25,256	$13,068
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Transformer, Instrument	$160,853	$144,351	$16,503
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Cable Tray	$45,717	$27,982	$17,735
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35210 - Structures, Improvements	Lighting Fixtures	$21,133	$1,628	$19,505
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Transformer Equipment	$31,945	$3,549	$28,396
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	VT 5KV - 15KV	$33,536	$3,996	$29,540
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Relaying Equipment	$33,637	$832	$32,805
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Interrupter Assembly	$44,919	$4,892	$40,028
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35210 - Structures, Improvements	Fence	$60,542	$18,783	$41,758
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Wiring	$64,385	$11,619	$52,766
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Security System	$59,080	$2,421	$56,659
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Arrester, Lightning Mass	$93,062	$21,964	$71,099
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	CT 138KV	$96,578	$22,793	$73,785
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35210 - Structures, Improvements	Lighting/Power System	$98,421	$13,578	$84,843
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	RTU - SCADA	$125,985	$34,856	$91,129
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Arrester, Lightning & Surge Protect	$153,730	$54,722	$99,008
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35210 - Structures, Improvements	Yard Surfacing	$146,255	$43,789	$102,466
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Cable, Wiring	$162,494	$59,756	$102,738
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Oil Storage & Filtering System	$198,367	$53,556	$144,812
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35210 - Structures, Improvements	Driveways, Parking, Roads and Walks	$199,093	$53,626	$145,467
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Non-Unitized	$173,825	$3,201	$170,623
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Cabinets/Panels/Consoles	$958,375	$452,223	$506,153
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Control Wiring	$676,259	$106,195	$570,063
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Transformer, Power	$2,003,467	$571,079	$1,432,388
WEST PENN POWER	WPCO - PA Trans Subs	CHARLEROI	35300 - Station Equipment	Circuit Breaker	$3,577,767	$1,214,639	$2,363,128
WEST PENN POWER	WPCO - PA TL 138KV	Charleroi - Luxor	35610 - Overhd Conductr, Devices	Grounding (T & D)	$15,036	$14,975	$61
WEST PENN POWER	WPCO - PA TL 138KV	Charleroi - Luxor	35620 - Clearing, Grading of Land	Non-Unitized	$857	$6	$851
WEST PENN POWER	WPCO - PA TL 138KV	Charleroi - Luxor	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$18,881	$17,875	$1,006
WEST PENN POWER	WPCO - PA TL 138KV	Charleroi - Luxor	35620 - Clearing, Grading of Land	Site Clearing	$31,778	$30,363	$1,415
WEST PENN POWER	WPCO - PA TL 138KV	Charleroi - Luxor	35610 - Overhd Conductr, Devices	Insulator - transmission	$36,996	$34,659	$2,337
WEST PENN POWER	WPCO - PA TL 138KV	Charleroi - Luxor	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$429,865	$400,873	$28,992
WEST PENN POWER	WPCO - PA TL 138KV	Charleroi - Luxor	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$608,620	$431,177	$177,443
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-ALLENPORT 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$4,536	$4,825	($289)
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-ALLENPORT 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$25,243	$25,104	$139
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-ALLENPORT 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$938	$6	$932
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-ALLENPORT 138KV	35620 - Clearing, Grading of Land	Site Clearing	$18,685	$16,614	$2,071
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-ALLENPORT 138KV	35500 - Poles And Fixtures	Crossarm	$27,882	$18,638	$9,244
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-ALLENPORT 138KV	35500 - Poles And Fixtures	Wood Pole	$99,268	$69,098	$30,170
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-ALLENPORT 138KV	35500 - Poles And Fixtures	Phase Raiser	$49,155	$7,664	$41,492
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-ALLENPORT 138KV	35500 - Poles And Fixtures	Non-Unitized	$3,789,823	$90,608	$3,699,215
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-ALLENPORT 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$6,080,798	$135,349	$5,945,449
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-GORDON 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$918	$6	$912
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-GORDON 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$1,777	$29	$1,748
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-GORDON 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$3,517	$1,136	$2,380
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-GORDON 138KV	35500 - Poles And Fixtures	Crossarm	$11,588	$3,902	$7,686
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-GORDON 138KV	35620 - Clearing, Grading of Land	Site Clearing	$113,437	$14,032	$99,406
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-GORDON 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$205,335	$64,015	$141,319
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-GORDON 138KV	35500 - Poles And Fixtures	Wood Pole	$345,133	$116,216	$228,917
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-GORDON 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$1,032,150	$254,946	$777,204
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-YUKON NO1 138KV	35500 - Poles And Fixtures	Crossarm	$560	$506	$54
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-YUKON NO1 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$7,189	$6,989	$199
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-YUKON NO1 138KV	35500 - Poles And Fixtures	Wood Pole	$2,463	$2,226	$237
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-YUKON NO1 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$935	$6	$929
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-YUKON NO1 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$88,939	$84,262	$4,677
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-YUKON NO1 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$92,160	$85,497	$6,663
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-YUKON NO1 138KV	35620 - Clearing, Grading of Land	Site Clearing	$68,558	$33,982	$34,576
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-YUKON NO1 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$902,600	$822,231	$80,368
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-YUKON NO1 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$1,380,231	$994,241	$385,990
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-YUKON NO2 138KV	35620 - Clearing, Grading of Land	Site Clearing	$1,156	$595	$561
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-YUKON NO2 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$5,354	$4,341	$1,013
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-YUKON NO2 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$22,730	$18,429	$4,301
WEST PENN POWER	WPCO - PA TL 138KV	CHARLEROI-YUKON NO2 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$51,094	$26,404	$24,690
WEST PENN POWER	WPCO - PA TL 138KV	CHEAT LAKE-LAKE LYNN 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$339	$337	$2
WEST PENN POWER	WPCO - PA TL 138KV	CHEAT LAKE-LAKE LYNN 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$1,066	$1,045	$21
WEST PENN POWER	WPCO - PA TL 138KV	CHEAT LAKE-LAKE LYNN 138KV	35620 - Clearing, Grading of Land	Site Clearing	$448	$398	$50
WEST PENN POWER	WPCO - PA TL 138KV	CHEAT LAKE-LAKE LYNN 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$15,783	$13,305	$2,478
WEST PENN POWER	WPCO - PA TL 138KV	CHERRY RUN-MCCONNELLSBURG 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$907	$6	$901
WEST PENN POWER	WPCO - PA TL 138KV	CHERRY RUN-MCCONNELLSBURG 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$996	$8	$987
WEST PENN POWER	WPCO - PA TL 138KV	CHERRY RUN-MCCONNELLSBURG 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$50,008	$24,586	$25,422
WEST PENN POWER	WPCO - PA TL 138KV	CHERRY RUN-MCCONNELLSBURG 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$109,394	$78,072	$31,323
WEST PENN POWER	WPCO - PA TL 138KV	CHERRY RUN-MCCONNELLSBURG 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$129,684	$91,716	$37,968
WEST PENN POWER	WPCO - PA TL 138KV	CHERRY RUN-MCCONNELLSBURG 138KV	35500 - Poles And Fixtures	Crossarm	$184,858	$131,928	$52,930
WEST PENN POWER	WPCO - PA TL 138KV	CHERRY RUN-MCCONNELLSBURG 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$849,596	$600,859	$248,737
WEST PENN POWER	WPCO - PA TL 138KV	CHERRY RUN-MCCONNELLSBURG 138KV	35500 - Poles And Fixtures	Wood Pole	$1,038,346	$741,039	$297,307
WEST PENN POWER	WPCO - PA TL 138KV	CHERRY RUN-MCCONNELLSBURG 138KV	35620 - Clearing, Grading of Land	Site Clearing	$901,385	$412,950	$488,435
WEST PENN POWER	WPCO - PA CUST SUBS	CIBUS RANCH	35300 - Station Equipment	Non-Unitized	$9,214	$815	$8,399
WEST PENN POWER	WPCO - PA TL 138KV	Clarion Branch	35500 - Poles And Fixtures	Crossarm	$12,164	$11,444	$719
WEST PENN POWER	WPCO - PA TL 138KV	Clarion Branch	35610 - Overhd Conductr, Devices	Insulator - transmission	$19,559	$17,200	$2,359
WEST PENN POWER	WPCO - PA TL 138KV	Clarion Branch	35620 - Clearing, Grading of Land	Site Clearing	$18,293	$13,264	$5,029
WEST PENN POWER	WPCO - PA TL 138KV	Clarion Branch	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$74,107	$67,342	$6,765
WEST PENN POWER	WPCO - PA TL 138KV	Clarion Branch	35500 - Poles And Fixtures	Wood Pole	$125,725	$111,638	$14,087
WEST PENN POWER	WPCO - PA TL 138KV	Clarion Loop	35610 - Overhd Conductr, Devices	Insulator - transmission	$21,149	$17,580	$3,569
WEST PENN POWER	WPCO - PA TL 138KV	Clarion Loop	35500 - Poles And Fixtures	Crossarm	$48,086	$39,039	$9,047
WEST PENN POWER	WPCO - PA TL 138KV	Clarion Loop	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$147,130	$120,334	$26,795
WEST PENN POWER	WPCO - PA TL 138KV	Clarion Loop	35620 - Clearing, Grading of Land	Site Clearing	$70,295	$39,117	$31,178
WEST PENN POWER	WPCO - PA TL 138KV	Clarion Loop	35500 - Poles And Fixtures	Wood Pole	$204,169	$160,880	$43,290
WEST PENN POWER	WPCO - PA TL 138KV	CLARKSVILLE JCT (CHARLEROI-LARDIN-EMERALD)	35610 - Overhd Conductr, Devices	Non-Unitized	$28,183	$204	$27,979
WEST PENN POWER	WPCO - PA TL 138KV	CLARKSVILLE JCT (CHARLEROI-LARDIN-EMERALD)	35500 - Poles And Fixtures	Phase Raiser	$591,784	$34,520	$557,264
WEST PENN POWER	WPCO - PA TL 138KV	CLARKSVILLE JCT (CHARLEROI-LARDIN-EMERALD) 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$838	$6	$832
WEST PENN POWER	WPCO - PA TL 138KV	CLARKSVILLE JCT (CHARLEROI-LARDIN-EMERALD) 138KV	35500 - Poles And Fixtures	Wood Pole	$3,959	$3,096	$863
WEST PENN POWER	WPCO - PA TL 138KV	CLARKSVILLE JCT (CHARLEROI-LARDIN-EMERALD) 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$1,375	$18	$1,356
WEST PENN POWER	WPCO - PA TL 138KV	CLARKSVILLE JCT (CHARLEROI-LARDIN-EMERALD) 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$16,764	$11,083	$5,680

Schedule 1(a) In-Service Assets

Company	Major Location	Asset Location	Utility Account	Retirement Unit	Original Cost	Allocated Accumulated Depreciation	Net Book Value
WEST PENN POWER	WPCO - PA TL 138KV	CLARKSVILLE JCT (CHARLEROI-LARDIN-EMERALD) 138KV	35620 - Clearing, Grading of Land	Site Clearing	$103,898	$44,316	$59,582
WEST PENN POWER	WPCO - PA TL 138KV	CLARKSVILLE JCT (CHARLEROI-LARDIN-EMERALD) 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$210,478	$146,912	$63,566
WEST PENN POWER	WPCO - PA TL 138KV	CLARKSVILLE JCT (CHARLEROI-LARDIN-EMERALD) 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$1,030,602	$753,887	$276,715
WEST PENN POWER	WPCO - PA TL 138KV	CLARKSVILLE JCT (CHARLEROI-LARDIN-EMERALD) 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$1,321,867	$831,540	$490,327
WEST PENN POWER	WPCO - PA Dist Subs	CONNELLSVILLE	39700 - Communication Equipment	Radio Equipment	$165,485	$20,768	$144,717
WEST PENN POWER	WPCO - PA TL 138KV	Connellsville - Iron Bridge	35610 - Overhd Conductr, Devices	Non-Unitized	$998	$8	$990
WEST PENN POWER	WPCO - PA TL 138KV	Connellsville - Iron Bridge	35610 - Overhd Conductr, Devices	Insulator - transmission	$18,389	$794	$17,594
WEST PENN POWER	WPCO - PA Dist Subs	CONNELLSVILLE GENERAL STOREROOM - DISTRIBUTION	35300 - Station Equipment	Non-Unitized	$3,551	$85	$3,467
WEST PENN POWER	WPCO - PA Dist Subs	CONNELLSVILLE GENERAL STOREROOM - DISTRIBUTION	35300 - Station Equipment	Transformer Equipment	$54,106	$34,298	$19,808
WEST PENN POWER	WPCO - PA Dist Subs	CONNELLSVILLE GENERAL STOREROOM - DISTRIBUTION	35300 - Station Equipment	Circuit Breaker	$2,639,354	$1,800,464	$838,890
WEST PENN POWER	WPCO - PA Dist Subs	CONNELLSVILLE GENERAL STOREROOM - DISTRIBUTION	35300 - Station Equipment	Transformer, Power	$1,951,559	$476,532	$1,475,027
WEST PENN POWER	WPCO - PA TL 138KV	Connellsville Tap	35610 - Overhd Conductr, Devices	Non-Unitized	$1,007	$8	$998
WEST PENN POWER	WPCO - PA TL 138KV	Connellsville Tap	35500 - Poles And Fixtures	Non-Unitized	$1,066	$11	$1,055
WEST PENN POWER	WPCO - PA TL 138KV	Connellsville Tap	35500 - Poles And Fixtures	Crossarm	$4,454	$695	$3,760
WEST PENN POWER	WPCO - PA TL 138KV	Connellsville Tap	35500 - Poles And Fixtures	Wood Pole	$6,899	$1,076	$5,823
WEST PENN POWER	WPCO - PA TL 138KV	Connellsville Tap	35610 - Overhd Conductr, Devices	Grounding (T & D)	$9,132	$1,102	$8,030
WEST PENN POWER	WPCO - PA TL 138KV	Connellsville Tap	35620 - Clearing, Grading of Land	Site Clearing	$28,947	$17,588	$11,359
WEST PENN POWER	WPCO - PA TL 138KV	Connellsville Tap	35610 - Overhd Conductr, Devices	Insulator - transmission	$51,589	$28,112	$23,478
WEST PENN POWER	WPCO - PA TL 138KV	Connellsville Tap	35500 - Poles And Fixtures	Phase Raiser	$31,629	$4,931	$26,698
WEST PENN POWER	WPCO - PA TL 138KV	Connellsville Tap	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$238,399	$181,959	$56,440
WEST PENN POWER	WPCO - PA TL 138KV	Connellsville Tap	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$340,341	$193,154	$147,187
WEST PENN POWER	WPCO - PA UNSPECIFIED	Crossgate-Peters Loop	35620 - Clearing, Grading of Land	Site Clearing	$1,010	$109	$901
WEST PENN POWER	WPCO - PA TL 230KV	DALE SUMMIT - SHINGLETOWN 230 KV LINE	35620 - Clearing, Grading of Land	Non-Unitized	$922	$6	$916
WEST PENN POWER	WPCO - PA TL 230KV	DALE SUMMIT - SHINGLETOWN 230 KV LINE	35610 - Overhd Conductr, Devices	Non-Unitized	$979	$8	$971
WEST PENN POWER	WPCO - PA TL 230KV	DALE SUMMIT - SHINGLETOWN 230 KV LINE	35500 - Poles And Fixtures	Non-Unitized	$1,107	$12	$1,095
WEST PENN POWER	WPCO - PA TL 230KV	DALE SUMMIT - SHINGLETOWN 230 KV LINE	35610 - Overhd Conductr, Devices	Grounding (T & D)	$6,512	$1,105	$5,407
WEST PENN POWER	WPCO - PA TL 230KV	DALE SUMMIT - SHINGLETOWN 230 KV LINE	35610 - Overhd Conductr, Devices	Insulator - transmission	$148,481	$121,072	$27,409
WEST PENN POWER	WPCO - PA TL 230KV	DALE SUMMIT - SHINGLETOWN 230 KV LINE	35500 - Poles And Fixtures	Crossarm	$211,201	$139,141	$72,060
WEST PENN POWER	WPCO - PA TL 230KV	DALE SUMMIT - SHINGLETOWN 230 KV LINE	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$711,129	$618,329	$92,800
WEST PENN POWER	WPCO - PA TL 230KV	DALE SUMMIT - SHINGLETOWN 230 KV LINE	35620 - Clearing, Grading of Land	Site Clearing	$207,382	$109,353	$98,030
WEST PENN POWER	WPCO - PA TL 230KV	DALE SUMMIT - SHINGLETOWN 230 KV LINE	35500 - Poles And Fixtures	Wood Pole	$1,173,246	$834,599	$338,647
WEST PENN POWER	WPCO - PA Dist Subs	DUTCH FORK <none>	35300 - Station Equipment	Non-Unitized	$349,325	$8,996	$340,329
WEST PENN POWER	WPCO - PA TL 138KV	DUTCH FORK-ENON 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$892	$6	$887
WEST PENN POWER	WPCO - PA TL 138KV	DUTCH FORK-ENON 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$991	$8	$983
WEST PENN POWER	WPCO - PA TL 138KV	DUTCH FORK-ENON 138KV	35500 - Poles And Fixtures	Non-Unitized	$1,025	$10	$1,015
WEST PENN POWER	WPCO - PA TL 138KV	DUTCH FORK-ENON 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$96,897	$66,002	$30,895
WEST PENN POWER	WPCO - PA TL 138KV	DUTCH FORK-ENON 138KV	35500 - Poles And Fixtures	Crossarm	$159,948	$127,516	$32,432
WEST PENN POWER	WPCO - PA TL 138KV	DUTCH FORK-ENON 138KV	35620 - Clearing, Grading of Land	Site Clearing	$41,388	$5,162	$36,226
WEST PENN POWER	WPCO - PA TL 138KV	DUTCH FORK-ENON 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$666,726	$530,256	$136,470
WEST PENN POWER	WPCO - PA TL 138KV	DUTCH FORK-ENON 138KV	35500 - Poles And Fixtures	Wood Pole	$735,868	$567,023	$168,845
WEST PENN POWER	WPCO - PA TL 138KV	DUTCH FORK-WASHINGTON 138KV	35500 - Poles And Fixtures	Wood Pole	$3,408	$3,165	$243
WEST PENN POWER	WPCO - PA TL 138KV	DUTCH FORK-WASHINGTON 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$4,097	$3,776	$321
WEST PENN POWER	WPCO - PA TL 138KV	DUTCH FORK-WASHINGTON 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$6,030	$5,550	$481
WEST PENN POWER	WPCO - PA TL 138KV	DUTCH FORK-WASHINGTON 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$897	$6	$891
WEST PENN POWER	WPCO - PA TL 138KV	DUTCH FORK-WASHINGTON 138KV	35620 - Clearing, Grading of Land	Site Clearing	$37,791	$32,197	$5,594
WEST PENN POWER	WPCO - PA TL 138KV	DUTCH FORK-WASHINGTON 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$128,250	$117,009	$11,241
WEST PENN POWER	WPCO - PA TL 138KV	DUTCH FORK-WASHINGTON 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$558,900	$512,440	$46,460
WEST PENN POWER	WPCO - PA TL 138KV	DUTCH FORK-WASHINGTON 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$1,098,941	$770,220	$328,720
WEST PENN POWER	WPCO - PA TL 138KV	DUTCH FORK-WINDSOR 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$367	$337	$31
WEST PENN POWER	WPCO - PA TL 138KV	DUTCH FORK-WINDSOR 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$1,610	$1,476	$134
WEST PENN POWER	WPCO - PA TL 138KV	DUTCH FORK-WINDSOR 138KV	35620 - Clearing, Grading of Land	Site Clearing	$305,554	$165,824	$139,730
WEST PENN POWER	WPCO - PA TL 138KV	East Gate Branch # 1 & #2	35610 - Overhd Conductr, Devices	Grounding (T & D)	$704	$670	$34
WEST PENN POWER	WPCO - PA TL 138KV	East Gate Branch # 1 & #2	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$73,373	$69,852	$3,521
WEST PENN POWER	WPCO - PA TL 138KV	East Gate Branch # 1 & #2	35620 - Clearing, Grading of Land	Site Clearing	$16,936	$12,280	$4,656
WEST PENN POWER	WPCO - PA TL 138KV	East Gate Branch # 1 & #2	35610 - Overhd Conductr, Devices	Insulator - transmission	$24,740	$17,513	$7,227
WEST PENN POWER	WPCO - PA TL 138KV	East Gate Branch # 1 & #2	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$307,979	$212,072	$95,906
WEST PENN POWER	WPCO - PA TL 138KV	East Waynesboro Loop	35620 - Clearing, Grading of Land	Non-Unitized	$936	$6	$929
WEST PENN POWER	WPCO - PA TL 138KV	East Waynesboro Loop	35610 - Overhd Conductr, Devices	Insulator - transmission	$54,068	$40,255	$13,813
WEST PENN POWER	WPCO - PA TL 138KV	East Waynesboro Loop	35620 - Clearing, Grading of Land	Site Clearing	$135,626	$86,398	$49,228
WEST PENN POWER	WPCO - PA TL 138KV	East Waynesboro Loop	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$245,011	$182,419	$62,593
WEST PENN POWER	WPCO - PA TL 138KV	East Waynesboro Loop	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$808,327	$605,562	$202,765
WEST PENN POWER	WPCO - PA TL 138KV	Edgewater Branch	35620 - Clearing, Grading of Land	Site Clearing	$1,480	$943	$537
WEST PENN POWER	WPCO - PA TL 138KV	Edgewater Branch	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$6,534	$5,802	$732
WEST PENN POWER	WPCO - PA TL 138KV	Edgewater Branch	35610 - Overhd Conductr, Devices	Insulator - transmission	$7,089	$6,295	$794
WEST PENN POWER	WPCO - PA TL 138KV	Edgewater Branch	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$15,423	$13,647	$1,776
WEST PENN POWER	WPCO - PA TL 138KV	Edgewater Branch	35500 - Poles And Fixtures	Wood Pole	$19,723	$17,452	$2,271
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35210 - Structures, Improvements	Sanitary/Septic Sewer System	$518	$464	$54
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35210 - Structures, Improvements	Heater	$549	$492	$57
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Switching Equipment	$338	$276	$62
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35210 - Structures, Improvements	Potable Water Supply System	$890	$798	$93
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35210 - Structures, Improvements	Foundation - Building	$1,313	$1,177	$137
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Battery Charger	$1,089	$840	$249
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	RTU - SCADA	$4,073	$3,611	$461
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Wood Pole	$1,450	$920	$530
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35210 - Structures, Improvements	Fence	$8,969	$7,380	$1,589
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Cable Tray	$9,607	$7,899	$1,707
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Weather station	$13,755	$11,654	$2,100
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35210 - Structures, Improvements	Lighting/Power System	$12,360	$9,592	$2,768
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35210 - Structures, Improvements	Building	$18,119	$14,967	$3,152
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Conduit/Duct System	$15,291	$12,012	$3,278
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Battery System	$10,881	$3,599	$7,282
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35210 - Structures, Improvements	Yard Surfacing	$34,343	$26,149	$8,193
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35210 - Structures, Improvements	Driveways, Parking, Roads and Walks	$35,487	$24,764	$10,723
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35210 - Structures, Improvements	Roof	$18,704	$6,991	$11,714
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Carrier Equipment System	$18,821	$466	$18,355
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Bus-Insulators	$50,284	$31,643	$18,641
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Grounding System, Station	$49,787	$24,653	$25,135
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	VT 115KV	$28,714	$2,983	$25,731
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Transformer, Potential : Each	$36,487	$6,519	$29,968
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Transformer, Instrument	$123,251	$92,912	$30,339
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Revenue Metering Equipment	$33,886	$1,388	$32,498
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Coupling Capacitor	$65,484	$25,382	$40,102
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Relays	$47,100	$3,600	$43,500
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Relaying Equipment	$54,846	$6,535	$48,310
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Arrester, Lightning & Surge Protect	$73,203	$22,406	$50,797
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Conduit	$53,236	$1,321	$51,915
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Transformer, Current : Each	$57,712	$1,428	$56,284
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Bus	$76,594	$19,209	$57,385
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Foundation - Equipment	$236,712	$178,629	$58,083
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Line Tuning Assembly	$73,073	$14,955	$58,118
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Security System	$72,113	$4,110	$68,003
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Structure	$289,098	$210,726	$78,372
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Switch	$275,379	$181,367	$94,012
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Transformer, Power	$350,062	$253,417	$96,645
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Carrier Transmitter/Receiver Assemb	$120,948	$17,152	$103,796
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Capacitor Bank	$219,905	$114,332	$105,573
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Oil Storage & Filtering System	$172,308	$61,068	$111,240
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Air Break	$129,785	$3,211	$126,574
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Cable, Wiring	$163,650	$32,701	$130,949
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Line Wave Trap	$229,456	$48,227	$181,229
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Under-load Tap Changer (LTC)	$212,354	$25,304	$187,051
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Non-Unitized	$287,238	$8,644	$278,594
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Control Wiring	$388,105	$99,151	$288,954
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Fault Detector	$380,085	$51,033	$329,052
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Circuit Breaker	$925,143	$358,070	$567,073
WEST PENN POWER	WPCO - PA Trans Subs	ELKO	35300 - Station Equipment	Cabinets/Panels/Consoles	$901,655	$328,370	$573,285
WEST PENN POWER	WPCO - PA TL 230KV	Elko - Carbon	35300 - Station Equipment	Non-Unitized	$948	$8	$940
WEST PENN POWER	WPCO - PA TL 230KV	Elko - Carbon	35300 - Station Equipment	Cabinets/Panels/Consoles	$19,540	$5,143	$14,397

Schedule 1(a) In-Service Assets

Company	Major Location	Asset Location	Utility Account	Retirement Unit	Original Cost	Allocated Accumulated Depreciation	Net Book Value
WEST PENN POWER	WPCO - PA TL 230KV	Elko - Carbon	35620 - Clearing, Grading of Land	Site Clearing	$61,139	$12,884	$48,255
WEST PENN POWER	WPCO - PA TL 230KV	Elko - Carbon	35500 - Poles And Fixtures	Non-Unitized	$170,364	$1,326	$169,038
WEST PENN POWER	WPCO - PA TL 230KV	Elko - Carbon	35610 - Overhd Conductr, Devices	Non-Unitized	$238,961	$1,729	$237,232
WEST PENN POWER	WPCO - PA TL 138KV	Elko - Milesburg	35620 - Clearing, Grading of Land	Site Clearing	$80,649	$73,476	$7,173
WEST PENN POWER	WPCO - PA TL 138KV	Elko - Paper City	35500 - Poles And Fixtures	Wood Pole	$450	$257	$193
WEST PENN POWER	WPCO - PA TL 230KV	Elko - Quehanna	35620 - Clearing, Grading of Land	Non-Unitized	$935	$6	$929
WEST PENN POWER	WPCO - PA TL 230KV	Elko - Quehanna	35610 - Overhd Conductr, Devices	Non-Unitized	$1,302	$16	$1,286
WEST PENN POWER	WPCO - PA TL 230KV	Elko - Quehanna	35500 - Poles And Fixtures	Non-Unitized	$2,600	$55	$2,545
WEST PENN POWER	WPCO - PA TL 230KV	Elko - Quehanna	35610 - Overhd Conductr, Devices	Grounding (T & D)	$6,858	$814	$6,044
WEST PENN POWER	WPCO - PA TL 230KV	Elko - Quehanna	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$46,732	$34,084	$12,648
WEST PENN POWER	WPCO - PA TL 230KV	Elko - Quehanna	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$749,832	$640,702	$109,130
WEST PENN POWER	WPCO - PA TL 230KV	Elko - Quehanna	35610 - Overhd Conductr, Devices	Insulator - transmission	$242,318	$120,049	$122,269
WEST PENN POWER	WPCO - PA TL 230KV	Elko - Quehanna	35500 - Poles And Fixtures	Crossarm	$300,766	$136,091	$164,675
WEST PENN POWER	WPCO - PA TL 230KV	Elko - Quehanna	35620 - Clearing, Grading of Land	Site Clearing	$394,008	$183,107	$210,900
WEST PENN POWER	WPCO - PA TL 230KV	Elko - Quehanna	35500 - Poles And Fixtures	Wood Pole	$1,221,830	$629,131	$592,699
WEST PENN POWER	WPCO - PA TL 230KV	ELKO-CARBON CENTER 230KV	35620 - Clearing, Grading of Land	Non-Unitized	$934	$6	$928
WEST PENN POWER	WPCO - PA TL 230KV	ELKO-CARBON CENTER 230KV	35610 - Overhd Conductr, Devices	Non-Unitized	$966	$7	$958
WEST PENN POWER	WPCO - PA TL 230KV	ELKO-CARBON CENTER 230KV	35500 - Poles And Fixtures	Non-Unitized	$1,233	$16	$1,218
WEST PENN POWER	WPCO - PA TL 230KV	ELKO-CARBON CENTER 230KV	35500 - Poles And Fixtures	Crossarm	$48,328	$37,715	$10,613
WEST PENN POWER	WPCO - PA TL 230KV	ELKO-CARBON CENTER 230KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$102,966	$86,980	$15,985
WEST PENN POWER	WPCO - PA TL 230KV	ELKO-CARBON CENTER 230KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$264,771	$240,946	$23,825
WEST PENN POWER	WPCO - PA TL 230KV	ELKO-CARBON CENTER 230KV	35610 - Overhd Conductr, Devices	Fiber Optic Cable	$92,250	$65,369	$26,880
WEST PENN POWER	WPCO - PA TL 230KV	ELKO-CARBON CENTER 230KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$168,987	$120,821	$48,165
WEST PENN POWER	WPCO - PA TL 230KV	ELKO-CARBON CENTER 230KV	35500 - Poles And Fixtures	Wood Pole	$220,062	$161,293	$58,770
WEST PENN POWER	WPCO - PA TL 230KV	ELKO-CARBON CENTER 230KV	35620 - Clearing, Grading of Land	Site Clearing	$159,253	$70,468	$88,785
WEST PENN POWER	WPCO - PA TL 230KV	ELKO-CARBON CENTER 230KV	35500 - Poles And Fixtures	Phase Raiser	$104,013	$14,062	$89,951
WEST PENN POWER	WPCO - PA TL 230KV	ELKO-MOSHANNON 230KV	35620 - Clearing, Grading of Land	Non-Unitized	$919	$6	$913
WEST PENN POWER	WPCO - PA TL 230KV	ELKO-MOSHANNON 230KV	35610 - Overhd Conductr, Devices	Non-Unitized	$952	$7	$945
WEST PENN POWER	WPCO - PA TL 230KV	ELKO-MOSHANNON 230KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$1,653	$90	$1,563
WEST PENN POWER	WPCO - PA TL 138KV	ELKO-SQUAB HOLLOW 138KV	35500 - Poles And Fixtures	Non-Unitized	$950	$8	$943
WEST PENN POWER	WPCO - PA TL 138KV	ELKO-SQUAB HOLLOW 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$952	$7	$945
WEST PENN POWER	WPCO - PA TL 138KV	ELKO-SQUAB HOLLOW 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$953	$7	$946
WEST PENN POWER	WPCO - PA TL 138KV	ELKO-SQUAB HOLLOW 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$2,748	$1,658	$1,089
WEST PENN POWER	WPCO - PA TL 138KV	ELKO-SQUAB HOLLOW 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$19,337	$11,532	$7,805
WEST PENN POWER	WPCO - PA TL 138KV	ELKO-SQUAB HOLLOW 138KV	35500 - Poles And Fixtures	Structure	$92,326	$56,510	$35,816
WEST PENN POWER	WPCO - PA TL 138KV	ELKO-SQUAB HOLLOW 138KV	35610 - Overhd Conductr, Devices	Fiber Optic Cable	$108,771	$65,649	$43,122
WEST PENN POWER	WPCO - PA TL 138KV	ELKO-SQUAB HOLLOW 138KV	35620 - Clearing, Grading of Land	Site Clearing	$87,057	$28,813	$58,243
WEST PENN POWER	WPCO - PA TL 138KV	ELKO-SQUAB HOLLOW 138KV	35500 - Poles And Fixtures	Wood Pole	$150,890	$92,381	$58,509
WEST PENN POWER	WPCO - PA TL 138KV	ELKO-SQUAB HOLLOW 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$166,526	$99,730	$66,796
WEST PENN POWER	WPCO - PA UNSPECIFIED	Elliottsville Loop	35500 - Poles And Fixtures	Non-Unitized	$948	$7	$940
WEST PENN POWER	WPCO - PA UNSPECIFIED	Elliottsville Loop	35610 - Overhd Conductr, Devices	Non-Unitized	$948	$7	$941
WEST PENN POWER	WPCO - PA UNSPECIFIED	Elliottsville Loop	35500 - Poles And Fixtures	Crossarm	$1,327	$264	$1,063
WEST PENN POWER	WPCO - PA UNSPECIFIED	Elliottsville Loop	35500 - Poles And Fixtures	Wood Pole	$5,501	$1,094	$4,407
WEST PENN POWER	WPCO - PA UNSPECIFIED	Elliottsville Loop	35610 - Overhd Conductr, Devices	Insulator - transmission	$12,018	$2,265	$9,753
WEST PENN POWER	WPCO - PA UNSPECIFIED	Elliottsville Loop	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$51,861	$10,314	$41,547
WEST PENN POWER	WPCO - PA UNSPECIFIED	Elliottsville Loop	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$54,397	$10,250	$44,147
WEST PENN POWER	WPCO - PA UNSPECIFIED	ELLIOTTSVILLE SWITCHING STATION	35300 - Station Equipment	Non-Unitized	($50,175)	($8,229)	($41,945)
WEST PENN POWER	WPCO - PA TL 138KV	Emerald Tap	35610 - Overhd Conductr, Devices	Non-Unitized	$1,012	$9	$1,003
WEST PENN POWER	WPCO - PA TL 138KV	Emerald Tap	35500 - Poles And Fixtures	Crossarm	$65,140	$55,463	$9,676
WEST PENN POWER	WPCO - PA TL 138KV	Emerald Tap	35620 - Clearing, Grading of Land	Site Clearing	$55,701	$33,227	$22,474
WEST PENN POWER	WPCO - PA TL 138KV	Emerald Tap	35500 - Poles And Fixtures	Wood Pole	$177,302	$148,618	$28,684
WEST PENN POWER	WPCO - PA TL 138KV	Emerald Tap	35610 - Overhd Conductr, Devices	Insulator - transmission	$86,189	$45,786	$40,402
WEST PENN POWER	WPCO - PA TL 138KV	Emerald Tap	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$366,230	$312,294	$53,936
WEST PENN POWER	WPCO - PA TL 138KV	Emerald Tap	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$650,049	$360,851	$289,197
WEST PENN POWER	WPCO - PA TL 138KV	Enlow Loop	35620 - Clearing, Grading of Land	Non-Unitized	$948	$6	$941
WEST PENN POWER	WPCO - PA TL 138KV	Enlow Loop	35610 - Overhd Conductr, Devices	Non-Unitized	$990	$8	$982
WEST PENN POWER	WPCO - PA TL 138KV	Enlow Loop	35610 - Overhd Conductr, Devices	Insulator - transmission	$15,431	$1,668	$13,763
WEST PENN POWER	WPCO - PA TL 138KV	ENLOW-NORTH FAYETTE 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$11,960	$11,239	$721
WEST PENN POWER	WPCO - PA TL 138KV	ENLOW-NORTH FAYETTE 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$927	$6	$920
WEST PENN POWER	WPCO - PA TL 138KV	ENLOW-NORTH FAYETTE 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$50,460	$47,417	$3,043
WEST PENN POWER	WPCO - PA TL 138KV	Ethel Springs-Loyalhanna-Bethlen	35620 - Clearing, Grading of Land	Non-Unitized	$936	$6	$929
WEST PENN POWER	WPCO - PA TL 138KV	Ethel Springs-Loyalhanna-Bethlen	35500 - Poles And Fixtures	Non-Unitized	$948	$7	$940
WEST PENN POWER	WPCO - PA TL 138KV	Ethel Springs-Loyalhanna-Bethlen	35610 - Overhd Conductr, Devices	Non-Unitized	$948	$7	$941
WEST PENN POWER	WPCO - PA TL 138KV	Ethel Springs-Loyalhanna-Bethlen	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$9,144	$1,723	$7,421
WEST PENN POWER	WPCO - PA TL 138KV	Ethel Springs-Loyalhanna-Bethlen	35610 - Overhd Conductr, Devices	Insulator - transmission	$9,230	$1,739	$7,491
WEST PENN POWER	WPCO - PA TL 138KV	Ethel Springs-Loyalhanna-Bethlen	35500 - Poles And Fixtures	Crossarm	$12,381	$2,462	$9,919
WEST PENN POWER	WPCO - PA TL 138KV	Ethel Springs-Loyalhanna-Bethlen	35620 - Clearing, Grading of Land	Site Clearing	$37,812	$4,677	$33,135
WEST PENN POWER	WPCO - PA TL 138KV	Ethel Springs-Loyalhanna-Bethlen	35500 - Poles And Fixtures	Wood Pole	$93,145	$18,525	$74,621
WEST PENN POWER	WPCO - PA TL 138KV	FAIRVIEW-WHITELEY 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$253	$232	$21
WEST PENN POWER	WPCO - PA TL 138KV	FAIRVIEW-WHITELEY 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$888	$6	$882
WEST PENN POWER	WPCO - PA TL 138KV	FAIRVIEW-WHITELEY 138KV	35500 - Poles And Fixtures	Crossarm	$22,634	$14,016	$8,618
WEST PENN POWER	WPCO - PA TL 138KV	FAIRVIEW-WHITELEY 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$119,018	$109,116	$9,903
WEST PENN POWER	WPCO - PA TL 138KV	FAIRVIEW-WHITELEY 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$28,889	$18,440	$10,449
WEST PENN POWER	WPCO - PA TL 138KV	FAIRVIEW-WHITELEY 138KV	35500 - Poles And Fixtures	Wood Pole	$122,869	$109,838	$13,030
WEST PENN POWER	WPCO - PA TL 138KV	FAIRVIEW-WHITELEY 138KV	35620 - Clearing, Grading of Land	Site Clearing	$41,003	$27,619	$13,385
WEST PENN POWER	WPCO - PA TL 138KV	FAIRVIEW-WHITELEY 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$41,750	$26,357	$15,393
WEST PENN POWER	WPCO - PA TL 138KV	FAIRVIEW-WHITELEY 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$44,360	$3,894	$40,467
WEST PENN POWER	WPCO - PA TL 138KV	FAIRVIEW-WHITELEY 138KV	35500 - Poles And Fixtures	Non-Unitized	$1,152,038	$109,934	$1,042,104
WEST PENN POWER	WPCO - PA TL 138KV	Fawn Branch	35610 - Overhd Conductr, Devices	Grounding (T & D)	$564	$536	$27
WEST PENN POWER	WPCO - PA TL 138KV	Fawn Branch	35610 - Overhd Conductr, Devices	Insulator - transmission	$13,860	$13,195	$665
WEST PENN POWER	WPCO - PA TL 138KV	Fawn Branch	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$92,404	$87,970	$4,434
WEST PENN POWER	WPCO - PA TL 138KV	Fawn Branch	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$257,715	$178,038	$79,677
WEST PENN POWER	WPCO - PA TL 138KV	FAWN-SILVERVILLE 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$936	$6	$929
WEST PENN POWER	WPCO - PA TL 138KV	FAWN-SILVERVILLE 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$984	$8	$977
WEST PENN POWER	WPCO - PA TL 138KV	FAWN-SILVERVILLE 138KV	35500 - Poles And Fixtures	Crossarm	$36,243	$19,870	$16,374
WEST PENN POWER	WPCO - PA TL 138KV	FAWN-SILVERVILLE 138KV	35500 - Poles And Fixtures	Non-Unitized	$71,692	$6,758	$64,934
WEST PENN POWER	WPCO - PA TL 138KV	FAWN-SILVERVILLE 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$160,669	$79,573	$81,095
WEST PENN POWER	WPCO - PA TL 138KV	FAWN-SILVERVILLE 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$293,625	$157,320	$136,305
WEST PENN POWER	WPCO - PA TL 138KV	FAWN-SILVERVILLE 138KV	35500 - Poles And Fixtures	Wood Pole	$333,078	$168,888	$164,190
WEST PENN POWER	WPCO - PA TL 138KV	FAWN-SILVERVILLE 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$1,248,222	$684,315	$563,908
WEST PENN POWER	WPCO - PA TL 138KV	FAWN-SILVERVILLE 138KV	35620 - Clearing, Grading of Land	Site Clearing	$947,619	$326,930	$620,689
WEST PENN POWER	WPCO - PA TL 138KV	Federal Street Branch	35610 - Overhd Conductr, Devices	Grounding (T & D)	$262	$243	$20
WEST PENN POWER	WPCO - PA TL 138KV	Federal Street Branch	35500 - Poles And Fixtures	Crossarm	$7,949	$7,316	$633
WEST PENN POWER	WPCO - PA TL 138KV	Federal Street Branch	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$10,700	$9,847	$853
WEST PENN POWER	WPCO - PA TL 138KV	Federal Street Branch	35610 - Overhd Conductr, Devices	Insulator - transmission	$16,111	$14,904	$1,207
WEST PENN POWER	WPCO - PA TL 138KV	Federal Street Branch	35500 - Poles And Fixtures	Wood Pole	$63,059	$58,034	$5,025
WEST PENN POWER	WPCO - PA TL 138KV	Federal Street Branch	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$69,996	$64,750	$5,246
WEST PENN POWER	WPCO - PA TL 138KV	Federal Street Branch	35620 - Clearing, Grading of Land	Site Clearing	$23,770	$16,354	$7,416
WEST PENN POWER	WPCO - PA TL 138KV	Federal Street Branch	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$203,878	$117,337	$86,541
WEST PENN POWER	WPCO - PA Communications	FIBER COMMUNICATIONS - (WPCO)	39700 - Communication Equipment	Aerial Fiber Optic Cable	$563,212	$46,626	$516,586
WEST PENN POWER	WPCO - PA TL 138KV	FORT MARTIN-RONCO 500KV	35620 - Clearing, Grading of Land	Non-Unitized	$948	$6	$941
WEST PENN POWER	WPCO - PA TL 138KV	FORT MARTIN-RONCO 500KV	35620 - Clearing, Grading of Land	Site Clearing	$26,953	$4,265	$22,688
WEST PENN POWER	WPCO - PA TL 138KV	FORT MARTIN-RONCO 500KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$74,472	$9,661	$64,811
WEST PENN POWER	WPCO - PA TL 138KV	Franklin - Washington	35620 - Clearing, Grading of Land	Site Clearing	$70,634	$28,365	$42,269
WEST PENN POWER	WPCO - PA TL 138KV	FRANKLIN-PURSLEY 138KV	35610 - Overhd Conductr, Devices	Switch: Equipment Enclosure	$10,467	$10,310	$157
WEST PENN POWER	WPCO - PA TL 138KV	FRANKLIN-PURSLEY 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$891	$6	$885
WEST PENN POWER	WPCO - PA TL 138KV	FRANKLIN-PURSLEY 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$1,024	$9	$1,016
WEST PENN POWER	WPCO - PA TL 138KV	FRANKLIN-PURSLEY 138KV	35500 - Poles And Fixtures	Non-Unitized	$2,477	$51	$2,426
WEST PENN POWER	WPCO - PA TL 138KV	FRANKLIN-PURSLEY 138KV	35620 - Clearing, Grading of Land	Site Clearing	$29,956	$19,859	$10,097
WEST PENN POWER	WPCO - PA TL 138KV	FRANKLIN-PURSLEY 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$127,677	$115,915	$11,762
WEST PENN POWER	WPCO - PA TL 138KV	FRANKLIN-PURSLEY 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$45,678	$19,342	$26,336
WEST PENN POWER	WPCO - PA TL 138KV	FRANKLIN-PURSLEY 138KV	35500 - Poles And Fixtures	Crossarm	$58,421	$17,321	$41,100
WEST PENN POWER	WPCO - PA TL 138KV	FRANKLIN-PURSLEY 138KV	35500 - Poles And Fixtures	Wood Pole	$229,693	$92,116	$137,577
WEST PENN POWER	WPCO - PA TL 138KV	FRANKLIN-PURSLEY 138KV	35500 - Poles And Fixtures	Phase Raiser	$395,881	$23,092	$372,789
WEST PENN POWER	WPCO - PA TL 138KV	FRANKLIN-WASHINGTON 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$864	$6	$858
WEST PENN POWER	WPCO - PA TL 138KV	FRANKLIN-WASHINGTON 138KV	35610 - Overhd Conductr, Devices	Transmission Shunt Splice	$8,703	$331	$8,372
WEST PENN POWER	WPCO - PA TL 138KV	FRANKLIN-WASHINGTON 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$127,002	$84,840	$42,161
WEST PENN POWER	WPCO - PA TL 138KV	FRANKLIN-WASHINGTON 138KV	35500 - Poles And Fixtures	Crossarm	$297,457	$201,280	$96,177

Schedule 1(a) In-Service Assets

Company	Major Location	Asset Location	Utility Account	Retirement Unit	Original Cost	Allocated Accumulated Depreciation	Net Book Value
WEST PENN POWER	WPCO - PA TL 138KV	FRANKLIN-WASHINGTON 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$1,017,663	$679,360	$338,303
WEST PENN POWER	WPCO - PA TL 138KV	FRANKLIN-WASHINGTON 138KV	35620 - Clearing, Grading of Land	Site Clearing	$624,074	$247,156	$376,918
WEST PENN POWER	WPCO - PA TL 138KV	FRANKLIN-WASHINGTON 138KV	35500 - Poles And Fixtures	Wood Pole	$1,353,807	$919,893	$433,913
WEST PENN POWER	WPCO - PA TL 138KV	Frazier Loop	35610 - Overhd Conductr, Devices	Insulator - transmission	$16,576	$13,683	$2,892
WEST PENN POWER	WPCO - PA TL 138KV	Frazier Loop	35620 - Clearing, Grading of Land	Site Clearing	$34,368	$19,595	$14,773
WEST PENN POWER	WPCO - PA TL 138KV	Frazier Loop	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$115,281	$95,166	$20,115
WEST PENN POWER	WPCO - PA TL 138KV	Frazier Loop	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$309,126	$163,685	$145,441
WEST PENN POWER	WPCO - PA Trans Subs	GANS	39700 - Communication Equipment	Non-Unitized	$410	$86	$324
WEST PENN POWER	WPCO - PA Trans Subs	GANS	35300 - Station Equipment	Non-Unitized	$1,836	$54	$1,781
WEST PENN POWER	WPCO - PA Trans Subs	GANS	35300 - Station Equipment	Battery Charger	$11,087	$454	$10,632
WEST PENN POWER	WPCO - PA Trans Subs	GANS	35300 - Station Equipment	Battery System	$19,222	$788	$18,434
WEST PENN POWER	WPCO - PA Trans Subs	GANS	35300 - Station Equipment	Grounding System, Station	$29,184	$3,478	$25,707
WEST PENN POWER	WPCO - PA Trans Subs	GANS	35300 - Station Equipment	RTU - SCADA	$87,169	$10,387	$76,782
WEST PENN POWER	WPCO - PA Trans Subs	GANS	35300 - Station Equipment	Revenue Metering Equipment	$124,756	$14,866	$109,890
WEST PENN POWER	WPCO - PA TL 138KV	GARRETTS RUN JCT (ARMSTRONG-KISKI VALLEY-KITTANNING) 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$1,807	$12	$1,795
WEST PENN POWER	WPCO - PA TL 138KV	GARRETTS RUN JCT (ARMSTRONG-KISKI VALLEY-KITTANNING) 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$5,073	$117	$4,955
WEST PENN POWER	WPCO - PA TL 138KV	GARRETTS RUN JCT (ARMSTRONG-KISKI VALLEY-KITTANNING) 138KV	35500 - Poles And Fixtures	Crossarm	$117,810	$82,672	$35,138
WEST PENN POWER	WPCO - PA TL 138KV	GARRETTS RUN JCT (ARMSTRONG-KISKI VALLEY-KITTANNING) 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$181,905	$77,056	$104,850
WEST PENN POWER	WPCO - PA TL 138KV	GARRETTS RUN JCT (ARMSTRONG-KISKI VALLEY-KITTANNING) 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$276,071	$125,770	$150,301
WEST PENN POWER	WPCO - PA TL 138KV	GARRETTS RUN JCT (ARMSTRONG-KISKI VALLEY-KITTANNING) 138KV	35500 - Poles And Fixtures	Wood Pole	$619,941	$433,336	$186,605
WEST PENN POWER	WPCO - PA TL 138KV	GARRETTS RUN JCT (ARMSTRONG-KISKI VALLEY-KITTANNING) 138KV	35620 - Clearing, Grading of Land	Site Clearing	$525,586	$135,432	$390,154
WEST PENN POWER	WPCO - PA TL 138KV	GARRETTS RUN JCT (ARMSTRONG-KISKI VALLEY-KITTANNING) 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$1,126,429	$490,900	$635,529
WEST PENN POWER	WPCO - PA TL 138KV	GARRETTS RUN JCT (ARMSTRONG-KISKI VALLEY-KITTANNING) 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$1,129,332	$125,742	$1,003,591
WEST PENN POWER	WPCO - PA TL 138KV	Gates Hill Branch - North	35500 - Poles And Fixtures	Crossarm	$10,782	$8,596	$2,186
WEST PENN POWER	WPCO - PA TL 138KV	Gates Hill Branch - North	35610 - Overhd Conductr, Devices	Insulator - transmission	$17,796	$14,153	$3,643
WEST PENN POWER	WPCO - PA TL 138KV	Gates Hill Branch - North	35500 - Poles And Fixtures	Wood Pole	$60,211	$48,003	$12,209
WEST PENN POWER	WPCO - PA TL 138KV	Gates Hill Branch - North	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$90,584	$72,042	$18,541
WEST PENN POWER	WPCO - PA TL 138KV	Gates Hill Branch - North	35620 - Clearing, Grading of Land	Site Clearing	$51,698	$29,081	$22,616
WEST PENN POWER	WPCO - PA TL 138KV	GATES HILL-LARDIN 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$12,507	$10,022	$2,485
WEST PENN POWER	WPCO - PA TL 138KV	GATES HILL-LARDIN 138KV	35500 - Poles And Fixtures	Crossarm	$21,981	$17,819	$4,162
WEST PENN POWER	WPCO - PA TL 138KV	GATES HILL-LARDIN 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$23,813	$19,307	$4,506
WEST PENN POWER	WPCO - PA TL 138KV	GATES HILL-LARDIN 138KV	35500 - Poles And Fixtures	Wood Pole	$72,991	$58,984	$14,006
WEST PENN POWER	WPCO - PA TL 138KV	GENERAL STEEL	35620 - Clearing, Grading of Land	Site Clearing	$997	$221	$775
WEST PENN POWER	WPCO - PA TL 138KV	Glade Run Loop	35620 - Clearing, Grading of Land	Site Clearing	$571,981	$66,165	$505,816
WEST PENN POWER	WPCO - PA TL 138KV	GOBAIN-FAWN 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$412	$351	$61
WEST PENN POWER	WPCO - PA TL 138KV	GOBAIN-FAWN 138KV	35500 - Poles And Fixtures	Non-Unitized	$1,376	$20	$1,357
WEST PENN POWER	WPCO - PA TL 138KV	GOBAIN-FAWN 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$1,757	$29	$1,729
WEST PENN POWER	WPCO - PA TL 138KV	GOBAIN-FAWN 138KV	35620 - Clearing, Grading of Land	Site Clearing	$30,348	$18,125	$12,223
WEST PENN POWER	WPCO - PA TL 138KV	GOBAIN-FAWN 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$156,601	$133,538	$23,063
WEST PENN POWER	WPCO - PA TL 138KV	GOBAIN-FAWN 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$262,121	$145,685	$116,436
WEST PENN POWER	WPCO - PA TL 138KV	GOBAIN-FAWN 138KV	35500 - Poles And Fixtures	Wood Pole	$157,672	$9,197	$148,474
WEST PENN POWER	WPCO - PA TL 138KV	GOBAIN-FAWN 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$312,394	$28,588	$283,806
WEST PENN POWER	WPCO - PA TL 138KV	Gordon Branch	35500 - Poles And Fixtures	Crossarm	$181	$178	$3
WEST PENN POWER	WPCO - PA TL 138KV	Gordon Branch	35610 - Overhd Conductr, Devices	Grounding (T & D)	$575	$568	$7
WEST PENN POWER	WPCO - PA TL 138KV	Gordon Branch	35500 - Poles And Fixtures	Wood Pole	$1,524	$1,499	$25
WEST PENN POWER	WPCO - PA TL 138KV	Gordon Branch	35610 - Overhd Conductr, Devices	Insulator - transmission	$4,697	$4,636	$61
WEST PENN POWER	WPCO - PA TL 138KV	Gordon Branch	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$15,932	$15,725	$207
WEST PENN POWER	WPCO - PA TL 138KV	Gordon Branch	35620 - Clearing, Grading of Land	Site Clearing	$7,048	$5,953	$1,095
WEST PENN POWER	WPCO - PA TL 138KV	Gordon Branch	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$114,674	$90,035	$24,639
WEST PENN POWER	WPCO - PA TL 138KV	GORDON-NYSWANER 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$936	$6	$929
WEST PENN POWER	WPCO - PA TL 138KV	GORDON-NYSWANER 138KV	35500 - Poles And Fixtures	Wood Pole	$11,364	$6,230	$5,134
WEST PENN POWER	WPCO - PA TL 138KV	GORDON-NYSWANER 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$112,514	$59,974	$52,540
WEST PENN POWER	WPCO - PA TL 138KV	GORDON-NYSWANER 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$465,529	$248,478	$217,051
WEST PENN POWER	WPCO - PA TL 138KV	GORDON-NYSWANER 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$1,586,289	$862,753	$723,536
WEST PENN POWER	WPCO - PA TL 138KV	GORDON-NYSWANER 138KV	35620 - Clearing, Grading of Land	Site Clearing	$1,134,388	$397,827	$736,561
WEST PENN POWER	WPCO - PA TL 138KV	GORDON-WINDSOR 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$7,443	$5,405	$2,038
WEST PENN POWER	WPCO - PA TL 138KV	GORDON-WINDSOR 138KV	35620 - Clearing, Grading of Land	Site Clearing	$39,334	$19,151	$20,183
WEST PENN POWER	WPCO - PA TL 138KV	GORDON-WINDSOR 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$81,374	$59,095	$22,279
WEST PENN POWER	WPCO - PA TL 138KV	GORDON-WINDSOR 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$143,430	$64,571	$78,859
WEST PENN POWER	WPCO - PA TL 138KV	Grand Point Loop	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$132	$112	$19
WEST PENN POWER	WPCO - PA TL 138KV	Grand Point Loop	35610 - Overhd Conductr, Devices	Insulator - transmission	$401	$342	$59
WEST PENN POWER	WPCO - PA TL 138KV	Grand Point Loop	35500 - Poles And Fixtures	Wood Pole	$3,448	$2,936	$512
WEST PENN POWER	WPCO - PA TL 138KV	Grand Point Loop	35620 - Clearing, Grading of Land	Non-Unitized	$944	$6	$938
WEST PENN POWER	WPCO - PA General Office	Greensburg Corp. Center-C Wing	39110 - Office Furn., Mech. Equip.	Office Furniture	$350,830	$99,126	$251,703
WEST PENN POWER	WPCO - PA UNSPECIFIED	Guilford-Grand Point	35500 - Poles And Fixtures	Non-Unitized	$1,014	$9	$1,005
WEST PENN POWER	WPCO - PA TL 138KV	GUILFORD-GRAND POINT 138KV	35500 - Poles And Fixtures	Crossarm	$2,296	$358	$1,938
WEST PENN POWER	WPCO - PA TL 138KV	GUILFORD-GRAND POINT 138KV	35500 - Poles And Fixtures	Phase Raiser	$21,966	$3,425	$18,541
WEST PENN POWER	WPCO - PA TL 138KV	GUILFORD-MCCONNELLSBURG 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$931	$6	$925
WEST PENN POWER	WPCO - PA TL 138KV	GUILFORD-MCCONNELLSBURG 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$970	$8	$963
WEST PENN POWER	WPCO - PA TL 138KV	GUILFORD-MCCONNELLSBURG 138KV	35610 - Overhd Conductr, Devices	Switch: Equipment Enclosure	$25,378	$15,317	$10,061
WEST PENN POWER	WPCO - PA TL 138KV	GUILFORD-MCCONNELLSBURG 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$28,406	$8,422	$19,984
WEST PENN POWER	WPCO - PA TL 138KV	GUILFORD-MCCONNELLSBURG 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$91,154	$51,096	$40,058
WEST PENN POWER	WPCO - PA TL 138KV	GUILFORD-MCCONNELLSBURG 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$419,210	$376,225	$42,985
WEST PENN POWER	WPCO - PA TL 138KV	GUILFORD-MCCONNELLSBURG 138KV	35620 - Clearing, Grading of Land	Site Clearing	$105,504	$59,000	$46,504
WEST PENN POWER	WPCO - PA TL 138KV	GUILFORD-MCCONNELLSBURG 138KV	35500 - Poles And Fixtures	Crossarm	$253,772	$80,802	$172,970
WEST PENN POWER	WPCO - PA TL 138KV	GUILFORD-MCCONNELLSBURG 138KV	35500 - Poles And Fixtures	Wood Pole	$976,321	$470,416	$505,905
WEST PENN POWER	WPCO - PA TL 138KV	GUILFORD-MCCONNELLSBURG 138KV	35500 - Poles And Fixtures	Phase Raiser	$1,750,101	$102,086	$1,648,015
WEST PENN POWER	WPCO - PA TL 138KV	Guilford-Roxburg	35620 - Clearing, Grading of Land	Non-Unitized	$912	$6	$906
WEST PENN POWER	WPCO - PA TL 138KV	Guilford-Roxburg	35610 - Overhd Conductr, Devices	Non-Unitized	$985	$8	$977
WEST PENN POWER	WPCO - PA TL 138KV	Guilford-Roxburg	35610 - Overhd Conductr, Devices	Grounding (T & D)	$1,230	$133	$1,097
WEST PENN POWER	WPCO - PA TL 138KV	Guilford-Roxburg	35500 - Poles And Fixtures	Non-Unitized	$1,384	$20	$1,364
WEST PENN POWER	WPCO - PA TL 138KV	Guilford-Roxburg	35620 - Clearing, Grading of Land	Site Clearing	$9,093	$7,313	$1,780
WEST PENN POWER	WPCO - PA TL 138KV	Guilford-Roxburg	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$114,063	$111,481	$2,582
WEST PENN POWER	WPCO - PA TL 138KV	Guilford-Roxburg	35610 - Overhd Conductr, Devices	Insulator - transmission	$27,412	$16,057	$11,355
WEST PENN POWER	WPCO - PA TL 138KV	Guilford-Roxburg	35500 - Poles And Fixtures	Crossarm	$39,941	$28,030	$11,911
WEST PENN POWER	WPCO - PA TL 138KV	Guilford-Roxburg	35500 - Poles And Fixtures	Wood Pole	$147,084	$105,466	$41,618
WEST PENN POWER	WPCO - PA TL 138KV	Guilford-Roxburg	35500 - Poles And Fixtures	Phase Raiser	$127,311	$14,647	$112,664
WEST PENN POWER	WPCO - PA TL 138KV	HARRISON CITY-WHITE VALLEY 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$936	$6	$929
WEST PENN POWER	WPCO - PA TL 138KV	HARRISON CITY-WHITE VALLEY 138KV	35500 - Poles And Fixtures	Wood Pole	$1,972	$945	$1,027
WEST PENN POWER	WPCO - PA TL 138KV	HARRISON CITY-WHITE VALLEY 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$149,213	$69,451	$79,762
WEST PENN POWER	WPCO - PA TL 138KV	HARRISON CITY-WHITE VALLEY 138KV	35800 - Undergrnd Conductr,Devices	Cable	$264,051	$129,874	$134,177
WEST PENN POWER	WPCO - PA TL 138KV	HARRISON CITY-WHITE VALLEY 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$302,663	$140,877	$161,786
WEST PENN POWER	WPCO - PA TL 138KV	HARRISON CITY-WHITE VALLEY 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$410,902	$9,145	$401,757
WEST PENN POWER	WPCO - PA TL 138KV	HARRISON CITY-WHITE VALLEY 138KV	35620 - Clearing, Grading of Land	Site Clearing	$677,853	$206,232	$471,621
WEST PENN POWER	WPCO - PA TL 138KV	HARRISON CITY-WHITE VALLEY 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$1,084,686	$519,659	$565,027
WEST PENN POWER	WPCO - PA TL 138KV	HARRISON CITY-WHITE VALLEY 138KV	35500 - Poles And Fixtures	Non-Unitized	$887,762	$21,229	$866,533
WEST PENN POWER	WPCO - PA TL 500KV	Harrison Tap	35610 - Overhd Conductr, Devices	Insulator - transmission	$8,605	$6,766	$1,838
WEST PENN POWER	WPCO - PA TL 500KV	Harrison Tap	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$14,817	$11,652	$3,166
WEST PENN POWER	WPCO - PA TL 500KV	Harrison Tap	35500 - Poles And Fixtures	Wood Pole	$14,184	$10,230	$3,955
WEST PENN POWER	WPCO - PA TL 500KV	Harrison Tap	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$52,306	$34,086	$18,220
WEST PENN POWER	WPCO - PA TL 500KV	HARRISON-WYLIE RIDGE 500KV	35620 - Clearing, Grading of Land	Non-Unitized	$935	$6	$929
WEST PENN POWER	WPCO - PA TL 500KV	HARRISON-WYLIE RIDGE 500KV	35610 - Overhd Conductr, Devices	Non-Unitized	$948	$7	$941
WEST PENN POWER	WPCO - PA TL 500KV	HARRISON-WYLIE RIDGE 500KV	35400 - Towers And Fixtures	Non-Unitized	$948	$6	$942
WEST PENN POWER	WPCO - PA TL 500KV	HARRISON-WYLIE RIDGE 500KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$12,459	$7,933	$4,526
WEST PENN POWER	WPCO - PA TL 500KV	HARRISON-WYLIE RIDGE 500KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$297,403	$250,936	$46,467
WEST PENN POWER	WPCO - PA TL 500KV	HARRISON-WYLIE RIDGE 500KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$2,195,811	$1,862,012	$333,799
WEST PENN POWER	WPCO - PA TL 500KV	HARRISON-WYLIE RIDGE 500KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$3,022,457	$1,843,490	$1,178,967

Schedule 1(a) In-Service Assets

Company	Major Location	Asset Location	Utility Account	Retirement Unit	Original Cost	Allocated Accumulated Depreciation	Net Book Value
WEST PENN POWER	WPCO - PA TL 500KV	HARRISON-WYLIE RIDGE 500KV	35620 - Clearing, Grading of Land	Site Clearing	$2,067,444	$557,560	$1,509,885
WEST PENN POWER	WPCO - PA TL 138KV	HARWICK-HOUSEVILLE 138KV	35620 - Clearing, Grading of Land	Site Clearing	$535	$354	$180
WEST PENN POWER	WPCO - PA TL 138KV	HARWICK-HOUSEVILLE 138KV	35500 - Poles And Fixtures	Crossarm	$2,615	$2,363	$252
WEST PENN POWER	WPCO - PA TL 138KV	HARWICK-HOUSEVILLE 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$945	$6	$938
WEST PENN POWER	WPCO - PA TL 138KV	HARWICK-HOUSEVILLE 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$1,140	$12	$1,128
WEST PENN POWER	WPCO - PA TL 138KV	HARWICK-HOUSEVILLE 138KV	35500 - Poles And Fixtures	Non-Unitized	$1,319	$18	$1,301
WEST PENN POWER	WPCO - PA TL 138KV	HARWICK-HOUSEVILLE 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$29,953	$27,193	$2,759
WEST PENN POWER	WPCO - PA TL 138KV	HARWICK-HOUSEVILLE 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$78,059	$16,251	$61,809
WEST PENN POWER	WPCO - PA TL 138KV	HARWICK-HOUSEVILLE 138KV	35500 - Poles And Fixtures	Wood Pole	$149,212	$30,748	$118,463
WEST PENN POWER	WPCO - PA TL 500KV	Hatfield - Ft. Martin	35610 - Overhd Conductr, Devices	Grounding (T & D)	$1,998	$1,851	$146
WEST PENN POWER	WPCO - PA TL 500KV	Hatfield - Ft. Martin	35610 - Overhd Conductr, Devices	Non-Unitized	$963	$7	$956
WEST PENN POWER	WPCO - PA TL 500KV	Hatfield - Ft. Martin	35610 - Overhd Conductr, Devices	Insulator - transmission	$130,080	$106,668	$23,413
WEST PENN POWER	WPCO - PA TL 500KV	Hatfield - Ft. Martin	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$714,149	$638,527	$75,622
WEST PENN POWER	WPCO - PA TL 500KV	Hatfield - Ft. Martin	35620 - Clearing, Grading of Land	Site Clearing	$319,599	$71,637	$247,962
WEST PENN POWER	WPCO - PA TL 500KV	Hatfield - Ft. Martin	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$1,225,765	$913,498	$312,266
WEST PENN POWER	WPCO - PA TL 500KV	HATFIELD - RHODES LANE 500 KV LINE	35800 - Undergrnd Conductr,Devices	Grounding (T & D)	$123	$13	$110
WEST PENN POWER	WPCO - PA TL 500KV	HATFIELD - RHODES LANE 500 KV LINE	35610 - Overhd Conductr, Devices	Grounding (T & D)	$3,391	$3,241	$149
WEST PENN POWER	WPCO - PA TL 500KV	HATFIELD - RHODES LANE 500 KV LINE	35800 - Undergrnd Conductr,Devices	Non-Unitized	$948	$12	$936
WEST PENN POWER	WPCO - PA TL 500KV	HATFIELD - RHODES LANE 500 KV LINE	35610 - Overhd Conductr, Devices	Non-Unitized	$983	$8	$975
WEST PENN POWER	WPCO - PA TL 500KV	HATFIELD - RHODES LANE 500 KV LINE	35500 - Poles And Fixtures	Non-Unitized	$1,014	$9	$1,004
WEST PENN POWER	WPCO - PA TL 500KV	HATFIELD - RHODES LANE 500 KV LINE	35610 - Overhd Conductr, Devices	Insulator - transmission	$195,237	$177,919	$17,319
WEST PENN POWER	WPCO - PA TL 500KV	HATFIELD - RHODES LANE 500 KV LINE	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$24,070	$1,843	$22,226
WEST PENN POWER	WPCO - PA TL 500KV	HATFIELD - RHODES LANE 500 KV LINE	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$1,347,418	$1,286,221	$61,197
WEST PENN POWER	WPCO - PA TL 500KV	HATFIELD - RHODES LANE 500 KV LINE	35620 - Clearing, Grading of Land	Site Clearing	$252,834	$149,135	$103,698
WEST PENN POWER	WPCO - PA TL 500KV	HATFIELD - RHODES LANE 500 KV LINE	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$2,332,945	$1,626,366	$706,580
WEST PENN POWER	WPCO - PA TL 500KV	HATFIELD - RONCO 500 KV LINE	35610 - Overhd Conductr, Devices	Non-Unitized	$986	$8	$978
WEST PENN POWER	WPCO - PA TL 500KV	HATFIELD - RONCO 500 KV LINE	35610 - Overhd Conductr, Devices	Insulator - transmission	$13,737	$1,485	$12,252
WEST PENN POWER	WPCO - PA TL 500KV	Hatfield - Yukon	35610 - Overhd Conductr, Devices	Insulator - transmission	$0	$0	$0
WEST PENN POWER	WPCO - PA TL 138KV	HATFIELD RESERVE-LARDIN 138KV	35400 - Towers And Fixtures	Structure	$835	$567	$268
WEST PENN POWER	WPCO - PA TL 138KV	HATFIELD RESERVE-LARDIN 138KV	35500 - Poles And Fixtures	Crossarm	$4,917	$4,626	$291
WEST PENN POWER	WPCO - PA TL 138KV	HATFIELD RESERVE-LARDIN 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$12,344	$11,679	$665
WEST PENN POWER	WPCO - PA TL 138KV	HATFIELD RESERVE-LARDIN 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$26,747	$25,306	$1,441
WEST PENN POWER	WPCO - PA TL 138KV	HATFIELD RESERVE-LARDIN 138KV	35500 - Poles And Fixtures	Wood Pole	$34,516	$32,475	$2,041
WEST PENN POWER	WPCO - PA TL 138KV	HATFIELD RESERVE-LARDIN 138KV	35620 - Clearing, Grading of Land	Site Clearing	$18,604	$13,490	$5,115
WEST PENN POWER	WPCO - PA TL 138KV	HATFIELD RESERVE-LARDIN 138KV	35610 - Overhd Conductr, Devices	Switch: Equipment Enclosure	$32,212	$24,644	$7,567
WEST PENN POWER	WPCO - PA TL 138KV	HATFIELD RESERVE-LARDIN 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$80,973	$54,998	$25,975
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Weather station	$11,751	$11,751	$0
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Relaying Equipment	$336	$24	$311
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35210 - Structures, Improvements	Landscaping	$664	$316	$348
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Controls and Instrumentation	$602	$44	$558
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Crossarm	$1,858	$1,298	$560
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35210 - Structures, Improvements	Sanitary/Septic Sewer System	$3,600	$2,796	$804
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35210 - Structures, Improvements	Potable Water Supply System	$4,061	$3,154	$907
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35210 - Structures, Improvements	Non-Unitized	$948	$7	$941
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Wood Pole	$4,085	$2,854	$1,231
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35210 - Structures, Improvements	Well	$5,744	$4,462	$1,283
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35210 - Structures, Improvements	Heater	$2,718	$1,247	$1,471
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Line Tuning Assembly	$7,690	$3,958	$3,731
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Equipment Enclosure	$4,835	$649	$4,186
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Conduit	$5,050	$424	$4,625
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Wiring	$6,207	$833	$5,373
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Transformer, Potential : Each	$6,278	$748	$5,530
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Cable	$8,680	$3,001	$5,678
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35210 - Structures, Improvements	HVAC	$13,342	$6,700	$6,642
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	CT 46KV - 69KV	$7,772	$926	$6,846
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Relays	$10,551	$1,242	$9,309
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Carrier Equipment System	$28,866	$19,273	$9,593
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35210 - Structures, Improvements	Roof	$14,725	$4,194	$10,531
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35210 - Structures, Improvements	Foundation - Building	$30,802	$19,852	$10,950
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Grounding System, Station	$52,838	$40,860	$11,978
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Conduit/Duct System	$64,069	$50,094	$13,975
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Bus	$64,210	$48,767	$15,443
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35210 - Structures, Improvements	Lighting/Power System	$66,391	$50,704	$15,688
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Misc Tools & Equipment	$34,311	$17,030	$17,281
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Fault Detector	$22,451	$4,660	$17,790
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35210 - Structures, Improvements	Yard Surfacing	$91,416	$71,005	$20,411
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Line Wave Trap	$59,082	$38,540	$20,542
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Cable Tray	$133,207	$111,495	$21,712
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Transformer, Station Service : Each	$29,107	$1,659	$27,448
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Pole	$29,321	$1,671	$27,650
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Generator, Motor Sets & Auxiliary S	$66,102	$36,157	$29,945
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Tank	$42,129	$9,347	$32,783
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35210 - Structures, Improvements	Driveways, Parking, Roads and Walks	$192,518	$149,534	$42,984
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Transformer, Instrument	$97,413	$41,015	$56,399
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Coupling Capacitor	$153,700	$88,752	$64,948
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Battery System	$102,912	$14,972	$87,940
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Non-Unitized	$101,435	$3,839	$97,596
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Lighting Fixtures	$118,507	$10,481	$108,027
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Arrester, Lightning & Surge Protect	$206,663	$98,098	$108,565
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Foundation - Equipment	$604,522	$479,922	$124,600
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Cable, Wiring	$315,135	$186,643	$128,491
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Heater	$148,134	$13,101	$135,033
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35210 - Structures, Improvements	Building	$259,551	$122,789	$136,762
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Structure	$796,219	$642,535	$153,685
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	39700 - Communication Equipment	Fiber Optic Cable	$222,768	$65,465	$157,304
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35210 - Structures, Improvements	Security System	$202,942	$45,597	$157,345
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Bus-Insulators	$456,203	$263,443	$192,760
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Control Wiring	$638,986	$410,934	$228,052
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	RTU - SCADA	$331,335	$87,711	$243,624
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Communication System	$277,662	$11,376	$266,286
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Transformer, Other	$426,585	$56,163	$370,422
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Switching Equipment	$736,705	$329,365	$407,340
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Cabinets/Panels/Consoles	$1,067,994	$550,801	$517,192
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Switch	$1,540,804	$907,899	$632,906
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35210 - Structures, Improvements	Fence	$865,456	$42,353	$823,103
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Security System	$896,095	$51,068	$845,027
WEST PENN POWER	WPCO - PA Trans Subs	HATFIELD-WP	35300 - Station Equipment	Circuit Breaker	$3,988,334	$1,496,363	$2,491,971
WEST PENN POWER	WPCO - PA TL 138KV	Hempfield Branch	35610 - Overhd Conductr, Devices	Grounding (T & D)	$1,494	$1,438	$56
WEST PENN POWER	WPCO - PA TL 138KV	Hempfield Branch	35610 - Overhd Conductr, Devices	Insulator - transmission	$13,662	$11,973	$1,689
WEST PENN POWER	WPCO - PA TL 138KV	Hempfield Branch	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$68,744	$64,903	$3,841
WEST PENN POWER	WPCO - PA TL 138KV	Hempfield Branch	35620 - Clearing, Grading of Land	Site Clearing	$34,097	$25,701	$8,396
WEST PENN POWER	WPCO - PA TL 138KV	Hempfield Branch	35610 - Overhd Conductr, Devices	Non-Unitized	$41,314	$1,571	$39,743
WEST PENN POWER	WPCO - PA TL 138KV	Hempfield Branch	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$440,341	$303,604	$136,737
WEST PENN POWER	WPCO - PA TL 138KV	Hopewell - Clarksville	35610 - Overhd Conductr, Devices	Grounding (T & D)	$968	$967	$1
WEST PENN POWER	WPCO - PA TL 138KV	Hopewell - Clarksville	35620 - Clearing, Grading of Land	Site Clearing	$10,931	$9,538	$1,392
WEST PENN POWER	WPCO - PA TL 138KV	Hopewell - Clarksville	35500 - Poles And Fixtures	Crossarm	$28,973	$24,340	$4,633
WEST PENN POWER	WPCO - PA TL 138KV	Hopewell - Clarksville	35610 - Overhd Conductr, Devices	Insulator - transmission	$34,045	$29,031	$5,014
WEST PENN POWER	WPCO - PA TL 138KV	Hopewell - Clarksville	35500 - Poles And Fixtures	Wood Pole	$56,531	$45,189	$11,343
WEST PENN POWER	WPCO - PA TL 138KV	Hopewell - Clarksville	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$254,679	$217,171	$37,507
WEST PENN POWER	WPCO - PA Dist Subs	HOUSEVILLE	35300 - Station Equipment	Non-Unitized	$948	$8	$940
WEST PENN POWER	WPCO - PA Dist Subs	HOUSEVILLE	35300 - Station Equipment	Battery Charger	$6,524	$1,348	$5,176
WEST PENN POWER	WPCO - PA Dist Subs	HOUSEVILLE	35300 - Station Equipment	Battery System	$13,979	$2,888	$11,091
WEST PENN POWER	WPCO - PA TL 138KV	Houseville Loop	35620 - Clearing, Grading of Land	Site Clearing	$3,389	$2,468	$921
WEST PENN POWER	WPCO - PA TL 138KV	Houseville Loop	35500 - Poles And Fixtures	Crossarm	$8,762	$7,235	$1,527
WEST PENN POWER	WPCO - PA TL 138KV	Houseville Loop	35610 - Overhd Conductr, Devices	Insulator - transmission	$17,682	$14,597	$3,085
WEST PENN POWER	WPCO - PA TL 138KV	Houseville Loop	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$32,671	$26,970	$5,701
WEST PENN POWER	WPCO - PA TL 138KV	Houseville Loop	35500 - Poles And Fixtures	Wood Pole	$54,588	$45,077	$9,512
WEST PENN POWER	WPCO - PA Dist Subs	HOUSTON	35300 - Station Equipment	Non-Unitized	$1,415	$190	$1,225

Schedule 1(a) In-Service Assets

Company	Major Location	Asset Location	Utility Account	Retirement Unit	Original Cost	Allocated Accumulated Depreciation	Net Book Value
WEST PENN POWER	WPCO - PA TL 138KV	Houston - Cecil	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$51,131	$46,057	$5,074
WEST PENN POWER	WPCO - PA TL 138KV	Houston - Cecil	35620 - Clearing, Grading of Land	Site Clearing	$53,772	$41,829	$11,943
WEST PENN POWER	WPCO - PA TL 138KV	Houston - Cecil	35610 - Overhd Conductr, Devices	Grounding (T & D)	$28,504	$1,626	$26,878
WEST PENN POWER	WPCO - PA TL 138KV	Houston - Cecil	35500 - Poles And Fixtures	Crossarm	$157,419	$16,196	$141,223
WEST PENN POWER	WPCO - PA TL 138KV	Houston - Cecil	35610 - Overhd Conductr, Devices	Insulator - transmission	$186,462	$22,670	$163,791
WEST PENN POWER	WPCO - PA TL 138KV	Houston - Cecil	35500 - Poles And Fixtures	Wood Pole	$521,970	$73,268	$448,701
WEST PENN POWER	WPCO - PA TL 138KV	Houston - Cecil	35500 - Poles And Fixtures	Phase Raiser	$844,063	$49,235	$794,828
WEST PENN POWER	WPCO - PA TL 138KV	Houston - Gordon	35610 - Overhd Conductr, Devices	Grounding (T & D)	$24	$23	$1
WEST PENN POWER	WPCO - PA TL 138KV	Houston - Gordon	35500 - Poles And Fixtures	Crossarm	$14,111	$13,206	$905
WEST PENN POWER	WPCO - PA TL 138KV	Houston - Gordon	35620 - Clearing, Grading of Land	Non-Unitized	$936	$6	$929
WEST PENN POWER	WPCO - PA TL 138KV	Houston - Gordon	35500 - Poles And Fixtures	Non-Unitized	$948	$7	$940
WEST PENN POWER	WPCO - PA TL 138KV	Houston - Gordon	35610 - Overhd Conductr, Devices	Non-Unitized	$948	$7	$941
WEST PENN POWER	WPCO - PA TL 138KV	Houston - Gordon	35500 - Poles And Fixtures	Wood Pole	$90,091	$82,375	$7,716
WEST PENN POWER	WPCO - PA TL 138KV	Houston - Gordon	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$69,975	$52,233	$17,742
WEST PENN POWER	WPCO - PA TL 138KV	Houston - Gordon	35610 - Overhd Conductr, Devices	Insulator - transmission	$48,947	$18,791	$30,156
WEST PENN POWER	WPCO - PA TL 138KV	Houston - Gordon	35620 - Clearing, Grading of Land	Site Clearing	$37,812	$4,677	$33,135
WEST PENN POWER	WPCO - PA TL 138KV	Houston - Gordon	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$316,626	$125,934	$190,692
WEST PENN POWER	WPCO - PA TL 138KV	Houston - Gordon	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$840,741	$167,205	$673,535
WEST PENN POWER	WPCO - PA TL 138KV	Huntingdon Branch	35610 - Overhd Conductr, Devices	Grounding (T & D)	$779	$768	$12
WEST PENN POWER	WPCO - PA TL 138KV	Huntingdon Branch	35610 - Overhd Conductr, Devices	Insulator - transmission	$7,470	$7,014	$456
WEST PENN POWER	WPCO - PA TL 138KV	Huntingdon Branch	35620 - Clearing, Grading of Land	Site Clearing	$15,607	$12,667	$2,940
WEST PENN POWER	WPCO - PA TL 138KV	Huntingdon Branch	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$77,882	$72,338	$5,544
WEST PENN POWER	WPCO - PA TL 138KV	Huntingdon Branch	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$153,007	$107,005	$46,002
WEST PENN POWER	WPCO - PA TL 138KV	HUNTINGDON-SPRINGDALE 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$22,088	$14,283	$7,805
WEST PENN POWER	WPCO - PA TL 138KV	HUNTINGDON-SPRINGDALE 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$104,292	$67,438	$36,854
WEST PENN POWER	WPCO - PA TL 138KV	HUNTINGDON-SPRINGDALE 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$1,890,856	$1,239,779	$651,077
WEST PENN POWER	WPCO - PA CUST SUBS	IMPERIAL BRANCH	35300 - Station Equipment	Non-Unitized	$43,855	$3,878	$39,976
WEST PENN POWER	WPCO - PA TL 138KV	IRON BRIDGE-DONEGAL 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$885	$6	$879
WEST PENN POWER	WPCO - PA TL 138KV	IRON BRIDGE-DONEGAL 138KV	35610 - Overhd Conductr, Devices	Switch: Equipment Enclosure	$29,586	$17,857	$11,730
WEST PENN POWER	WPCO - PA TL 138KV	IRON BRIDGE-DONEGAL 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$79,466	$62,367	$17,098
WEST PENN POWER	WPCO - PA TL 138KV	IRON BRIDGE-DONEGAL 138KV	35500 - Poles And Fixtures	Crossarm	$168,756	$131,388	$37,368
WEST PENN POWER	WPCO - PA TL 138KV	IRON BRIDGE-DONEGAL 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$437,230	$345,540	$91,690
WEST PENN POWER	WPCO - PA TL 138KV	IRON BRIDGE-DONEGAL 138KV	35500 - Poles And Fixtures	Wood Pole	$799,161	$631,354	$167,808
WEST PENN POWER	WPCO - PA TL 138KV	IRON BRIDGE-DONEGAL 138KV	35620 - Clearing, Grading of Land	Site Clearing	$405,515	$178,565	$226,951
WEST PENN POWER	WPCO - PA Trans Subs	JEANNETTE POWER CONTROL CENTER	39700 - Communication Equipment	WPCO- Communication Equipment	$5,421,631	$3,417,534	$2,004,097
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$944	$6	$938
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$1,644	$35	$1,609
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35500 - Poles And Fixtures	Crossarm	$54,400	$49,557	$4,844
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35500 - Poles And Fixtures	Non-Unitized	$10,403	$917	$9,486
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$12,860	$1,602	$11,257
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35620 - Clearing, Grading of Land	Site Clearing	$61,060	$37,205	$23,855
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$99,126	$49,457	$49,669
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35610 - Overhd Conductr, Devices	Switch - Mass	$69,038	$7,465	$61,574
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$320,583	$226,652	$93,931
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$262,225	$148,868	$113,357
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$128,114	$14,739	$113,375
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35500 - Poles And Fixtures	Structure	$191,948	$48,457	$143,491
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35500 - Poles And Fixtures	Wood Pole	$222,670	$25,618	$197,052
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35500 - Poles And Fixtures	Phase Raiser	$242,300	$14,134	$228,167
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35610 - Overhd Conductr, Devices	Transmission Shunt Splice	$34	$3	$31
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35500 - Poles And Fixtures	Structure	$448	$43	$405
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$951	$7	$944
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35500 - Poles And Fixtures	Non-Unitized	$952	$8	$945
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$1,137	$109	$1,028
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$24,139	$1,339	$22,800
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$51,264	$2,823	$48,441
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$78,462	$4,365	$74,097
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35500 - Poles And Fixtures	Crossarm	$413,039	$24,093	$388,945
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35500 - Poles And Fixtures	Phase Raiser	$626,923	$36,569	$590,353
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-NORTH FAYETTE 138KV	35500 - Poles And Fixtures	Wood Pole	$771,360	$80,637	$690,723
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-SMITH 138KV	35610 - Overhd Conductr, Devices	Transmission Shunt Splice	$59	$5	$54
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-SMITH 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$87	$8	$79
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-SMITH 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$353	$32	$321
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-SMITH 138KV	35500 - Poles And Fixtures	Structure	$448	$43	$405
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-SMITH 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$663	$59	$604
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-SMITH 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$951	$7	$944
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-SMITH 138KV	35500 - Poles And Fixtures	Non-Unitized	$953	$8	$946
WEST PENN POWER	WPCO - PA TL 138KV	JOFFRE-SMITH 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$1,539	$147	$1,392
WEST PENN POWER	WPCO - PA TL 500KV	Kammer-Fort Martin	35610 - Overhd Conductr, Devices	Grounding (T & D)	$8,077	$7,733	$344
WEST PENN POWER	WPCO - PA TL 500KV	Kammer-Fort Martin	35620 - Clearing, Grading of Land	Non-Unitized	$948	$6	$941
WEST PENN POWER	WPCO - PA TL 500KV	Kammer-Fort Martin	35610 - Overhd Conductr, Devices	Non-Unitized	$1,019	$9	$1,010
WEST PENN POWER	WPCO - PA TL 500KV	Kammer-Fort Martin	35610 - Overhd Conductr, Devices	Insulator - transmission	$183,975	$145,197	$38,778
WEST PENN POWER	WPCO - PA TL 500KV	Kammer-Fort Martin	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$1,323,414	$1,188,754	$134,660
WEST PENN POWER	WPCO - PA TL 500KV	Kammer-Fort Martin	35620 - Clearing, Grading of Land	Site Clearing	$382,160	$144,348	$237,812
WEST PENN POWER	WPCO - PA TL 500KV	Kammer-Fort Martin	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$2,538,362	$1,911,977	$626,384
WEST PENN POWER	WPCO - PA TL 138KV	Karns City - Kissinger Jct.	35620 - Clearing, Grading of Land	Non-Unitized	$936	$6	$929
WEST PENN POWER	WPCO - PA TL 138KV	Karns City - Kissinger Jct.	35610 - Overhd Conductr, Devices	Switch: Equipment Enclosure	$10,969	$8,546	$2,423
WEST PENN POWER	WPCO - PA TL 138KV	Karns City - Kissinger Jct.	35500 - Poles And Fixtures	Crossarm	$60,801	$34,849	$25,952
WEST PENN POWER	WPCO - PA TL 138KV	Karns City - Kissinger Jct.	35610 - Overhd Conductr, Devices	Insulator - transmission	$81,445	$43,830	$37,614
WEST PENN POWER	WPCO - PA TL 138KV	Karns City - Kissinger Jct.	35620 - Clearing, Grading of Land	Site Clearing	$125,678	$36,691	$88,987
WEST PENN POWER	WPCO - PA TL 138KV	Karns City - Kissinger Jct.	35500 - Poles And Fixtures	Wood Pole	$423,246	$242,087	$181,160
WEST PENN POWER	WPCO - PA TL 138KV	Karns City - Kissinger Jct.	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$391,930	$209,990	$181,940
WEST PENN POWER	WPCO - PA TL 138KV	KARNS CITY-BUTLER 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$73,107	$72,827	$280
WEST PENN POWER	WPCO - PA TL 138KV	KARNS CITY-BUTLER 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$918	$6	$911
WEST PENN POWER	WPCO - PA TL 138KV	KARNS CITY-BUTLER 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$1,086	$12	$1,074
WEST PENN POWER	WPCO - PA TL 138KV	KARNS CITY-BUTLER 138KV	35500 - Poles And Fixtures	Non-Unitized	$3,259	$133	$3,126
WEST PENN POWER	WPCO - PA TL 138KV	KARNS CITY-BUTLER 138KV	35620 - Clearing, Grading of Land	Site Clearing	$28,605	$23,543	$5,062
WEST PENN POWER	WPCO - PA TL 138KV	KARNS CITY-BUTLER 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$71,247	$60,689	$10,559
WEST PENN POWER	WPCO - PA TL 138KV	KARNS CITY-BUTLER 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$62,339	$22,195	$40,144
WEST PENN POWER	WPCO - PA TL 138KV	KARNS CITY-BUTLER 138KV	35500 - Poles And Fixtures	Wood Pole	$312,599	$152,212	$160,387
WEST PENN POWER	WPCO - PA TL 138KV	KARNS CITY-BUTLER 138KV	35500 - Poles And Fixtures	Phase Raiser	$197,070	$22,673	$174,397
WEST PENN POWER	WPCO - PA TL 138KV	KARNS CITY-BUTLER 138KV	35500 - Poles And Fixtures	Crossarm	$274,426	$45,055	$229,372
WEST PENN POWER	WPCO - PA Dist Subs	KEISTERS	35300 - Station Equipment	Non-Unitized	$948	$8	$940
WEST PENN POWER	WPCO - PA Dist Subs	KEISTERS	35300 - Station Equipment	Revenue Metering Equipment	$3,517	$200	$3,316
WEST PENN POWER	WPCO - PA Dist Subs	KEISTERS	35210 - Structures, Improvements	Yard Surfacing	$3,557	$174	$3,383
WEST PENN POWER	WPCO - PA Dist Subs	KEISTERS	35300 - Station Equipment	Bus-Insulators	$4,558	$260	$4,298
WEST PENN POWER	WPCO - PA Dist Subs	KEISTERS	35300 - Station Equipment	Relays	$4,852	$277	$4,575
WEST PENN POWER	WPCO - PA Dist Subs	KEISTERS	35300 - Station Equipment	Battery Charger	$4,911	$280	$4,631
WEST PENN POWER	WPCO - PA Dist Subs	KEISTERS	35300 - Station Equipment	Grounding System, Station	$8,268	$471	$7,797
WEST PENN POWER	WPCO - PA Dist Subs	KEISTERS	35300 - Station Equipment	Line Tuning Assembly	$8,461	$482	$7,979
WEST PENN POWER	WPCO - PA Dist Subs	KEISTERS	35300 - Station Equipment	Arrester, Lightning & Surge Protect	$11,323	$645	$10,678
WEST PENN POWER	WPCO - PA Dist Subs	KEISTERS	35300 - Station Equipment	Line Wave Trap	$19,040	$1,085	$17,955
WEST PENN POWER	WPCO - PA Dist Subs	KEISTERS	35300 - Station Equipment	Transformer, Current : Each	$19,890	$1,134	$18,757
WEST PENN POWER	WPCO - PA Dist Subs	KEISTERS	35300 - Station Equipment	Battery Cell Assembly	$27,644	$1,575	$26,068
WEST PENN POWER	WPCO - PA Dist Subs	KEISTERS	35300 - Station Equipment	Control Wiring	$30,100	$1,856	$28,244
WEST PENN POWER	WPCO - PA Dist Subs	KEISTERS	35300 - Station Equipment	Foundation - Equipment	$49,105	$2,798	$46,306
WEST PENN POWER	WPCO - PA Dist Subs	KEISTERS	35300 - Station Equipment	Bus	$58,056	$3,407	$54,648

Schedule 1(a) In-Service Assets

Company	Major Location	Asset Location	Utility Account	Retirement Unit	Original Cost	Allocated Accumulated Depreciation	Net Book Value
WEST PENN POWER	WPCO - PA Dist Subs	KEISTERS	35300 - Station Equipment	Carrier Equipment System	$69,165	$3,942	$65,224
WEST PENN POWER	WPCO - PA Dist Subs	KEISTERS	35300 - Station Equipment	Structure	$70,715	$4,030	$66,685
WEST PENN POWER	WPCO - PA Dist Subs	KEISTERS	35300 - Station Equipment	Relaying Equipment	$73,894	$4,211	$69,682
WEST PENN POWER	WPCO - PA Dist Subs	KEISTERS	35300 - Station Equipment	Conduit/Duct System	$111,510	$6,355	$105,155
WEST PENN POWER	WPCO - PA Dist Subs	KEISTERS	35300 - Station Equipment	Switch	$171,534	$27,284	$144,250
WEST PENN POWER	WPCO - PA Dist Subs	KEISTERS	35300 - Station Equipment	Cabinets/Panels/Consoles	$265,756	$15,145	$250,610
WEST PENN POWER	WPCO - PA Dist Subs	KEISTERS	35300 - Station Equipment	Circuit Breaker	$431,271	$24,578	$406,693
WEST PENN POWER	WPCO - PA UNSPECIFIED	Keisters-Karns City	35620 - Clearing, Grading of Land	Site Clearing	$17,472	$1,890	$15,582
WEST PENN POWER	WPCO - PA TL 138KV	KEISTERS-KRENDALE 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$927	$6	$921
WEST PENN POWER	WPCO - PA TL 138KV	KEISTERS-KRENDALE 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$1,069	$10	$1,059
WEST PENN POWER	WPCO - PA TL 138KV	KEISTERS-KRENDALE 138KV	35500 - Poles And Fixtures	Non-Unitized	$1,452	$22	$1,430
WEST PENN POWER	WPCO - PA TL 138KV	KEISTERS-KRENDALE 138KV	35500 - Poles And Fixtures	Crossarm	$123,148	$81,371	$41,778
WEST PENN POWER	WPCO - PA TL 138KV	KEISTERS-KRENDALE 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$292,164	$248,764	$43,399
WEST PENN POWER	WPCO - PA TL 138KV	KEISTERS-KRENDALE 138KV	35500 - Poles And Fixtures	Phase Raiser	$52,794	$7,138	$45,657
WEST PENN POWER	WPCO - PA TL 138KV	KEISTERS-KRENDALE 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$117,991	$65,657	$52,334
WEST PENN POWER	WPCO - PA TL 138KV	KEISTERS-KRENDALE 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$500,668	$426,933	$73,735
WEST PENN POWER	WPCO - PA TL 138KV	KEISTERS-KRENDALE 138KV	35620 - Clearing, Grading of Land	Site Clearing	$229,030	$118,879	$110,152
WEST PENN POWER	WPCO - PA TL 138KV	KEISTERS-KRENDALE 138KV	35500 - Poles And Fixtures	Wood Pole	$488,199	$334,176	$154,023
WEST PENN POWER	WPCO - PA TL 500KV	KEYSTONE - SOUTH BEND 500 KV LINE	35610 - Overhd Conductr, Devices	Grounding (T & D)	$10,937	$10,471	$466
WEST PENN POWER	WPCO - PA TL 500KV	KEYSTONE - SOUTH BEND 500 KV LINE	35610 - Overhd Conductr, Devices	Non-Unitized	$966	$7	$958
WEST PENN POWER	WPCO - PA TL 500KV	KEYSTONE - SOUTH BEND 500 KV LINE	35610 - Overhd Conductr, Devices	Transmission Shunt Splice	$5,355	$579	$4,776
WEST PENN POWER	WPCO - PA TL 500KV	KEYSTONE - SOUTH BEND 500 KV LINE	35610 - Overhd Conductr, Devices	Insulator - transmission	$260,170	$225,002	$35,167
WEST PENN POWER	WPCO - PA TL 500KV	KEYSTONE - SOUTH BEND 500 KV LINE	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$2,024,655	$1,830,880	$193,775
WEST PENN POWER	WPCO - PA TL 500KV	KEYSTONE - SOUTH BEND 500 KV LINE	35620 - Clearing, Grading of Land	Site Clearing	$405,377	$156,941	$248,436
WEST PENN POWER	WPCO - PA TL 500KV	KEYSTONE - SOUTH BEND 500 KV LINE	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$3,973,176	$2,888,093	$1,085,083
WEST PENN POWER	WPCO - PA TL 138KV	King Farm-Stoner Junction	35610 - Overhd Conductr, Devices	Non-Unitized	$978	$8	$970
WEST PENN POWER	WPCO - PA TL 138KV	King Farm-Stoner Junction	35500 - Poles And Fixtures	Non-Unitized	$1,006	$9	$997
WEST PENN POWER	WPCO - PA TL 138KV	King Farm-Stoner Junction	35500 - Poles And Fixtures	Crossarm	$6,609	$1,761	$4,848
WEST PENN POWER	WPCO - PA TL 138KV	King Farm-Stoner Junction	35500 - Poles And Fixtures	Phase Raiser	$21,144	$3,297	$17,847
WEST PENN POWER	WPCO - PA TL 138KV	King Farm-Stoner Junction	35610 - Overhd Conductr, Devices	Insulator - transmission	$72,341	$16,563	$55,778
WEST PENN POWER	WPCO - PA TL 138KV	King Farm-Stoner Junction	35500 - Poles And Fixtures	Wood Pole	$476,793	$127,065	$349,728
WEST PENN POWER	WPCO - PA TL 138KV	King Farm-Stoner Junction	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$468,988	$119,169	$349,819
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Equipment Protective Lighting & Pow	$652	$652	$0
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Carrier Equipment System	$410	$410	$0
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Equipment Enclosure	$392	$392	$0
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Misc Tools & Equipment	$2,213	$2,213	$0
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Crossarm	$132	$129	$3
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35210 - Structures, Improvements	Sanitary/Septic Sewer System	$135	$128	$7
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Wood Pole	$340	$333	$7
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35210 - Structures, Improvements	Potable Water Supply System	$595	$564	$31
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Line Tuning Assembly	$3,306	$3,271	$35
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Switching Equipment	$12,422	$12,374	$49
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35210 - Structures, Improvements	Roof	$1,374	$1,303	$71
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35210 - Structures, Improvements	Well	$482	$388	$94
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Line Wave Trap	$8,978	$8,845	$132
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35210 - Structures, Improvements	Landscaping	$732	$580	$151
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Cable Tray	$1,748	$1,557	$192
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35210 - Structures, Improvements	Yard Drainage System	$992	$729	$263
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Conduit/Duct System	$6,625	$6,223	$402
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35210 - Structures, Improvements	Fence	$3,891	$3,465	$426
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Structure	$75,349	$74,705	$644
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35210 - Structures, Improvements	Lighting/Power System	$6,349	$5,584	$765
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35210 - Structures, Improvements	Heater	$1,549	$776	$774
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35210 - Structures, Improvements	Railroad Track System	$7,042	$6,261	$781
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Bus	$20,127	$19,181	$946
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	39700 - Communication Equipment	Non-Unitized	$1,293	$271	$1,022
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Fuse Equipment	$11,826	$10,322	$1,504
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Battery System	$12,181	$10,560	$1,621
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35210 - Structures, Improvements	Yard Surfacing	$12,324	$10,610	$1,714
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Grounding System, Station	$13,609	$11,479	$2,130
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Foundation - Equipment	$68,451	$64,269	$4,182
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Arrester, Lightning & Surge Protect	$30,086	$21,873	$8,213
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Bus-Insulators	$44,603	$35,805	$8,799
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Cable, Wiring	$43,381	$33,715	$9,666
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35210 - Structures, Improvements	Building	$30,965	$20,549	$10,416
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Coupling Capacitor	$30,963	$16,901	$14,062
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Battery Charger	$15,785	$692	$15,093
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Control Wiring	$102,538	$86,517	$16,021
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35210 - Structures, Improvements	Driveways, Parking, Roads and Walks	$47,656	$15,532	$32,124
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	RTU - SCADA	$58,695	$25,839	$32,856
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Transformer, Instrument	$102,479	$57,399	$45,080
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Oil Storage & Filtering System	$87,104	$24,508	$62,597
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Transformer, Power	$389,137	$318,993	$70,144
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Switch	$238,180	$166,835	$71,345
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Cabinets/Panels/Consoles	$531,267	$445,685	$85,582
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Circuit Breaker	$476,094	$268,496	$207,598
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Communication System	$219,091	$5,421	$213,670
WEST PENN POWER	WPCO - PA Trans Subs	KISKI VALLEY - TRANSMISSION	35300 - Station Equipment	Non-Unitized	$286,022	$26,265	$259,757
WEST PENN POWER	WPCO - PA TL 138KV	Kiski Valley Loop	35620 - Clearing, Grading of Land	Site Clearing	$897	$844	$54
WEST PENN POWER	WPCO - PA TL 138KV	Kiski Valley Loop	35610 - Overhd Conductr, Devices	Insulator - transmission	$6,568	$5,658	$910
WEST PENN POWER	WPCO - PA TL 138KV	Kiski Valley Loop	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$18,787	$16,020	$2,767
WEST PENN POWER	WPCO - PA TL 138KV	Kiski Valley Loop	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$97,740	$56,035	$41,705
WEST PENN POWER	WPCO - PA TL 138KV	KISKI VALLEY-NORTH WASHINGTON 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$922	$6	$916
WEST PENN POWER	WPCO - PA TL 138KV	KISKI VALLEY-NORTH WASHINGTON 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$4,801	$2,897	$1,903
WEST PENN POWER	WPCO - PA TL 138KV	KISKI VALLEY-NORTH WASHINGTON 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$71,262	$43,010	$28,252
WEST PENN POWER	WPCO - PA TL 138KV	KISKI VALLEY-NORTH WASHINGTON 138KV	35500 - Poles And Fixtures	Crossarm	$138,650	$85,149	$53,501
WEST PENN POWER	WPCO - PA TL 138KV	KISKI VALLEY-NORTH WASHINGTON 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$352,469	$212,732	$139,737
WEST PENN POWER	WPCO - PA TL 138KV	KISKI VALLEY-NORTH WASHINGTON 138KV	35500 - Poles And Fixtures	Wood Pole	$1,045,790	$642,249	$403,541
WEST PENN POWER	WPCO - PA TL 138KV	KISKI VALLEY-NORTH WASHINGTON 138KV	35620 - Clearing, Grading of Land	Site Clearing	$844,048	$324,860	$519,188
WEST PENN POWER	WPCO - PA TL 138KV	KISKI VALLEY-VANDERGRIFT 138KV	35500 - Poles And Fixtures	Crossarm	$1,651	$1,493	$159
WEST PENN POWER	WPCO - PA TL 138KV	KISKI VALLEY-VANDERGRIFT 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$929	$6	$923
WEST PENN POWER	WPCO - PA TL 138KV	KISKI VALLEY-VANDERGRIFT 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$985	$8	$977
WEST PENN POWER	WPCO - PA TL 138KV	KISKI VALLEY-VANDERGRIFT 138KV	35500 - Poles And Fixtures	Non-Unitized	$1,124	$12	$1,111
WEST PENN POWER	WPCO - PA TL 138KV	KISKI VALLEY-VANDERGRIFT 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$28,215	$25,616	$2,599
WEST PENN POWER	WPCO - PA TL 138KV	KISKI VALLEY-VANDERGRIFT 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$41,845	$37,820	$4,025
WEST PENN POWER	WPCO - PA TL 138KV	KISKI VALLEY-VANDERGRIFT 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$79,750	$72,404	$7,347
WEST PENN POWER	WPCO - PA TL 138KV	KISKI VALLEY-VANDERGRIFT 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$13,542	$1,864	$11,677
WEST PENN POWER	WPCO - PA TL 138KV	KISKI VALLEY-VANDERGRIFT 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$33,828	$20,939	$12,889
WEST PENN POWER	WPCO - PA TL 138KV	KISKI VALLEY-VANDERGRIFT 138KV	35620 - Clearing, Grading of Land	Site Clearing	$47,774	$11,100	$36,674
WEST PENN POWER	WPCO - PA TL 138KV	KISKI VALLEY-VANDERGRIFT 138KV	35500 - Poles And Fixtures	Wood Pole	$123,624	$62,460	$61,163
WEST PENN POWER	WPCO - PA TL 138KV	KISSINGER JCT (ARMSTRONG-BURMA-KARNS CITY) 138KV	35500 - Poles And Fixtures	Non-Unitized	$967	$8	$959
WEST PENN POWER	WPCO - PA TL 138KV	KISSINGER JCT (ARMSTRONG-BURMA-KARNS CITY) 138KV	35500 - Poles And Fixtures	Pole Banding Wrap	$7,707	$887	$6,821
WEST PENN POWER	WPCO - PA TL 138KV	Kissinger Jct. - Burma	35620 - Clearing, Grading of Land	Non-Unitized	$935	$6	$929
WEST PENN POWER	WPCO - PA TL 138KV	Kissinger Jct. - Burma	35610 - Overhd Conductr, Devices	Grounding (T & D)	$4,270	$3,179	$1,091
WEST PENN POWER	WPCO - PA TL 138KV	Kissinger Jct. - Burma	35610 - Overhd Conductr, Devices	Insulator - transmission	$65,713	$49,231	$16,482
WEST PENN POWER	WPCO - PA TL 138KV	Kissinger Jct. - Burma	35500 - Poles And Fixtures	Crossarm	$117,127	$87,336	$29,791
WEST PENN POWER	WPCO - PA TL 138KV	Kissinger Jct. - Burma	35620 - Clearing, Grading of Land	Site Clearing	$158,472	$79,318	$79,154
WEST PENN POWER	WPCO - PA TL 138KV	Kissinger Jct. - Burma	35500 - Poles And Fixtures	Wood Pole	$492,642	$368,165	$124,477
WEST PENN POWER	WPCO - PA TL 138KV	Kissinger Jct. - Burma	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$495,890	$369,206	$126,685
WEST PENN POWER	WPCO - PA Dist Subs	KITTANNING	39700 - Communication Equipment	WPCO- Communication Equipment	$269,143	$33,777	$235,366
WEST PENN POWER	WPCO - PA Dist Subs	KRENDALE	35300 - Station Equipment	Non-Unitized	$948	$8	$940
WEST PENN POWER	WPCO - PA Dist Subs	KRENDALE	35300 - Station Equipment	Bus	$3,570	$203	$3,367
WEST PENN POWER	WPCO - PA Dist Subs	KRENDALE	35300 - Station Equipment	Grounding System, Station	$3,897	$222	$3,675
WEST PENN POWER	WPCO - PA Dist Subs	KRENDALE	35300 - Station Equipment	Relaying Equipment	$3,920	$223	$3,697
WEST PENN POWER	WPCO - PA Dist Subs	KRENDALE	35300 - Station Equipment	Battery Charger	$7,066	$1,460	$5,606
WEST PENN POWER	WPCO - PA Dist Subs	KRENDALE	35300 - Station Equipment	Battery System	$9,085	$1,877	$7,208
WEST PENN POWER	WPCO - PA Dist Subs	KRENDALE	35300 - Station Equipment	Foundation - Equipment	$10,923	$623	$10,301
WEST PENN POWER	WPCO - PA Dist Subs	KRENDALE	35300 - Station Equipment	Relays	$28,284	$1,612	$26,673

Schedule 1(a) In-Service Assets

Company	Major Location	Asset Location	Utility Account	Retirement Unit	Original Cost	Allocated Accumulated Depreciation	Net Book Value
WEST PENN POWER	WPCO - PA Dist Subs	KRENDALE	35300 - Station Equipment	Line Tuning Assembly	$30,310	$1,727	$28,583
WEST PENN POWER	WPCO - PA Dist Subs	KRENDALE	35300 - Station Equipment	Control Wiring	$40,928	$2,332	$38,596
WEST PENN POWER	WPCO - PA Dist Subs	KRENDALE	35300 - Station Equipment	Conduit/Duct System	$54,986	$3,134	$51,852
WEST PENN POWER	WPCO - PA Dist Subs	KRENDALE	35300 - Station Equipment	Cabinets/Panels/Consoles	$181,334	$10,334	$171,000
WEST PENN POWER	WPCO - PA TL 138KV	KRENDALE-BUTLER 138KV	35500 - Poles And Fixtures	Crossarm	$2,245	$2,128	$117
WEST PENN POWER	WPCO - PA TL 138KV	KRENDALE-BUTLER 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$940	$6	$933
WEST PENN POWER	WPCO - PA TL 138KV	KRENDALE-BUTLER 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$974	$8	$966
WEST PENN POWER	WPCO - PA TL 138KV	KRENDALE-BUTLER 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$5,294	$3,407	$1,886
WEST PENN POWER	WPCO - PA TL 138KV	KRENDALE-BUTLER 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$106,169	$99,638	$6,531
WEST PENN POWER	WPCO - PA TL 138KV	KRENDALE-BUTLER 138KV	35610 - Overhd Conductr, Devices	Transmission Shunt Splice	$9,437	$845	$8,592
WEST PENN POWER	WPCO - PA TL 138KV	KRENDALE-BUTLER 138KV	35620 - Clearing, Grading of Land	Site Clearing	$63,969	$48,498	$15,471
WEST PENN POWER	WPCO - PA TL 138KV	KRENDALE-BUTLER 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$408,806	$276,558	$132,247
WEST PENN POWER	WPCO - PA TL 138KV	KRENDALE-BUTLER 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$182,043	$26,499	$155,544
WEST PENN POWER	WPCO - PA TL 138KV	KRENDALE-BUTLER 138KV	35500 - Poles And Fixtures	Wood Pole	$197,832	$30,329	$167,503
WEST PENN POWER	WPCO - PA TL 138KV	Lake Lynn - Du pont	35500 - Poles And Fixtures	Wood Pole	$702	$696	$6
WEST PENN POWER	WPCO - PA TL 138KV	Lake Lynn - Du pont	35610 - Overhd Conductr, Devices	Non-Unitized	$1,128	$12	$1,117
WEST PENN POWER	WPCO - PA TL 138KV	Lake Lynn - Du pont	35610 - Overhd Conductr, Devices	Insulator - transmission	$6,086	$862	$5,223
WEST PENN POWER	WPCO - PA TL 138KV	Lake Lynn - Du pont	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$59,955	$7,752	$52,203
WEST PENN POWER	WPCO - PA TL 138KV	LAKE LYNN-BETHELBORO 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$890	$6	$884
WEST PENN POWER	WPCO - PA TL 138KV	LAKE LYNN-BETHELBORO 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$99,757	$66,578	$33,178
WEST PENN POWER	WPCO - PA TL 138KV	LAKE LYNN-BETHELBORO 138KV	35500 - Poles And Fixtures	Crossarm	$184,694	$124,781	$59,914
WEST PENN POWER	WPCO - PA TL 138KV	LAKE LYNN-BETHELBORO 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$771,966	$515,216	$256,750
WEST PENN POWER	WPCO - PA TL 138KV	LAKE LYNN-BETHELBORO 138KV	35620 - Clearing, Grading of Land	Site Clearing	$685,490	$292,511	$392,979
WEST PENN POWER	WPCO - PA TL 138KV	LAKE LYNN-BETHELBORO 138KV	35500 - Poles And Fixtures	Wood Pole	$1,289,525	$871,212	$418,313
WEST PENN POWER	WPCO - PA TL 138KV	LAKE LYNN-LARDIN NO2 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$2,386	$1,776	$609
WEST PENN POWER	WPCO - PA TL 138KV	LAKE LYNN-LARDIN NO2 138KV	35620 - Clearing, Grading of Land	Site Clearing	$2,832	$1,178	$1,654
WEST PENN POWER	WPCO - PA TL 138KV	LAKE LYNN-LARDIN NO2 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$8,228	$6,126	$2,102
WEST PENN POWER	WPCO - PA TL 138KV	LAKE LYNN-LARDIN NO2 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$25,817	$19,341	$6,476
WEST PENN POWER	WPCO - PA TL 138KV	LAKE LYNN-LARDIN NO2 138KV	35500 - Poles And Fixtures	Wood Pole	$26,821	$20,093	$6,728
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Misc Tools & Equipment	$686	$686	$0
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Switching Equipment	$783	$774	$9
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35210 - Structures, Improvements	Roof Covering	$1,137	$1,127	$10
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35210 - Structures, Improvements	Foundation - Building	$1,551	$1,538	$14
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Minor Station Equipment	$588	$566	$22
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Crossarm	$372	$340	$33
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35210 - Structures, Improvements	Building	$4,189	$4,153	$37
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Steel Pole Fully Dressed	$6,042	$5,962	$81
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35210 - Structures, Improvements	Wall, Retaining, Abuse, Miscellaneo	$3,323	$2,710	$613
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35210 - Structures, Improvements	Non-Unitized	$948	$7	$941
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35210 - Structures, Improvements	Landscaping	$2,366	$965	$1,401
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Fuse Equipment	$15,288	$13,474	$1,814
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Conduit/Duct System	$88,650	$85,987	$2,663
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Bus	$33,359	$29,140	$4,219
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	CT 138KV	$5,308	$1,025	$4,282
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Computer	$5,624	$1,327	$4,297
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Cable Tray	$33,392	$29,030	$4,362
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Battery System	$16,900	$11,967	$4,933
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Cable	$9,692	$4,497	$5,195
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Carrier Transmitter/Receiver Assemb	$42,395	$36,495	$5,899
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Wood Pole	$13,974	$6,658	$7,315
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Coupling Capacitor	$58,404	$51,068	$7,337
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35210 - Structures, Improvements	Yard Drainage System	$14,600	$6,747	$7,853
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Grounding System, Station	$68,438	$58,421	$10,016
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Arrester, Lightning & Surge Protect	$79,706	$69,063	$10,643
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Recloser	$19,175	$7,732	$11,444
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Wiring	$14,767	$2,853	$11,914
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Capacitor Bank	$58,455	$46,220	$12,235
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Transformer Equipment	$17,768	$5,181	$12,587
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Line Tuning Assembly	$30,922	$18,246	$12,676
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Insulator - transmission	$16,913	$3,268	$13,646
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35210 - Structures, Improvements	Fence	$23,374	$9,537	$13,836
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Structure	$199,546	$181,918	$17,629
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Foundation - Equipment	$140,786	$123,080	$17,706
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Bus-Insulators	$124,502	$106,382	$18,120
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35210 - Structures, Improvements	Yard Surfacing	$36,737	$17,675	$19,062
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	VT 115KV	$25,358	$4,899	$20,459
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35210 - Structures, Improvements	Driveways, Parking, Roads and Walks	$38,512	$17,625	$20,887
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Cable, Wiring	$66,286	$42,600	$23,686
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Transformer, Instrument	$186,687	$159,665	$27,022
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Security System	$44,264	$1,814	$42,451
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Line Wave Trap	$69,393	$25,897	$43,495
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Switch	$305,245	$260,775	$44,470
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	RTU - SCADA	$131,472	$79,057	$52,415
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Cabinets/Panels/Consoles	$646,940	$552,671	$94,269
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Control Wiring	$250,022	$141,502	$108,520
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Transformer, Power	$280,984	$145,317	$135,668
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35210 - Structures, Improvements	Security System	$211,500	$43,943	$167,557
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Oil Storage & Filtering System	$284,586	$69,524	$215,062
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Communication System	$296,746	$12,158	$284,588
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Non-Unitized	$389,774	$18,088	$371,686
WEST PENN POWER	WPCO - PA Trans Subs	LAKE LYNN-WP	35300 - Station Equipment	Circuit Breaker	$1,435,280	$502,046	$933,234
WEST PENN POWER	WPCO - PA TL 138KV	LAWSON JCT (CABOT-FAWN-MCCALMONT) 138KV	35500 - Poles And Fixtures	Wood Pole	$1,112	$1,046	$66
WEST PENN POWER	WPCO - PA TL 138KV	LAWSON JCT (CABOT-FAWN-MCCALMONT) 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$1,389	$1,307	$82
WEST PENN POWER	WPCO - PA TL 138KV	LAWSON JCT (CABOT-FAWN-MCCALMONT) 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$1,657	$1,568	$89
WEST PENN POWER	WPCO - PA TL 138KV	LAWSON JCT (CABOT-FAWN-MCCALMONT) 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$16,016	$15,130	$886
WEST PENN POWER	WPCO - PA TL 138KV	LAWSON JCT (CABOT-FAWN-MCCALMONT) 138KV	35500 - Poles And Fixtures	Non-Unitized	$1,097	$12	$1,085
WEST PENN POWER	WPCO - PA TL 138KV	LAWSON JCT (CABOT-FAWN-MCCALMONT) 138KV	35620 - Clearing, Grading of Land	Site Clearing	$9,615	$6,966	$2,650
WEST PENN POWER	WPCO - PA TL 138KV	LAWSON JCT (CABOT-FAWN-MCCALMONT) 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$80,696	$76,349	$4,347
WEST PENN POWER	WPCO - PA TL 138KV	LAWSON JCT (CABOT-FAWN-MCCALMONT) 138KV	35500 - Poles And Fixtures	Phase Raiser	$54,195	$7,327	$46,868
WEST PENN POWER	WPCO - PA TL 138KV	LAWSON JCT (CABOT-FAWN-MCCALMONT) 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$353,459	$239,322	$114,137
WEST PENN POWER	WPCO - PA TL 138KV	LAYTON JCT (ALLENPORT-IRON BRIDGE-YUKON) 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$825	$6	$820
WEST PENN POWER	WPCO - PA TL 138KV	LAYTON JCT (ALLENPORT-IRON BRIDGE-YUKON) 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$1,044	$10	$1,035
WEST PENN POWER	WPCO - PA TL 138KV	LAYTON JCT (ALLENPORT-IRON BRIDGE-YUKON) 138KV	35500 - Poles And Fixtures	Non-Unitized	$3,830	$90	$3,739
WEST PENN POWER	WPCO - PA TL 138KV	LAYTON JCT (ALLENPORT-IRON BRIDGE-YUKON) 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$34,191	$23,223	$10,968
WEST PENN POWER	WPCO - PA TL 138KV	LAYTON JCT (ALLENPORT-IRON BRIDGE-YUKON) 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$248,643	$235,250	$13,393
WEST PENN POWER	WPCO - PA TL 138KV	LAYTON JCT (ALLENPORT-IRON BRIDGE-YUKON) 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$17,942	$1,286	$16,656
WEST PENN POWER	WPCO - PA TL 138KV	LAYTON JCT (ALLENPORT-IRON BRIDGE-YUKON) 138KV	35620 - Clearing, Grading of Land	Site Clearing	$87,120	$60,774	$26,346
WEST PENN POWER	WPCO - PA TL 138KV	LAYTON JCT (ALLENPORT-IRON BRIDGE-YUKON) 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$115,220	$43,377	$71,843
WEST PENN POWER	WPCO - PA TL 138KV	LAYTON JCT (ALLENPORT-IRON BRIDGE-YUKON) 138KV	35500 - Poles And Fixtures	Crossarm	$250,530	$54,894	$195,636
WEST PENN POWER	WPCO - PA TL 138KV	LAYTON JCT (ALLENPORT-IRON BRIDGE-YUKON) 138KV	35500 - Poles And Fixtures	Wood Pole	$539,896	$245,269	$294,627
WEST PENN POWER	WPCO - PA TL 138KV	LAYTON JCT (ALLENPORT-IRON BRIDGE-YUKON) 138KV	35500 - Poles And Fixtures	Phase Raiser	$941,242	$72,085	$869,157
WEST PENN POWER	WPCO - PA TL 138KV	Layton Jct. - Yukon	35610 - Overhd Conductr, Devices	Grounding (T & D)	$779	$732	$47
WEST PENN POWER	WPCO - PA TL 138KV	Layton Jct. - Yukon	35620 - Clearing, Grading of Land	Non-Unitized	$940	$6	$934
WEST PENN POWER	WPCO - PA TL 138KV	Layton Jct. - Yukon	35610 - Overhd Conductr, Devices	Non-Unitized	$955	$7	$948
WEST PENN POWER	WPCO - PA TL 138KV	Layton Jct. - Yukon	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$83,948	$78,885	$5,062
WEST PENN POWER	WPCO - PA TL 138KV	Layton Jct. - Yukon	35500 - Poles And Fixtures	Crossarm	$12,442	$6,876	$5,566
WEST PENN POWER	WPCO - PA TL 138KV	Layton Jct. - Yukon	35620 - Clearing, Grading of Land	Site Clearing	$23,840	$16,965	$6,876
WEST PENN POWER	WPCO - PA TL 138KV	Layton Jct. - Yukon	35610 - Overhd Conductr, Devices	Insulator - transmission	$27,399	$13,085	$14,314
WEST PENN POWER	WPCO - PA TL 138KV	Layton Jct. - Yukon	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$128,398	$85,265	$43,133
WEST PENN POWER	WPCO - PA TL 138KV	Layton Jct. - Yukon	35500 - Poles And Fixtures	Wood Pole	$81,253	$37,949	$43,304
WEST PENN POWER	WPCO - PA TL 138KV	Layton Jct. - Yukon	35500 - Poles And Fixtures	Phase Raiser	$241,909	$18,527	$223,382
WEST PENN POWER	WPCO - PA TL 138KV	Letterkenny Loop	35610 - Overhd Conductr, Devices	Insulator - transmission	$16,476	$10,303	$6,173
WEST PENN POWER	WPCO - PA TL 138KV	Letterkenny Loop	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$54,762	$34,244	$20,517
WEST PENN POWER	WPCO - PA TL 138KV	Letterkenny Loop	35620 - Clearing, Grading of Land	Site Clearing	$68,680	$28,563	$40,117
WEST PENN POWER	WPCO - PA TL 138KV	Letterkenny Loop	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$317,074	$201,393	$115,681
WEST PENN POWER	WPCO - PA TL 138KV	LOYALHANNA-BETHLEN 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$1,208	$562	$646
WEST PENN POWER	WPCO - PA TL 138KV	LOYALHANNA-BETHLEN 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$841	$6	$836
WEST PENN POWER	WPCO - PA TL 138KV	LOYALHANNA-BETHLEN 138KV	35500 - Poles And Fixtures	Crossarm	$64,087	$50,710	$13,377

Schedule 1(a) In-Service Assets

Company	Major Location	Asset Location	Utility Account	Retirement Unit	Original Cost	Allocated Accumulated Depreciation	Net Book Value
WEST PENN POWER	WPCO - PA TL 138KV	LOYALHANNA-BETHLEN 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$239,211	$193,504	$45,707
WEST PENN POWER	WPCO - PA TL 138KV	LOYALHANNA-BETHLEN 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$462,569	$375,042	$87,527
WEST PENN POWER	WPCO - PA TL 138KV	LOYALHANNA-BETHLEN 138KV	35620 - Clearing, Grading of Land	Site Clearing	$274,302	$135,681	$138,622
WEST PENN POWER	WPCO - PA TL 138KV	LOYALHANNA-BETHLEN 138KV	35500 - Poles And Fixtures	Wood Pole	$707,906	$568,817	$139,088
WEST PENN POWER	WPCO - PA TL 138KV	LOYALHANNA-BETHLEN 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$635,734	$328,280	$307,454
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Pump	$178	$178	$0
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Equipment Enclosure	$1,462	$1,462	$1
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Misc Tools & Equipment	$2,233	$2,226	$8
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35210 - Structures, Improvements	Foundation - Building	$1,072	$1,055	$16
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35210 - Structures, Improvements	Railroad Track System	$3,082	$3,044	$38
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Wood Pole	$561	$443	$117
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35210 - Structures, Improvements	Lighting/Power System	$799	$613	$187
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35210 - Structures, Improvements	Heater	$1,023	$810	$213
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Controls and Instrumentation	$1,514	$1,210	$304
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35210 - Structures, Improvements	Potable Water Supply System	$2,526	$2,185	$341
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35210 - Structures, Improvements	Landscaping	$1,350	$730	$620
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Cable Tray	$3,476	$2,847	$629
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35210 - Structures, Improvements	Building	$8,908	$8,035	$873
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35210 - Structures, Improvements	Yard Surfacing	$5,780	$4,755	$1,025
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Conduit/Duct System	$15,052	$13,987	$1,065
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Regulating Equipment	$4,769	$3,436	$1,333
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Carrier Equipment System	$8,373	$6,829	$1,544
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35210 - Structures, Improvements	Fence	$6,271	$4,381	$1,890
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Line Tuning Assembly	$5,403	$3,158	$2,245
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Transformer, Instrument	$31,514	$28,715	$2,799
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Fuse Equipment	$7,975	$5,077	$2,898
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Switching Equipment	$7,207	$4,235	$2,972
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Grounding System, Station	$23,557	$20,281	$3,276
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Bus	$52,554	$48,861	$3,693
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Arrester, Lightning & Surge Protect	$33,202	$28,721	$4,481
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Line Wave Trap	$11,493	$6,990	$4,502
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Foundation - Equipment	$78,931	$74,397	$4,534
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Cable, Wiring	$22,345	$17,759	$4,586
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Battery Charger	$6,504	$474	$6,031
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Structure	$136,089	$127,659	$8,430
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	RTU - SCADA	$40,191	$31,687	$8,504
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Battery System	$16,383	$2,417	$13,966
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Coupling Capacitor	$37,607	$22,427	$15,181
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Carrier Transmitter/Receiver Assemb	$28,271	$12,659	$15,613
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Control Wiring	$145,327	$127,907	$17,420
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Cabinets/Panels/Consoles	$326,061	$292,986	$33,076
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Recloser	$102,270	$65,756	$36,515
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Switch	$311,822	$257,276	$54,546
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Non-Unitized	$63,747	$1,265	$62,482
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Regulator - Voltage	$84,151	$21,042	$63,109
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35210 - Structures, Improvements	Roof	$73,432	$2,582	$70,850
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Bus-Insulators	$122,378	$41,180	$81,199
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35210 - Structures, Improvements	Driveways, Parking, Roads and Walks	$148,573	$57,495	$91,078
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Oil Storage & Filtering System	$134,208	$34,729	$99,479
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Circuit Breaker	$573,023	$342,711	$230,311
WEST PENN POWER	WPCO - PA Dist Subs	LUXOR - DISTRIBUTION	35300 - Station Equipment	Transformer, Power	$983,940	$346,480	$637,460
WEST PENN POWER	WPCO - PA TL 138KV	Luxor - Youngwood	35500 - Poles And Fixtures	Crossarm	$2,897	$2,743	$154
WEST PENN POWER	WPCO - PA TL 138KV	Luxor - Youngwood	35610 - Overhd Conductr, Devices	Insulator - transmission	$5,272	$5,019	$253
WEST PENN POWER	WPCO - PA TL 138KV	Luxor - Youngwood	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$14,958	$14,241	$718
WEST PENN POWER	WPCO - PA TL 138KV	Luxor - Youngwood	35620 - Clearing, Grading of Land	Non-Unitized	$898	$6	$892
WEST PENN POWER	WPCO - PA TL 138KV	Luxor - Youngwood	35500 - Poles And Fixtures	Wood Pole	$20,382	$19,296	$1,086
WEST PENN POWER	WPCO - PA TL 138KV	Luxor - Youngwood	35620 - Clearing, Grading of Land	Site Clearing	$18,961	$4,490	$14,470
WEST PENN POWER	WPCO - PA TL 138KV	LUXOR-LOYALHANNA 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$2,177	$1,919	$258
WEST PENN POWER	WPCO - PA TL 138KV	LUXOR-LOYALHANNA 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$915	$6	$909
WEST PENN POWER	WPCO - PA TL 138KV	LUXOR-LOYALHANNA 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$989	$8	$981
WEST PENN POWER	WPCO - PA TL 138KV	LUXOR-LOYALHANNA 138KV	35500 - Poles And Fixtures	Non-Unitized	$1,003	$9	$994
WEST PENN POWER	WPCO - PA TL 138KV	LUXOR-LOYALHANNA 138KV	35500 - Poles And Fixtures	Crossarm	$11,611	$9,308	$2,303
WEST PENN POWER	WPCO - PA TL 138KV	LUXOR-LOYALHANNA 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$40,141	$36,245	$3,896
WEST PENN POWER	WPCO - PA TL 138KV	LUXOR-LOYALHANNA 138KV	35500 - Poles And Fixtures	Wood Pole	$46,825	$31,673	$15,151
WEST PENN POWER	WPCO - PA TL 138KV	LUXOR-LOYALHANNA 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$29,745	$14,526	$15,219
WEST PENN POWER	WPCO - PA TL 138KV	LUXOR-LOYALHANNA 138KV	35500 - Poles And Fixtures	Phase Raiser	$20,049	$3,126	$16,923
WEST PENN POWER	WPCO - PA TL 138KV	LUXOR-LOYALHANNA 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$150,262	$116,609	$33,653
WEST PENN POWER	WPCO - PA TL 138KV	LUXOR-LOYALHANNA 138KV	35620 - Clearing, Grading of Land	Site Clearing	$179,028	$44,224	$134,804
WEST PENN POWER	WPCO - PA TL 138KV	Luzerne Loop	35620 - Clearing, Grading of Land	Site Clearing	$5,134	$2,644	$2,491
WEST PENN POWER	WPCO - PA TL 138KV	Luzerne Loop	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$20,657	$16,748	$3,909
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Conduit/Duct System	$272	$95	$177
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Arrester, Lightning & Surge Protect	$699	$244	$456
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35210 - Structures, Improvements	Non-Unitized	$948	$7	$941
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Equipment Protective Lighting & Pow	$2,941	$1,025	$1,916
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Battery Charger	$3,313	$1,154	$2,158
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Drains	$3,885	$1,354	$2,531
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Switching Equipment	$4,195	$1,462	$2,733
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Cable, Wiring	$4,239	$1,477	$2,762
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Non-Unitized	$3,004	$188	$2,816
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Cable Tray	$4,696	$1,636	$3,059
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Transformer, Instrument	$5,911	$2,060	$3,851
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Battery System	$5,991	$2,088	$3,903
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Bus	$6,604	$2,301	$4,302
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Bus-Insulators	$7,769	$2,707	$5,062
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Fuse Equipment	$9,323	$3,249	$6,074
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Control Wiring	$10,877	$3,790	$7,086
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Cabinets/Panels/Consoles	$11,338	$3,951	$7,387
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Structure	$13,548	$4,721	$8,827
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Grounding System, Station	$10,500	$1,251	$9,249
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Equipment Enclosure	$17,869	$6,227	$11,642
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35210 - Structures, Improvements	Building	$22,086	$3,959	$18,127
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Circuit Breaker	$31,061	$6,448	$24,613
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Foundation - Equipment	$38,421	$13,389	$25,032
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Oil and Water Separator System	$33,577	$7,449	$26,128
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Steel Pole Fully Dressed	$93,230	$32,490	$60,740
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Switch	$118,868	$41,424	$77,444
WEST PENN POWER	WPCO - PA Trans Subs	MALDEN	35300 - Station Equipment	Transformer, Power	$164,772	$34,204	$130,568
WEST PENN POWER	WPCO - PA TL 138KV	MCCALMONT-BREDINVILLE 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$64	$58	$6
WEST PENN POWER	WPCO - PA TL 138KV	MCCALMONT-BREDINVILLE 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$1,141	$1,036	$105
WEST PENN POWER	WPCO - PA TL 138KV	MCCALMONT-BREDINVILLE 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$6,626	$6,015	$610
WEST PENN POWER	WPCO - PA TL 138KV	MCCALMONT-BREDINVILLE 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$32,575	$20,164	$12,412
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35210 - Structures, Improvements	Yard Drainage System	$83	$78	$5
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Switching Equipment	$422	$405	$17
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Misc Tools & Equipment	$319	$301	$18
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35210 - Structures, Improvements	Heater	$300	$281	$20
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Transformer Equipment	$461	$438	$23
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35210 - Structures, Improvements	HVAC	$607	$535	$73
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Pump	$1,243	$1,157	$86
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35210 - Structures, Improvements	Landscaping	$291	$174	$117
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Crossarm	$1,904	$1,332	$572
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Battery Charger	$2,081	$1,382	$698
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35210 - Structures, Improvements	Non-Unitized	$992	$8	$984
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Line Tuning Assembly	$3,624	$2,379	$1,245
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Equipment Protective Lighting & Pow	$5,306	$3,767	$1,540
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Regulating Equipment	$3,819	$1,784	$2,035
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Battery System	$7,196	$4,811	$2,385
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Wood Pole	$9,873	$7,277	$2,596
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Conduit/Duct System	$9,332	$6,201	$3,130

Schedule 1(a) In-Service Assets

Company	Major Location	Asset Location	Utility Account	Retirement Unit	Original Cost	Allocated Accumulated Depreciation	Net Book Value
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35210 - Structures, Improvements	Fence	$13,545	$10,312	$3,233
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35210 - Structures, Improvements	Lighting/Power System	$18,726	$15,422	$3,305
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	39700 - Communication Equipment	Non-Unitized	$4,505	$944	$3,561
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35210 - Structures, Improvements	Foundation - Building	$9,498	$5,812	$3,687
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Line Wave Trap	$12,246	$8,049	$4,197
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35210 - Structures, Improvements	Yard Surfacing	$15,593	$11,236	$4,357
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Fuse Equipment	$16,575	$11,618	$4,957
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	RTU - SCADA	$75,858	$68,466	$7,392
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35210 - Structures, Improvements	Driveways, Parking, Roads and Walks	$26,269	$18,127	$8,142
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Cable Tray	$25,619	$17,246	$8,373
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Bus	$43,674	$30,071	$13,602
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Coupling Capacitor	$42,094	$27,968	$14,126
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35210 - Structures, Improvements	Building	$38,220	$23,793	$14,427
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35210 - Structures, Improvements	Wall	$16,172	$1,658	$14,513
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Arrester, Lightning & Surge Protect	$69,857	$47,475	$22,382
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Cable, Wiring	$73,364	$48,821	$24,542
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Bus-Insulators	$83,806	$58,873	$24,933
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Grounding System, Station	$88,980	$63,154	$25,826
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Transformer, Instrument	$85,591	$57,920	$27,670
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Capacitor Bank	$86,784	$58,924	$27,860
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Interrupter Assembly	$32,073	$3,332	$28,742
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Foundation - Equipment	$146,854	$105,037	$41,817
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Structure	$150,450	$106,521	$43,929
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Switch	$164,173	$116,710	$47,463
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Control Wiring	$231,666	$158,789	$72,877
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Carrier Transmitter/Receiver Assemb	$98,724	$11,764	$86,961
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Relays	$102,705	$12,238	$90,467
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Circuit Breaker	$566,951	$298,836	$268,115
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Cabinets/Panels/Consoles	$531,528	$219,809	$311,719
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Non-Unitized	$352,975	$20,034	$332,941
WEST PENN POWER	WPCO - PA Trans Subs	MILESBURG - TRANSMISSION	35300 - Station Equipment	Transformer, Power	$1,554,111	$817,164	$736,947
WEST PENN POWER	WPCO - PA TL 230KV	Milesburg-Shingletown Loop	35610 - Overhd Conductr, Devices	Grounding (T & D)	$652	$292	$360
WEST PENN POWER	WPCO - PA TL 230KV	Milesburg-Shingletown Loop	35620 - Clearing, Grading of Land	Non-Unitized	$942	$6	$936
WEST PENN POWER	WPCO - PA TL 230KV	Milesburg-Shingletown Loop	35500 - Poles And Fixtures	Crossarm	$2,233	$835	$1,397
WEST PENN POWER	WPCO - PA TL 230KV	Milesburg-Shingletown Loop	35610 - Overhd Conductr, Devices	Insulator - transmission	$4,880	$2,189	$2,691
WEST PENN POWER	WPCO - PA TL 230KV	Milesburg-Shingletown Loop	35620 - Clearing, Grading of Land	Site Clearing	$7,399	$801	$6,599
WEST PENN POWER	WPCO - PA TL 230KV	Milesburg-Shingletown Loop	35500 - Poles And Fixtures	Wood Pole	$16,125	$6,034	$10,092
WEST PENN POWER	WPCO - PA TL 230KV	Milesburg-Shingletown Loop	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$41,456	$18,595	$22,861
WEST PENN POWER	WPCO - PA TL 230KV	Milesburg-Shingletown Loop	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$75,892	$28,396	$47,496
WEST PENN POWER	WPCO - PA TL 138KV	Mitchell - Shepler Hill	35620 - Clearing, Grading of Land	Non-Unitized	$820	$6	$814
WEST PENN POWER	WPCO - PA TL 138KV	Mitchell - Shepler Hill	35500 - Poles And Fixtures	Non-Unitized	$948	$7	$940
WEST PENN POWER	WPCO - PA TL 138KV	Mitchell - Shepler Hill	35610 - Overhd Conductr, Devices	Non-Unitized	$948	$7	$941
WEST PENN POWER	WPCO - PA TL 138KV	Mitchell - Shepler Hill	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$257,757	$219,118	$38,639
WEST PENN POWER	WPCO - PA TL 138KV	Mitchell - Shepler Hill	35610 - Overhd Conductr, Devices	Insulator - transmission	$56,419	$17,097	$39,322
WEST PENN POWER	WPCO - PA TL 138KV	Mitchell - Shepler Hill	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$67,456	$14,911	$52,545
WEST PENN POWER	WPCO - PA TL 138KV	Mitchell - Shepler Hill	35620 - Clearing, Grading of Land	Site Clearing	$541,372	$75,344	$466,028
WEST PENN POWER	WPCO - PA TL 138KV	Mitchell - Shepler Hill	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$3,457,202	$762,692	$2,694,510
WEST PENN POWER	WPCO - PA TL 138KV	Mitchell - Union Jct.	35610 - Overhd Conductr, Devices	Grounding (T & D)	$2,093	$1,410	$682
WEST PENN POWER	WPCO - PA TL 138KV	Mitchell - Union Jct.	35610 - Overhd Conductr, Devices	Insulator - transmission	$15,977	$6,958	$9,019
WEST PENN POWER	WPCO - PA TL 138KV	Mitchell - Union Jct.	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$38,918	$28,126	$10,792
WEST PENN POWER	WPCO - PA TL 138KV	Mitchell - Union Jct.	35610 - Overhd Conductr, Devices	Switch: Equipment Enclosure	$20,917	$9,736	$11,181
WEST PENN POWER	WPCO - PA TL 138KV	Mitchell - Union Jct.	35620 - Clearing, Grading of Land	Site Clearing	$25,423	$14,213	$11,210
WEST PENN POWER	WPCO - PA TL 138KV	Mitchell - Union Jct.	35500 - Poles And Fixtures	Wood Pole	$22,339	$6,471	$15,868
WEST PENN POWER	WPCO - PA TL 138KV	Mitchell - Union Jct.	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$280,247	$187,225	$93,022
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Misc Tools & Equipment	$565	$535	$29
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35210 - Structures, Improvements	Roof	$738	$690	$48
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Line Tuning Assembly	$666	$590	$75
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35210 - Structures, Improvements	Heater	$1,289	$1,206	$84
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Battery Charger	$721	$604	$118
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35210 - Structures, Improvements	Lighting/Power System	$2,435	$2,277	$158
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Switching Equipment	$1,681	$1,508	$173
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35210 - Structures, Improvements	Roof Covering	$2,961	$2,769	$192
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Wiring	$465	$55	$410
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35210 - Structures, Improvements	Yard Surfacing	$2,985	$2,531	$453
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35210 - Structures, Improvements	Foundation - Building	$7,665	$7,167	$497
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Minor Station Equipment	$1,103	$509	$594
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35210 - Structures, Improvements	Fence	$9,474	$8,308	$1,166
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35210 - Structures, Improvements	Building	$27,785	$25,982	$1,803
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Conduit/Duct System	$8,087	$5,209	$2,878
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Fuse Equipment	$9,962	$6,878	$3,083
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Conduit	$4,175	$369	$3,806
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Bus-Insulators	$47,667	$42,528	$5,139
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35210 - Structures, Improvements	Driveways, Parking, Roads and Walks	$14,444	$8,130	$6,313
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Bus	$40,752	$33,616	$7,136
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Transformer Equipment	$14,755	$6,023	$8,733
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Cable Tray	$56,124	$46,381	$9,743
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Grounding System, Station	$52,856	$38,463	$14,393
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Equipment Enclosure	$21,398	$3,110	$18,289
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Carrier Transmitter/Receiver Assemb	$25,724	$1,466	$24,258
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35210 - Structures, Improvements	Non-Unitized	$29,502	$2,243	$27,259
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Structure	$240,450	$211,465	$28,986
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Coupling Capacitor	$56,239	$24,705	$31,535
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Security System	$33,028	$1,353	$31,675
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Line Wave Trap	$54,427	$17,163	$37,265
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Foundation - Equipment	$296,196	$256,384	$39,812
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Transformer, Instrument	$93,451	$46,141	$47,310
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Switch	$251,721	$203,888	$47,833
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	RTU - SCADA	$128,131	$69,541	$58,589
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Relaying Equipment	$67,738	$5,847	$61,892
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Non-Unitized	$82,679	$6,716	$75,963
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Oil Storage & Filtering System	$261,093	$110,206	$150,888
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Cable, Wiring	$216,993	$45,470	$171,522
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Battery System	$189,537	$17,474	$172,062
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Cabinets/Panels/Consoles	$478,066	$263,489	$214,577
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Transformer, Power	$541,110	$314,158	$226,952
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Arrester, Lightning & Surge Protect	$333,775	$79,447	$254,329
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Fence	$346,032	$30,602	$315,429
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Relays	$366,362	$24,443	$341,920
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Control Wiring	$529,339	$183,918	$345,422
WEST PENN POWER	WPCO - PA Trans Subs	MITCHELL SS	35300 - Station Equipment	Circuit Breaker	$1,643,627	$462,307	$1,181,320
WEST PENN POWER	WPCO - PA TL 138KV	MITCHELL-CHARLEROI NO1 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$845	$823	$22
WEST PENN POWER	WPCO - PA TL 138KV	MITCHELL-CHARLEROI NO1 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$844	$6	$838
WEST PENN POWER	WPCO - PA TL 138KV	MITCHELL-CHARLEROI NO1 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$23,109	$22,007	$1,102
WEST PENN POWER	WPCO - PA TL 138KV	MITCHELL-CHARLEROI NO1 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$133,407	$130,119	$3,288
WEST PENN POWER	WPCO - PA TL 138KV	MITCHELL-CHARLEROI NO1 138KV	35620 - Clearing, Grading of Land	Site Clearing	$27,902	$23,854	$4,048
WEST PENN POWER	WPCO - PA TL 138KV	MITCHELL-CHARLEROI NO1 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$254,913	$200,298	$54,615
WEST PENN POWER	WPCO - PA TL 138KV	MITCHELL-CHARLEROI NO2 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$1,748	$1,630	$118
WEST PENN POWER	WPCO - PA TL 138KV	MITCHELL-CHARLEROI NO2 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$2,300	$2,145	$155
WEST PENN POWER	WPCO - PA TL 138KV	MITCHELL-CHARLEROI NO2 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$36,519	$23,939	$12,580
WEST PENN POWER	WPCO - PA Trans Subs	MOSHANNON	35300 - Station Equipment	Cabinets/Panels/Consoles	$273,418	$322,251	($48,833)
WEST PENN POWER	WPCO - PA Trans Subs	MOSHANNON	35300 - Station Equipment	Controls and Instrumentation	$1,227	$1,227	$0
WEST PENN POWER	WPCO - PA Trans Subs	MOSHANNON	35300 - Station Equipment	Conduit	$764	$91	$673
WEST PENN POWER	WPCO - PA Trans Subs	MOSHANNON	35300 - Station Equipment	Battery Charger	$1,758	$1,015	$743
WEST PENN POWER	WPCO - PA Trans Subs	MOSHANNON	35300 - Station Equipment	Fence	$3,101	$370	$2,732
WEST PENN POWER	WPCO - PA Trans Subs	MOSHANNON	35300 - Station Equipment	Battery System	$6,613	$3,818	$2,794
WEST PENN POWER	WPCO - PA Trans Subs	MOSHANNON	35300 - Station Equipment	Road & Trails	$3,392	$404	$2,988
WEST PENN POWER	WPCO - PA Trans Subs	MOSHANNON	35210 - Structures, Improvements	Landscaping	$9,021	$4,221	$4,800
WEST PENN POWER	WPCO - PA Trans Subs	MOSHANNON	35300 - Station Equipment	RTU - SCADA	$28,786	$21,616	$7,170

Schedule 1(a) In-Service Assets

Company	Major Location	Asset Location	Utility Account	Retirement Unit	Original Cost	Allocated Accumulated Depreciation	Net Book Value
WEST PENN POWER	WPCO - PA Trans Subs	MOSHANNON	35300 - Station Equipment	Grounding System, Station	$98,942	$90,382	$8,560
WEST PENN POWER	WPCO - PA Trans Subs	MOSHANNON	35210 - Structures, Improvements	Fence	$17,979	$8,412	$9,567
WEST PENN POWER	WPCO - PA Trans Subs	MOSHANNON	35300 - Station Equipment	Foundation - Equipment	$11,249	$1,340	$9,908
WEST PENN POWER	WPCO - PA Trans Subs	MOSHANNON	35210 - Structures, Improvements	Yard Surfacing	$51,819	$24,245	$27,573
WEST PENN POWER	WPCO - PA Trans Subs	MOSHANNON	35210 - Structures, Improvements	Building	$55,039	$25,752	$29,287
WEST PENN POWER	WPCO - PA Trans Subs	MOSHANNON	35300 - Station Equipment	Control Wiring	$33,875	$4,375	$29,499
WEST PENN POWER	WPCO - PA Trans Subs	MOSHANNON	35210 - Structures, Improvements	Driveways, Parking, Roads and Walks	$64,205	$30,041	$34,164
WEST PENN POWER	WPCO - PA Trans Subs	MOSHANNON	35300 - Station Equipment	Battery Cell Assembly	$41,680	$5,596	$36,084
WEST PENN POWER	WPCO - PA Trans Subs	MOSHANNON	35300 - Station Equipment	Non-Unitized	$50,144	($3,433)	$53,577
WEST PENN POWER	WPCO - PA Trans Subs	MOSHANNON	35300 - Station Equipment	Carrier Transmitter/Receiver Assemb	$143,941	$21,349	$122,592
WEST PENN POWER	WPCO - PA TL 230KV	MOSHANNON-MILESBURG 230KV	35620 - Clearing, Grading of Land	Non-Unitized	$912	$6	$906
WEST PENN POWER	WPCO - PA TL 230KV	MOSHANNON-MILESBURG 230KV	35610 - Overhd Conductr, Devices	Non-Unitized	$1,238	$15	$1,223
WEST PENN POWER	WPCO - PA TL 230KV	MOSHANNON-MILESBURG 230KV	35500 - Poles And Fixtures	Non-Unitized	$1,329	$18	$1,310
WEST PENN POWER	WPCO - PA TL 230KV	MOSHANNON-MILESBURG 230KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$2,364	$318	$2,046
WEST PENN POWER	WPCO - PA TL 230KV	MOSHANNON-MILESBURG 230KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$34,814	$31,987	$2,828
WEST PENN POWER	WPCO - PA TL 230KV	MOSHANNON-MILESBURG 230KV	35500 - Poles And Fixtures	Phase Raiser	$52,020	$7,033	$44,987
WEST PENN POWER	WPCO - PA TL 230KV	MOSHANNON-MILESBURG 230KV	35500 - Poles And Fixtures	Crossarm	$314,728	$207,172	$107,557
WEST PENN POWER	WPCO - PA TL 230KV	MOSHANNON-MILESBURG 230KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$301,750	$189,745	$112,004
WEST PENN POWER	WPCO - PA TL 230KV	MOSHANNON-MILESBURG 230KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$1,325,384	$1,206,114	$119,270
WEST PENN POWER	WPCO - PA TL 230KV	MOSHANNON-MILESBURG 230KV	35620 - Clearing, Grading of Land	Site Clearing	$614,331	$317,553	$296,778
WEST PENN POWER	WPCO - PA TL 230KV	MOSHANNON-MILESBURG 230KV	35500 - Poles And Fixtures	Wood Pole	$1,671,458	$1,257,723	$413,735
WEST PENN POWER	WPCO - PA TL 138KV	NBB (ARMSTRONG-BROOKVILLE) 138KV	35610 - Overhd Conductr, Devices	Transmission Shunt Splice	$87	$8	$79
WEST PENN POWER	WPCO - PA TL 138KV	NBB (ARMSTRONG-BROOKVILLE) 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$852	$6	$847
WEST PENN POWER	WPCO - PA TL 138KV	NBB (ARMSTRONG-BROOKVILLE) 138KV	35500 - Poles And Fixtures	Non-Unitized	$1,091	$12	$1,079
WEST PENN POWER	WPCO - PA TL 138KV	NBB (ARMSTRONG-BROOKVILLE) 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$1,888	$32	$1,856
WEST PENN POWER	WPCO - PA TL 138KV	NBB (ARMSTRONG-BROOKVILLE) 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$21,543	$13,313	$8,230
WEST PENN POWER	WPCO - PA TL 138KV	NBB (ARMSTRONG-BROOKVILLE) 138KV	35500 - Poles And Fixtures	Pole Banding Wrap	$17,941	$1,374	$16,567
WEST PENN POWER	WPCO - PA TL 138KV	NBB (ARMSTRONG-BROOKVILLE) 138KV	35500 - Poles And Fixtures	Phase Raiser	$34,239	$4,629	$29,610
WEST PENN POWER	WPCO - PA TL 138KV	NBB (ARMSTRONG-BROOKVILLE) 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$206,379	$121,597	$84,782
WEST PENN POWER	WPCO - PA TL 138KV	NBB (ARMSTRONG-BROOKVILLE) 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$230,331	$136,196	$94,135
WEST PENN POWER	WPCO - PA TL 138KV	NBB (ARMSTRONG-BROOKVILLE) 138KV	35610 - Overhd Conductr, Devices	Fiber Optic Cable	$833,951	$503,331	$330,620
WEST PENN POWER	WPCO - PA TL 138KV	NBB (ARMSTRONG-BROOKVILLE) 138KV	35500 - Poles And Fixtures	Crossarm	$1,013,855	$622,468	$391,388
WEST PENN POWER	WPCO - PA TL 138KV	NBB (ARMSTRONG-BROOKVILLE) 138KV	35620 - Clearing, Grading of Land	Site Clearing	$879,232	$397,465	$481,767
WEST PENN POWER	WPCO - PA TL 138KV	NBB (ARMSTRONG-BROOKVILLE) 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$1,580,365	$774,683	$805,681
WEST PENN POWER	WPCO - PA TL 138KV	NBB (ARMSTRONG-BROOKVILLE) 138KV	35500 - Poles And Fixtures	Wood Pole	$2,256,655	$1,385,153	$871,502
WEST PENN POWER	WPCO - PA TL 138KV	New Bethlehem Loop	35500 - Poles And Fixtures	Non-Unitized	$1,115	$12	$1,103
WEST PENN POWER	WPCO - PA TL 138KV	New Bethlehem Loop	35610 - Overhd Conductr, Devices	Insulator - transmission	$15,485	$12,783	$2,702
WEST PENN POWER	WPCO - PA TL 138KV	New Bethlehem Loop	35620 - Clearing, Grading of Land	Site Clearing	$24,330	$13,872	$10,458
WEST PENN POWER	WPCO - PA TL 138KV	New Bethlehem Loop	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$141,510	$116,819	$24,691
WEST PENN POWER	WPCO - PA TL 138KV	New Bethlehem Loop	35500 - Poles And Fixtures	Phase Raiser	$60,891	$8,232	$52,659
WEST PENN POWER	WPCO - PA TL 138KV	New Bethlehem Loop	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$287,884	$152,433	$135,451
WEST PENN POWER	WPCO - PA TL 138KV	North Greensburg Loop	35610 - Overhd Conductr, Devices	Insulator - transmission	$24,182	$16,921	$7,261
WEST PENN POWER	WPCO - PA TL 138KV	North Greensburg Loop	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$147,237	$106,925	$40,312
WEST PENN POWER	WPCO - PA TL 138KV	North Greensburg Loop	35620 - Clearing, Grading of Land	Site Clearing	$81,274	$39,571	$41,703
WEST PENN POWER	WPCO - PA TL 138KV	North Greensburg Loop	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$265,694	$194,422	$71,272
WEST PENN POWER	WPCO - PA Trans Subs	NORTH LONGVIEW SS EHV	35300 - Station Equipment	Transformer, Station Service : Each	$127	$24	$102
WEST PENN POWER	WPCO - PA Trans Subs	NORTH LONGVIEW SS EHV	35300 - Station Equipment	Conduit	$319	$62	$258
WEST PENN POWER	WPCO - PA Trans Subs	NORTH LONGVIEW SS EHV	35300 - Station Equipment	Line Tuning Assembly	$461	$89	$372
WEST PENN POWER	WPCO - PA Trans Subs	NORTH LONGVIEW SS EHV	35300 - Station Equipment	Battery System	$507	$98	$409
WEST PENN POWER	WPCO - PA Trans Subs	NORTH LONGVIEW SS EHV	35300 - Station Equipment	Arrester, Lightning & Surge Protect	$777	$150	$627
WEST PENN POWER	WPCO - PA Trans Subs	NORTH LONGVIEW SS EHV	35300 - Station Equipment	Line Wave Trap	$1,792	$346	$1,446
WEST PENN POWER	WPCO - PA Trans Subs	NORTH LONGVIEW SS EHV	35300 - Station Equipment	Fence	$2,640	$510	$2,130
WEST PENN POWER	WPCO - PA Trans Subs	NORTH LONGVIEW SS EHV	35300 - Station Equipment	Insulator - transmission	$2,868	$554	$2,314
WEST PENN POWER	WPCO - PA Trans Subs	NORTH LONGVIEW SS EHV	35300 - Station Equipment	Cable, Wiring	$3,265	$631	$2,634
WEST PENN POWER	WPCO - PA Trans Subs	NORTH LONGVIEW SS EHV	35300 - Station Equipment	Coupling Capacitor	$4,438	$857	$3,581
WEST PENN POWER	WPCO - PA Trans Subs	NORTH LONGVIEW SS EHV	35300 - Station Equipment	Grounding Conductor	$5,168	$999	$4,170
WEST PENN POWER	WPCO - PA Trans Subs	NORTH LONGVIEW SS EHV	35300 - Station Equipment	Security System	$7,122	$1,376	$5,746
WEST PENN POWER	WPCO - PA Trans Subs	NORTH LONGVIEW SS EHV	35300 - Station Equipment	Structure	$9,442	$1,824	$7,618
WEST PENN POWER	WPCO - PA Trans Subs	NORTH LONGVIEW SS EHV	35300 - Station Equipment	Building	$10,319	$1,994	$8,326
WEST PENN POWER	WPCO - PA Trans Subs	NORTH LONGVIEW SS EHV	35300 - Station Equipment	Revenue Metering Equipment	$10,754	$1,764	$8,990
WEST PENN POWER	WPCO - PA Trans Subs	NORTH LONGVIEW SS EHV	35300 - Station Equipment	Wiring	$12,171	$2,351	$9,820
WEST PENN POWER	WPCO - PA Trans Subs	NORTH LONGVIEW SS EHV	35300 - Station Equipment	Air Break	$27,288	$5,272	$22,016
WEST PENN POWER	WPCO - PA Trans Subs	NORTH LONGVIEW SS EHV	35300 - Station Equipment	Generator, Motor Sets & Auxiliary S	$27,315	$4,480	$22,835
WEST PENN POWER	WPCO - PA Trans Subs	NORTH LONGVIEW SS EHV	35300 - Station Equipment	Control Wiring	$30,848	$3,658	$27,190
WEST PENN POWER	WPCO - PA Trans Subs	NORTH LONGVIEW SS EHV	35300 - Station Equipment	Circuit Breaker	$49,316	$9,527	$39,788
WEST PENN POWER	WPCO - PA Trans Subs	NORTH LONGVIEW SS EHV	35300 - Station Equipment	Transformer, Current : Each	$150,259	$24,670	$125,589
WEST PENN POWER	WPCO - PA Trans Subs	NORTH LONGVIEW SS EHV	35300 - Station Equipment	RTU - SCADA	$147,590	$6,047	$141,543
WEST PENN POWER	WPCO - PA Trans Subs	NORTH LONGVIEW SS EHV	35300 - Station Equipment	Communication System	$358,575	$8,873	$349,702
WEST PENN POWER	WPCO - PA Trans Subs	NORTH LONGVIEW SS EHV	35300 - Station Equipment	Non-Unitized	$3,946,797	$32,993	$3,913,804
WEST PENN POWER	WPCO - PA TL 138KV	North Oakford Tap	35610 - Overhd Conductr, Devices	Grounding (T & D)	$422	$54	$368
WEST PENN POWER	WPCO - PA TL 138KV	North Oakford Tap	35500 - Poles And Fixtures	Non-Unitized	$979	$8	$970
WEST PENN POWER	WPCO - PA TL 138KV	North Oakford Tap	35400 - Towers And Fixtures	Non-Unitized	$1,468	$17	$1,451
WEST PENN POWER	WPCO - PA TL 138KV	North Oakford Tap	35500 - Poles And Fixtures	Wood Pole	$11,273	$1,524	$9,749
WEST PENN POWER	WPCO - PA TL 138KV	North Oakford Tap	35610 - Overhd Conductr, Devices	Switch - Mass	$18,877	$2,403	$16,473
WEST PENN POWER	WPCO - PA TL 138KV	North Oakford Tap	35610 - Overhd Conductr, Devices	Insulator - transmission	$33,526	$11,395	$22,131
WEST PENN POWER	WPCO - PA TL 138KV	North Oakford Tap	35610 - Overhd Conductr, Devices	Non-Unitized	$34,353	$251	$34,103
WEST PENN POWER	WPCO - PA TL 138KV	North Oakford Tap	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$76,808	$32,283	$44,526
WEST PENN POWER	WPCO - PA TL 138KV	North Oakford Tap	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$174,825	$50,432	$124,394
WEST PENN POWER	WPCO - PA TL 138KV	North Oakford Tap	35400 - Towers And Fixtures	Steel Pole Fully Dressed	$189,570	$17,350	$172,220
WEST PENN POWER	WPCO - PA TL 138KV	North Oakford Tap	35620 - Clearing, Grading of Land	Site Clearing	$252,474	$79,466	$173,008
WEST PENN POWER	WPCO - PA TL 138KV	North Union Branch	35610 - Overhd Conductr, Devices	Grounding (T & D)	$174	$161	$13
WEST PENN POWER	WPCO - PA TL 138KV	North Union Branch	35500 - Poles And Fixtures	Wood Pole	$3,103	$2,856	$247
WEST PENN POWER	WPCO - PA TL 138KV	North Union Branch	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$398	$134	$264
WEST PENN POWER	WPCO - PA TL 138KV	North Union Branch	35610 - Overhd Conductr, Devices	Insulator - transmission	$12,705	$11,750	$956
WEST PENN POWER	WPCO - PA TL 138KV	North Union Branch	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$94,422	$87,346	$7,076
WEST PENN POWER	WPCO - PA TL 138KV	North Union Branch	35620 - Clearing, Grading of Land	Site Clearing	$51,055	$33,426	$17,629
WEST PENN POWER	WPCO - PA TL 138KV	North Union Branch	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$239,613	$153,514	$86,099
WEST PENN POWER	WPCO - PA TL 138KV	Paper City-Carbon Center-APB	35620 - Clearing, Grading of Land	Site Clearing	$174,322	$57,485	$116,837
WEST PENN POWER	WPCO - PA Dist Subs	PETERS	35300 - Station Equipment	Non-Unitized	$948	$8	$940
WEST PENN POWER	WPCO - PA Dist Subs	PETERS	35210 - Structures, Improvements	Lighting Fixtures	$29,583	$1,448	$28,135
WEST PENN POWER	WPCO - PA Dist Subs	PETERS	35300 - Station Equipment	Oil Storage & Filtering System	$91,594	$22,376	$69,218
WEST PENN POWER	WPCO - PA TL 138KV	Peters - Bethel Park	35500 - Poles And Fixtures	Wood Pole	$629	$569	$61
WEST PENN POWER	WPCO - PA TL 138KV	Peters - Bethel Park	35620 - Clearing, Grading of Land	Non-Unitized	$912	$6	$906
WEST PENN POWER	WPCO - PA TL 138KV	Peters - Bethel Park	35500 - Poles And Fixtures	Non-Unitized	$948	$7	$940
WEST PENN POWER	WPCO - PA TL 138KV	Peters - Bethel Park	35610 - Overhd Conductr, Devices	Non-Unitized	$986	$8	$978
WEST PENN POWER	WPCO - PA TL 138KV	Peters - Bethel Park	35610 - Overhd Conductr, Devices	Transmission Shunt Splice	$5,676	$1,070	$4,606
WEST PENN POWER	WPCO - PA TL 138KV	Peters - Bethel Park	35610 - Overhd Conductr, Devices	Insulator - transmission	$70,059	$35,017	$35,041
WEST PENN POWER	WPCO - PA TL 138KV	Peters - Bethel Park	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$187,139	$99,570	$87,569
WEST PENN POWER	WPCO - PA TL 138KV	Peters - Bethel Park	35620 - Clearing, Grading of Land	Site Clearing	$149,618	$60,619	$89,000
WEST PENN POWER	WPCO - PA TL 138KV	Peters - Bethel Park	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$938,154	$617,863	$320,291
WEST PENN POWER	WPCO - PA TL 138KV	Peters Branch	35610 - Overhd Conductr, Devices	Grounding (T & D)	$443	$428	$15
WEST PENN POWER	WPCO - PA TL 138KV	Peters Branch	35610 - Overhd Conductr, Devices	Insulator - transmission	$5,145	$4,974	$172
WEST PENN POWER	WPCO - PA TL 138KV	Peters Branch	35620 - Clearing, Grading of Land	Site Clearing	$5,250	$4,051	$1,199
WEST PENN POWER	WPCO - PA TL 138KV	Peters Branch	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$40,833	$39,471	$1,363
WEST PENN POWER	WPCO - PA TL 138KV	Peters Branch	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$110,481	$79,148	$31,333
WEST PENN POWER	WPCO - PA Dist Subs	PINEY FORK	35300 - Station Equipment	Non-Unitized	$18,409	$722	$17,687
WEST PENN POWER	WPCO - PA Dist Subs	PINEY FORK	35300 - Station Equipment	Relays	$41,563	$4,953	$36,610
WEST PENN POWER	WPCO - PA Dist Subs	PINEY FORK	35300 - Station Equipment	Communication System	$73,250	$15,205	$58,044
WEST PENN POWER	WPCO - PA TL 138KV	Piney Fork Loop	35610 - Overhd Conductr, Devices	Insulator - transmission	$26,391	$19,649	$6,742
WEST PENN POWER	WPCO - PA TL 138KV	Piney Fork Loop	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$68,025	$50,646	$17,378
WEST PENN POWER	WPCO - PA TL 138KV	Piney Fork Loop	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$278,333	$208,515	$69,819
WEST PENN POWER	WPCO - PA Dist Subs	PITTSBURGH MILLS S.S.	39700 - Communication Equipment	WPCO- Communication Equipment	$156,870	$19,687	$137,183
WEST PENN POWER	WPCO - PA TL 138KV	PITTSBURGH MILLS-SPRINGDALE 138KV	35300 - Station Equipment	Carrier Transmitter/Receiver Assemb	$9,964	$4,791	$5,173
WEST PENN POWER	WPCO - PA TL 138KV	PITTSBURGH MILLS-SPRINGDALE 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$8,525	$2,955	$5,570
WEST PENN POWER	WPCO - PA TL 138KV	PITTSBURGH MILLS-SPRINGDALE 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$36,794	$13,263	$23,531

Schedule 1(a) In-Service Assets

Company	Major Location	Asset Location	Utility Account	Retirement Unit	Original Cost	Allocated Accumulated Depreciation	Net Book Value
WEST PENN POWER	WPCO - PA Dist Subs	POTTER	35500 - Poles And Fixtures	Non-Unitized	$1,024	$10	$1,014
WEST PENN POWER	WPCO - PA Dist Subs	POTTER	35500 - Poles And Fixtures	Crossarm	$8,213	$1,281	$6,933
WEST PENN POWER	WPCO - PA Dist Subs	POTTER	35500 - Poles And Fixtures	Wood Pole	$19,459	$3,034	$16,425
WEST PENN POWER	WPCO - PA Dist Subs	POTTER	35300 - Station Equipment	Non-Unitized	$211,024	$14,940	$196,084
WEST PENN POWER	WPCO - PA Trans Subs	PURSLEY	35300 - Station Equipment	Cable Tray	$730	$137	$593
WEST PENN POWER	WPCO - PA Trans Subs	PURSLEY	35300 - Station Equipment	Cabinets/Panels/Consoles	$1,095	$206	$889
WEST PENN POWER	WPCO - PA Trans Subs	PURSLEY	35210 - Structures, Improvements	Non-Unitized	$948	$7	$941
WEST PENN POWER	WPCO - PA Trans Subs	PURSLEY	35300 - Station Equipment	Battery Charger	$1,659	$312	$1,347
WEST PENN POWER	WPCO - PA Trans Subs	PURSLEY	35300 - Station Equipment	Line Tuning Assembly	$2,085	$392	$1,693
WEST PENN POWER	WPCO - PA Trans Subs	PURSLEY	35300 - Station Equipment	Switching Equipment	$2,498	$469	$2,029
WEST PENN POWER	WPCO - PA Trans Subs	PURSLEY	35300 - Station Equipment	Wood Pole	$2,920	$549	$2,372
WEST PENN POWER	WPCO - PA Trans Subs	PURSLEY	35210 - Structures, Improvements	Lighting/Power System	$2,920	$468	$2,453
WEST PENN POWER	WPCO - PA Trans Subs	PURSLEY	35300 - Station Equipment	Wiring	$5,755	$944	$4,811
WEST PENN POWER	WPCO - PA Trans Subs	PURSLEY	35300 - Station Equipment	Battery System	$6,278	$1,179	$5,099
WEST PENN POWER	WPCO - PA Trans Subs	PURSLEY	35300 - Station Equipment	Bus	$6,643	$1,248	$5,395
WEST PENN POWER	WPCO - PA Trans Subs	PURSLEY	35300 - Station Equipment	Fuse Equipment	$8,030	$1,509	$6,522
WEST PENN POWER	WPCO - PA Trans Subs	PURSLEY	35300 - Station Equipment	Non-Unitized	$10,445	$395	$10,049
WEST PENN POWER	WPCO - PA Trans Subs	PURSLEY	35300 - Station Equipment	Arrester, Lightning & Surge Protect	$13,949	$2,536	$11,413
WEST PENN POWER	WPCO - PA Trans Subs	PURSLEY	35300 - Station Equipment	Line Wave Trap	$20,907	$3,928	$16,979
WEST PENN POWER	WPCO - PA Trans Subs	PURSLEY	35210 - Structures, Improvements	Building	$24,967	$3,998	$20,970
WEST PENN POWER	WPCO - PA Trans Subs	PURSLEY	35300 - Station Equipment	Transformer, Instrument	$42,342	$7,954	$34,388
WEST PENN POWER	WPCO - PA Trans Subs	PURSLEY	35300 - Station Equipment	Grounding System, Station	$57,593	$5,093	$52,499
WEST PENN POWER	WPCO - PA Trans Subs	PURSLEY	35300 - Station Equipment	Circuit Breaker	$191,501	$31,409	$160,092
WEST PENN POWER	WPCO - PA Trans Subs	PURSLEY	35300 - Station Equipment	Switch	$271,162	$50,580	$220,582
WEST PENN POWER	WPCO - PA Trans Subs	PURSLEY	35300 - Station Equipment	Transformer, Power	$730,059	$119,740	$610,319
WEST PENN POWER	WPCO - PA TL 230KV	PURSLEY-WHITELEY 138KV	35500 - Poles And Fixtures	Crossarm	$127	$25	$102
WEST PENN POWER	WPCO - PA TL 230KV	PURSLEY-WHITELEY 138KV	35610 - Overhd Conductr, Devices	Fiber Optic Cable	$171	$32	$139
WEST PENN POWER	WPCO - PA TL 230KV	PURSLEY-WHITELEY 138KV	35610 - Overhd Conductr, Devices	Switch - Mass	$749	$141	$608
WEST PENN POWER	WPCO - PA TL 230KV	PURSLEY-WHITELEY 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$927	$6	$920
WEST PENN POWER	WPCO - PA TL 230KV	PURSLEY-WHITELEY 138KV	35500 - Poles And Fixtures	Non-Unitized	$948	$7	$940
WEST PENN POWER	WPCO - PA TL 230KV	PURSLEY-WHITELEY 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$948	$7	$941
WEST PENN POWER	WPCO - PA TL 230KV	PURSLEY-WHITELEY 138KV	35610 - Overhd Conductr, Devices	Cutout	$1,597	$301	$1,296
WEST PENN POWER	WPCO - PA TL 230KV	PURSLEY-WHITELEY 138KV	35610 - Overhd Conductr, Devices	Arrester, Lightning Mass	$2,422	$456	$1,965
WEST PENN POWER	WPCO - PA TL 230KV	PURSLEY-WHITELEY 138KV	35620 - Clearing, Grading of Land	Site Clearing	$75,625	$9,355	$66,270
WEST PENN POWER	WPCO - PA TL 230KV	PURSLEY-WHITELEY 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$82,958	$15,632	$67,326
WEST PENN POWER	WPCO - PA TL 230KV	PURSLEY-WHITELEY 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$432,077	$81,419	$350,658
WEST PENN POWER	WPCO - PA TL 230KV	PURSLEY-WHITELEY 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$1,725,285	$343,122	$1,382,162
WEST PENN POWER	WPCO - PA TL 230KV	Quehanna - Moshannon	35610 - Overhd Conductr, Devices	Insulator - transmission	$26,511	$23,460	$3,051
WEST PENN POWER	WPCO - PA TL 230KV	Quehanna - Moshannon	35500 - Poles And Fixtures	Crossarm	$34,411	$25,674	$8,738
WEST PENN POWER	WPCO - PA TL 230KV	Quehanna - Moshannon	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$135,423	$119,839	$15,585
WEST PENN POWER	WPCO - PA TL 230KV	Quehanna - Moshannon	35620 - Clearing, Grading of Land	Site Clearing	$44,368	$22,846	$21,522
WEST PENN POWER	WPCO - PA TL 230KV	Quehanna - Moshannon	35500 - Poles And Fixtures	Wood Pole	$209,933	$156,629	$53,305
WEST PENN POWER	WPCO - PA TL 138KV	REID-GUILFORD 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$1,383	$1,360	$23
WEST PENN POWER	WPCO - PA TL 138KV	REID-GUILFORD 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$931	$6	$925
WEST PENN POWER	WPCO - PA TL 138KV	REID-GUILFORD 138KV	35500 - Poles And Fixtures	Non-Unitized	$999	$9	$990
WEST PENN POWER	WPCO - PA TL 138KV	REID-GUILFORD 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$1,222	$14	$1,208
WEST PENN POWER	WPCO - PA TL 138KV	REID-GUILFORD 138KV	35500 - Poles And Fixtures	Crossarm	$54,816	$32,265	$22,551
WEST PENN POWER	WPCO - PA TL 138KV	REID-GUILFORD 138KV	35500 - Poles And Fixtures	Wood Pole	$207,343	$170,101	$37,242
WEST PENN POWER	WPCO - PA TL 138KV	REID-GUILFORD 138KV	35620 - Clearing, Grading of Land	Site Clearing	$55,013	$17,474	$37,539
WEST PENN POWER	WPCO - PA TL 138KV	REID-GUILFORD 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$324,574	$258,184	$66,390
WEST PENN POWER	WPCO - PA TL 138KV	REID-GUILFORD 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$127,718	$37,918	$89,800
WEST PENN POWER	WPCO - PA TL 500KV	RHODES LANE - YUKON 500 KV LINE	35610 - Overhd Conductr, Devices	Grounding (T & D)	$417	$395	$22
WEST PENN POWER	WPCO - PA TL 500KV	RHODES LANE - YUKON 500 KV LINE	35800 - Undergrnd Conductr,Devices	Grounding (T & D)	$123	$13	$110
WEST PENN POWER	WPCO - PA TL 500KV	RHODES LANE - YUKON 500 KV LINE	35800 - Undergrnd Conductr,Devices	Non-Unitized	$948	$12	$936
WEST PENN POWER	WPCO - PA TL 500KV	RHODES LANE - YUKON 500 KV LINE	35610 - Overhd Conductr, Devices	Insulator - transmission	$28,457	$22,382	$6,076
WEST PENN POWER	WPCO - PA TL 500KV	RHODES LANE - YUKON 500 KV LINE	35620 - Clearing, Grading of Land	Site Clearing	$11,039	$3,733	$7,307
WEST PENN POWER	WPCO - PA TL 500KV	RHODES LANE - YUKON 500 KV LINE	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$133,722	$123,976	$9,746
WEST PENN POWER	WPCO - PA TL 500KV	RHODES LANE - YUKON 500 KV LINE	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$24,070	$1,843	$22,226
WEST PENN POWER	WPCO - PA TL 500KV	RHODES LANE - YUKON 500 KV LINE	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$196,656	$133,571	$63,085
WEST PENN POWER	WPCO - PA TL 500KV	RHODES LANE - YUKON 500 KV LINE	35610 - Overhd Conductr, Devices	Non-Unitized	$520,466	$3,766	$516,700
WEST PENN POWER	WPCO - PA TL 500KV	RHODES LANE - YUKON 500 KV LINE	35500 - Poles And Fixtures	Non-Unitized	$1,852,731	$14,425	$1,838,305
WEST PENN POWER	WPCO - PA SW & MTR FAC	Rhodes Lane Sw Sta (T174)	35300 - Station Equipment	Non-Unitized	$14,894	$1,084	$13,809
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35210 - Structures, Improvements	Heater	$24	$22	$2
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35210 - Structures, Improvements	Foundation - Building	$64	$60	$4
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Switching Equipment	$3,379	$3,371	$9
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Wood Pole	$3,444	$3,334	$110
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Minor Station Equipment	$818	$707	$111
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Line Tuning Assembly	$1,763	$1,632	$131
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Crossarm	$1,994	$1,853	$141
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Equipment Protective Lighting & Pow	$5,044	$4,619	$425
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Cable Tray	$6,477	$5,857	$620
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35210 - Structures, Improvements	Landscaping	$1,400	$588	$812
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Equipment Enclosure	$6,204	$4,906	$1,299
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Regulating Equipment	$5,483	$3,921	$1,562
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Coupling Capacitor	$19,297	$17,581	$1,716
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Fuse Equipment	$18,121	$16,202	$1,919
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Conduit/Duct System	$26,156	$23,898	$2,258
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Line Wave Trap	$20,229	$17,325	$2,904
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Non-Unitized	$4,789	$227	$4,562
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Cable, Wiring	$39,360	$34,674	$4,685
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Grounding System, Station	$50,851	$45,729	$5,122
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Arrester, Lightning & Surge Protect	$39,039	$33,103	$5,936
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35210 - Structures, Improvements	Building	$21,985	$15,819	$6,166
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Bus	$60,617	$54,159	$6,458
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35210 - Structures, Improvements	Lighting/Power System	$12,328	$5,619	$6,709
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Transformer, Instrument	$71,375	$64,415	$6,960
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Bus-Insulators	$95,283	$86,464	$8,819
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35210 - Structures, Improvements	Fence	$21,237	$9,994	$11,243
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Control Wiring	$136,268	$122,743	$13,525
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Structure	$181,037	$165,654	$15,383
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	RTU - SCADA	$62,132	$43,397	$18,736
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Foundation - Equipment	$192,019	$172,314	$19,705
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Switch	$215,937	$194,363	$21,574
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35210 - Structures, Improvements	Driveways, Parking, Roads and Walks	$42,305	$19,358	$22,947
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Recloser	$104,188	$74,776	$29,412
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Capacitor Bank	$196,259	$161,280	$34,980
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Cabinets/Panels/Consoles	$302,718	$246,988	$55,729
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35210 - Structures, Improvements	Yard Surfacing	$98,617	$36,371	$62,246
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Transformer, Power	$445,536	$310,048	$135,487
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Oil Storage & Filtering System	$216,473	$75,438	$141,034
WEST PENN POWER	WPCO - PA Dist Subs	RIDGWAY - DISTRIBUTION	35300 - Station Equipment	Circuit Breaker	$523,717	$288,081	$235,636
WEST PENN POWER	WPCO - PA TL 138KV	RIDGWAY-ELKO SOUTH 138KV	35300 - Station Equipment	Control Wiring	$196	$94	$102
WEST PENN POWER	WPCO - PA TL 138KV	RIDGWAY-ELKO SOUTH 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$52,330	$52,017	$313
WEST PENN POWER	WPCO - PA TL 138KV	RIDGWAY-ELKO SOUTH 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$923	$6	$917
WEST PENN POWER	WPCO - PA TL 138KV	RIDGWAY-ELKO SOUTH 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$977	$8	$969
WEST PENN POWER	WPCO - PA TL 138KV	RIDGWAY-ELKO SOUTH 138KV	35300 - Station Equipment	Line Tuning Assembly	$3,230	$1,553	$1,677
WEST PENN POWER	WPCO - PA TL 138KV	RIDGWAY-ELKO SOUTH 138KV	35500 - Poles And Fixtures	Crossarm	$16,913	$13,622	$3,291
WEST PENN POWER	WPCO - PA TL 138KV	RIDGWAY-ELKO SOUTH 138KV	35300 - Station Equipment	Coupling Capacitor	$6,492	$3,122	$3,371
WEST PENN POWER	WPCO - PA TL 138KV	RIDGWAY-ELKO SOUTH 138KV	35500 - Poles And Fixtures	Non-Unitized	$7,747	$203	$7,544
WEST PENN POWER	WPCO - PA TL 138KV	RIDGWAY-ELKO SOUTH 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$62,076	$52,110	$9,965
WEST PENN POWER	WPCO - PA TL 138KV	RIDGWAY-ELKO SOUTH 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$34,869	$18,077	$16,792
WEST PENN POWER	WPCO - PA TL 138KV	RIDGWAY-ELKO SOUTH 138KV	35620 - Clearing, Grading of Land	Site Clearing	$20,474	$3,301	$17,173
WEST PENN POWER	WPCO - PA TL 138KV	RIDGWAY-ELKO SOUTH 138KV	35500 - Poles And Fixtures	Wood Pole	$127,151	$80,683	$46,468
WEST PENN POWER	WPCO - PA TL 138KV	RIDGWAY-ELKO SOUTH 138KV	35500 - Poles And Fixtures	Structure	$563,489	$64,829	$498,660
WEST PENN POWER	WPCO - PA TL 138KV	RIDGWAY-ELKO SOUTH 138KV	35500 - Poles And Fixtures	Phase Raiser	$2,013,235	$231,621	$1,781,615
WEST PENN POWER	WPCO - PA TL 138KV	RIDGWAY-PAPER CITY 138KV	35500 - Poles And Fixtures	Wood Pole	$2,715	$2,527	$188
WEST PENN POWER	WPCO - PA TL 138KV	RIDGWAY-PAPER CITY 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$898	$6	$892

Schedule 1(a) In-Service Assets

Company	Major Location	Asset Location	Utility Account	Retirement Unit	Original Cost	Allocated Accumulated Depreciation	Net Book Value
WEST PENN POWER	WPCO - PA TL 138KV	RIDGWAY-PAPER CITY 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$1,043	$9	$1,033
WEST PENN POWER	WPCO - PA TL 138KV	RIDGWAY-PAPER CITY 138KV	35500 - Poles And Fixtures	Non-Unitized	$3,710	$87	$3,623
WEST PENN POWER	WPCO - PA TL 138KV	RIDGWAY-PAPER CITY 138KV	35500 - Poles And Fixtures	Crossarm	$12,627	$8,468	$4,158
WEST PENN POWER	WPCO - PA TL 138KV	RIDGWAY-PAPER CITY 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$18,657	$10,760	$7,897
WEST PENN POWER	WPCO - PA TL 138KV	RIDGWAY-PAPER CITY 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$76,000	$51,745	$24,255
WEST PENN POWER	WPCO - PA TL 138KV	RIDGWAY-PAPER CITY 138KV	35620 - Clearing, Grading of Land	Site Clearing	$58,625	$15,675	$42,949
WEST PENN POWER	WPCO - PA TL 138KV	RIDGWAY-PAPER CITY 138KV	35500 - Poles And Fixtures	Phase Raiser	$151,700	$20,509	$131,191
WEST PENN POWER	WPCO - PA TL 138KV	RIDGWAY-PAPER CITY 138KV	35500 - Poles And Fixtures	Structure	$882,457	$145,528	$736,929
WEST PENN POWER	WPCO - PA TL 138KV	RINGGOLD-WEST WAYNESBORO 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$376	$365	$11
WEST PENN POWER	WPCO - PA TL 138KV	RINGGOLD-WEST WAYNESBORO 138KV	35500 - Poles And Fixtures	Crossarm	$4,678	$4,517	$161
WEST PENN POWER	WPCO - PA TL 138KV	RINGGOLD-WEST WAYNESBORO 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$4,833	$4,396	$436
WEST PENN POWER	WPCO - PA TL 138KV	RINGGOLD-WEST WAYNESBORO 138KV	35620 - Clearing, Grading of Land	Site Clearing	$1,860	$1,392	$467
WEST PENN POWER	WPCO - PA TL 138KV	RINGGOLD-WEST WAYNESBORO 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$22,857	$21,975	$882
WEST PENN POWER	WPCO - PA TL 138KV	RINGGOLD-WEST WAYNESBORO 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$938	$6	$931
WEST PENN POWER	WPCO - PA TL 138KV	RINGGOLD-WEST WAYNESBORO 138KV	35500 - Poles And Fixtures	Non-Unitized	$1,111	$12	$1,099
WEST PENN POWER	WPCO - PA TL 138KV	RINGGOLD-WEST WAYNESBORO 138KV	35500 - Poles And Fixtures	Wood Pole	$31,452	$29,330	$2,122
WEST PENN POWER	WPCO - PA TL 138KV	RINGGOLD-WEST WAYNESBORO 138KV	35500 - Poles And Fixtures	Phase Raiser	$59,540	$9,283	$50,257
WEST PENN POWER	WPCO - PA Trans Subs	RONCO	35210 - Structures, Improvements	Non-Unitized	$948	$7	$941
WEST PENN POWER	WPCO - PA Trans Subs	RONCO	35300 - Station Equipment	Relays	$3,087	$225	$2,863
WEST PENN POWER	WPCO - PA Trans Subs	RONCO	35210 - Structures, Improvements	Security System	$49,161	$9,304	$39,857
WEST PENN POWER	WPCO - PA Trans Subs	RONCO	35300 - Station Equipment	Security System	$46,551	$6,250	$40,301
WEST PENN POWER	WPCO - PA Trans Subs	RONCO	35300 - Station Equipment	Transformer, Current : Each	$216,578	$25,807	$190,771
WEST PENN POWER	WPCO - PA Trans Subs	RONCO	35300 - Station Equipment	Non-Unitized	$220,628	$10,853	$209,775
WEST PENN POWER	WPCO - PA Trans Subs	RONCO	35300 - Station Equipment	Communication System	$329,901	$8,304	$321,597
WEST PENN POWER	WPCO - PA TL 138KV	SALTSBURG - VANDERGRIFT 138 KV LINE	35620 - Clearing, Grading of Land	Non-Unitized	$908	$6	$902
WEST PENN POWER	WPCO - PA TL 138KV	SALTSBURG - VANDERGRIFT 138 KV LINE	35610 - Overhd Conductr, Devices	Non-Unitized	$1,029	$9	$1,020
WEST PENN POWER	WPCO - PA TL 138KV	SALTSBURG - VANDERGRIFT 138 KV LINE	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$27,051	$24,448	$2,602
WEST PENN POWER	WPCO - PA TL 138KV	SALTSBURG - VANDERGRIFT 138 KV LINE	35500 - Poles And Fixtures	Non-Unitized	$5,083	$900	$4,182
WEST PENN POWER	WPCO - PA TL 138KV	SALTSBURG - VANDERGRIFT 138 KV LINE	35610 - Overhd Conductr, Devices	Grounding (T & D)	$13,457	$733	$12,724
WEST PENN POWER	WPCO - PA TL 138KV	SALTSBURG - VANDERGRIFT 138 KV LINE	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$306,629	$278,382	$28,247
WEST PENN POWER	WPCO - PA TL 138KV	SALTSBURG - VANDERGRIFT 138 KV LINE	35620 - Clearing, Grading of Land	Site Clearing	$105,558	$68,619	$36,939
WEST PENN POWER	WPCO - PA TL 138KV	SALTSBURG - VANDERGRIFT 138 KV LINE	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$114,338	$70,774	$43,564
WEST PENN POWER	WPCO - PA TL 138KV	SALTSBURG - VANDERGRIFT 138 KV LINE	35610 - Overhd Conductr, Devices	Insulator - transmission	$233,085	$56,727	$176,357
WEST PENN POWER	WPCO - PA TL 138KV	SALTSBURG - VANDERGRIFT 138 KV LINE	35500 - Poles And Fixtures	Crossarm	$276,445	$40,749	$235,695
WEST PENN POWER	WPCO - PA TL 138KV	SALTSBURG - VANDERGRIFT 138 KV LINE	35500 - Poles And Fixtures	Wood Pole	$836,614	$275,715	$560,899
WEST PENN POWER	WPCO - PA TL 138KV	SALTSBURG-SOCIAL HALL 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$887	$6	$881
WEST PENN POWER	WPCO - PA TL 138KV	SALTSBURG-SOCIAL HALL 138KV	35500 - Poles And Fixtures	Crossarm	$25,130	$23,791	$1,339
WEST PENN POWER	WPCO - PA TL 138KV	SALTSBURG-SOCIAL HALL 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$31,599	$30,083	$1,516
WEST PENN POWER	WPCO - PA TL 138KV	SALTSBURG-SOCIAL HALL 138KV	35500 - Poles And Fixtures	Wood Pole	$162,424	$153,769	$8,655
WEST PENN POWER	WPCO - PA TL 138KV	SALTSBURG-SOCIAL HALL 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$186,731	$177,770	$8,961
WEST PENN POWER	WPCO - PA TL 138KV	SALTSBURG-SOCIAL HALL 138KV	35620 - Clearing, Grading of Land	Site Clearing	$52,190	$38,463	$13,726
WEST PENN POWER	WPCO - PA TL 138KV	Sewickley Loop	35610 - Overhd Conductr, Devices	Insulator - transmission	$20,165	$13,866	$6,299
WEST PENN POWER	WPCO - PA TL 138KV	Sewickley Loop	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$141,683	$97,423	$44,260
WEST PENN POWER	WPCO - PA TL 138KV	Sewickley Loop	35620 - Clearing, Grading of Land	Site Clearing	$152,020	$69,718	$82,302
WEST PENN POWER	WPCO - PA TL 138KV	Sewickley Loop	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$432,177	$300,345	$131,833
WEST PENN POWER	WPCO - PA Dist Subs	SHAFFERS CORNER	35300 - Station Equipment	Non-Unitized	$72,917	$605	$72,312
WEST PENN POWER	WPCO - PA TL 138KV	Shanor Manor Loop	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$2,488	$2,054	$434
WEST PENN POWER	WPCO - PA TL 138KV	SHEPLER HILL JCT (CHARLEROI-MITCHELL-YUKON) 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$942	$6	$936
WEST PENN POWER	WPCO - PA TL 138KV	SHEPLER HILL JCT (CHARLEROI-MITCHELL-YUKON) 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$998	$8	$990
WEST PENN POWER	WPCO - PA TL 138KV	SHEPLER HILL JCT (CHARLEROI-MITCHELL-YUKON) 138KV	35500 - Poles And Fixtures	Non-Unitized	$1,151	$13	$1,137
WEST PENN POWER	WPCO - PA TL 138KV	SHEPLER HILL JCT (CHARLEROI-MITCHELL-YUKON) 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$7,995	$864	$7,131
WEST PENN POWER	WPCO - PA TL 138KV	SHEPLER HILL JCT (CHARLEROI-MITCHELL-YUKON) 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$50,327	$3,296	$47,032
WEST PENN POWER	WPCO - PA TL 138KV	SHEPLER HILL JCT (CHARLEROI-MITCHELL-YUKON) 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$64,304	$3,505	$60,799
WEST PENN POWER	WPCO - PA TL 138KV	SHEPLER HILL JCT (CHARLEROI-MITCHELL-YUKON) 138KV	35500 - Poles And Fixtures	Crossarm	$429,618	$26,433	$403,185
WEST PENN POWER	WPCO - PA TL 138KV	SHEPLER HILL JCT (CHARLEROI-MITCHELL-YUKON) 138KV	35500 - Poles And Fixtures	Wood Pole	$712,461	$44,380	$668,081
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Cable	$215	$77	$138
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35210 - Structures, Improvements	Yard Drainage System	$1,104	$954	$151
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Equipment Protective Lighting & Pow	$1,713	$1,372	$341
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35210 - Structures, Improvements	Landscaping	$17,415	$14,344	$3,071
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Battery Charger	$3,695	$496	$3,199
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Cable Tray	$17,006	$13,436	$3,570
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Relays	$4,269	$106	$4,163
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Battery System	$7,826	$3,656	$4,169
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35210 - Structures, Improvements	Building	$28,085	$23,355	$4,731
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35210 - Structures, Improvements	Lighting/Power System	$12,248	$7,315	$4,933
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	39700 - Communication Equipment	Non-Unitized	$7,095	$1,487	$5,608
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35210 - Structures, Improvements	Fence	$19,140	$13,500	$5,640
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Switching Equipment	$13,651	$6,458	$7,193
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35210 - Structures, Improvements	Yard Surfacing	$37,120	$29,401	$7,719
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Line Tuning Assembly	$9,503	$1,276	$8,227
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Gas or Oil Supply System	$9,681	$705	$8,976
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Regulator - Voltage	$27,371	$15,478	$11,893
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Coupling Capacitor	$27,183	$15,160	$12,023
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	RTU - SCADA	$45,728	$32,181	$13,547
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Bus-Insulators	$45,086	$25,006	$20,081
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Carrier Equipment System	$21,020	$520	$20,500
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Capacitor Bank	$69,552	$44,120	$25,432
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35210 - Structures, Improvements	Driveways, Parking, Roads and Walks	$70,690	$44,485	$26,205
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Relaying Equipment	$30,065	$949	$29,116
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Conduit	$36,513	$2,766	$33,747
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Transformer, Instrument	$113,016	$65,660	$47,355
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Fuse Equipment	$65,881	$13,882	$51,999
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Foundation - Equipment	$183,346	$130,771	$52,575
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Non-Unitized	$56,943	$1,128	$55,814
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Arrester, Lightning & Surge Protect	$100,420	$38,836	$61,584
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Recloser	$114,260	$51,334	$62,925
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Under-load Tap Changer (LTC)	$74,259	$6,567	$67,692
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Conduit/Duct System	$93,968	$19,285	$74,683
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Cable, Wiring	$131,055	$52,668	$78,387
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Transformer, Station Service : Each	$98,256	$8,690	$89,567
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Bus	$156,462	$64,394	$92,068
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Carrier Transmitter/Receiver Assemb	$107,541	$6,129	$101,412
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Transformer, Current : Each	$118,092	$6,730	$111,362
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Grounding System, Station	$296,577	$161,587	$134,990
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Structure	$339,452	$180,663	$158,789
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Line Wave Trap	$180,115	$12,449	$167,665
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Switch	$349,968	$159,636	$190,333
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Oil Storage & Filtering System	$387,244	$122,375	$264,870
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Transformer, Power	$813,451	$527,898	$285,553
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Cable Trench	$411,452	$10,181	$401,271
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Circuit Breaker	$863,695	$351,979	$511,716
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Control Wiring	$832,079	$155,077	$677,001
WEST PENN POWER	WPCO - PA Trans Subs	SHINGLETOWN	35300 - Station Equipment	Cabinets/Panels/Consoles	$1,053,324	$340,409	$712,915
WEST PENN POWER	WPCO - PA TL 138KV	Slatelick 138kv Line	35620 - Clearing, Grading of Land	Non-Unitized	$927	$6	$920
WEST PENN POWER	WPCO - PA TL 138KV	Slatelick 138kv Line	35500 - Poles And Fixtures	Non-Unitized	$948	$7	$940
WEST PENN POWER	WPCO - PA TL 138KV	Slatelick 138kv Line	35610 - Overhd Conductr, Devices	Non-Unitized	$948	$7	$941
WEST PENN POWER	WPCO - PA TL 138KV	Slatelick 138kv Line	35610 - Overhd Conductr, Devices	Insulator - transmission	$34,871	$10,455	$24,416
WEST PENN POWER	WPCO - PA TL 138KV	Slatelick 138kv Line	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$71,016	$21,291	$49,725
WEST PENN POWER	WPCO - PA TL 138KV	Slatelick 138kv Line	35620 - Clearing, Grading of Land	Site Clearing	$75,625	$9,355	$66,270
WEST PENN POWER	WPCO - PA TL 138KV	Slatelick 138kv Line	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$591,887	$185,331	$406,556
WEST PENN POWER	WPCO - PA TL 138KV	Smith - Cecil	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$0	$0	$0
WEST PENN POWER	WPCO - PA TL 138KV	Smith - Cecil	35610 - Overhd Conductr, Devices	Insulator - transmission	$0	$0	$0
WEST PENN POWER	WPCO - PA TL 138KV	Smith - Cecil	35620 - Clearing, Grading of Land	Non-Unitized	$942	$6	$936
WEST PENN POWER	WPCO - PA TL 138KV	Smith - Cecil	35620 - Clearing, Grading of Land	Site Clearing	$192,112	$136,972	$55,140
WEST PENN POWER	WPCO - PA TL 138KV	Smithton Branch	35610 - Overhd Conductr, Devices	Insulator - transmission	$1,254	$1,036	$219
WEST PENN POWER	WPCO - PA TL 138KV	Smithton Branch	35500 - Poles And Fixtures	Wood Pole	$5,238	$4,325	$913
WEST PENN POWER	WPCO - PA TL 138KV	Smithton Branch	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$10,511	$8,767	$1,744
WEST PENN POWER	WPCO - PA Dist Subs	SOCIAL HALL	35300 - Station Equipment	Non-Unitized	$948	$8	$940

Schedule 1(a) In-Service Assets

Company	Major Location	Asset Location	Utility Account	Retirement Unit	Original Cost	Allocated Accumulated Depreciation	Net Book Value
WEST PENN POWER	WPCO - PA Dist Subs	SOCIAL HALL	35300 - Station Equipment	Transformer, Instrument	$39,002	$8,059	$30,944
WEST PENN POWER	WPCO - PA TL 138KV	SOCIAL HALL-LOYALHANNA 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$886	$6	$880
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	RTU - SCADA	$650	$650	$0
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Foundation - Equipment	$24	$9	$16
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Fuse Equipment	$114	$40	$74
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Cable, Wiring	$164	$58	$106
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Conduit/Duct System	$168	$59	$109
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Cable	$235	$69	$167
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Battery Charger	$277	$98	$179
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Equipment Enclosure	$260	$76	$184
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35210 - Structures, Improvements	Heater	$271	$82	$190
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Carrier Transmitter/Receiver Assemb	$358	$126	$231
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Transformer, Instrument	$574	$203	$371
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35210 - Structures, Improvements	Foundation - Building	$705	$212	$493
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Battery System	$789	$279	$510
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Grounding System, Station	$1,441	$509	$932
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35210 - Structures, Improvements	Non-Unitized	$948	$7	$941
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35210 - Structures, Improvements	Lighting/Power System	$1,519	$457	$1,062
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Line Wave Trap	$2,522	$891	$1,631
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Structure	$2,879	$1,017	$1,861
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Bus	$3,153	$1,114	$2,039
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Coupling Capacitor	$4,910	$1,735	$3,175
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Control Wiring	$4,462	$1,110	$3,351
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Bus-Insulators	$9,334	$3,298	$6,036
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Switch	$10,267	$3,628	$6,639
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Circuit Breaker	$21,653	$6,314	$15,339
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35210 - Structures, Improvements	Building	$23,718	$7,135	$16,582
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Controls and Instrumentation	$24,405	$1,777	$22,628
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Cabinets/Panels/Consoles	$35,888	$4,972	$30,917
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Computer	$37,790	$2,751	$35,038
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Security System	$48,616	$6,528	$42,089
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Relays	$55,031	$4,007	$51,024
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Arrester, Lightning & Surge Protect	$76,519	$7,659	$68,860
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35210 - Structures, Improvements	Security System	$254,712	$51,516	$203,196
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Communication System	$238,359	$13,584	$224,775
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH BEND	35300 - Station Equipment	Non-Unitized	$429,250	$6,748	$422,502
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Conduit	$182	$32	$149
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	39700 - Communication Equipment	Non-Unitized	$898	$264	$634
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Non-Unitized	$1,896	$8	$1,888
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Conduit/Duct System	$3,444	$1,542	$1,902
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35210 - Structures, Improvements	Non-Unitized	$2,383	$150	$2,233
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Battery Charger	$5,559	$2,489	$3,070
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Carrier Equipment System	$6,504	$3,010	$3,495
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Fuse Equipment	$6,523	$2,921	$3,602
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Steel Pole Fully Dressed	$6,550	$2,933	$3,618
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Transformer, Instrument	$6,720	$3,009	$3,711
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Battery System	$10,575	$4,735	$5,840
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Cable, Wiring	$10,196	$4,065	$6,131
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Line Tuning Assembly	$11,910	$5,333	$6,577
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Computer	$12,811	$5,928	$6,883
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Switching Equipment	$15,619	$6,993	$8,626
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Cable Tray	$25,444	$11,392	$14,051
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Arrester, Lightning & Surge Protect	$22,572	$7,632	$14,939
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Line Wave Trap	$28,266	$12,656	$15,610
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	RTU - SCADA	$29,227	$13,524	$15,703
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Oil Storage & Filtering System	$31,389	$14,054	$17,335
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Foundation - Equipment	$33,764	$15,118	$18,646
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35210 - Structures, Improvements	Fence	$25,655	$5,551	$20,105
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35210 - Structures, Improvements	Driveways, Parking, Roads and Walks	$25,655	$5,551	$20,105
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35210 - Structures, Improvements	Landscaping	$27,038	$5,850	$21,188
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Air Break	$26,062	$4,656	$21,406
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Bus-Insulators	$31,953	$10,362	$21,592
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35210 - Structures, Improvements	Heater	$27,890	$6,034	$21,856
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Grounding System, Station	$41,311	$18,497	$22,814
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Coupling Capacitor	$49,062	$21,967	$27,094
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	CT 138KV	$36,492	$6,520	$29,972
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Carrier Transmitter/Receiver Assemb	$58,270	$26,090	$32,179
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Control Wiring	$60,209	$26,958	$33,250
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Transformer, Power	$62,816	$28,126	$34,690
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Bus	$78,333	$30,049	$48,284
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35210 - Structures, Improvements	Lighting/Power System	$73,378	$13,807	$59,570
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35210 - Structures, Improvements	Building	$94,641	$20,476	$74,165
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Structure	$158,531	$70,982	$87,549
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Recloser	$163,844	$73,361	$90,483
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Cabinets/Panels/Consoles	$177,697	$79,564	$98,133
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Circuit Breaker	$226,286	$48,879	$177,408
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35210 - Structures, Improvements	Yard Surfacing	$261,417	$56,559	$204,858
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Switch	$492,494	$219,666	$272,828
WEST PENN POWER	WPCO - PA Trans Subs	SOUTH FAYETTE-TRANSMISSION	35300 - Station Equipment	Capacitor Bank	$335,396	$59,926	$275,470
WEST PENN POWER	WPCO - PA TL 138KV	South Oakford Tap	35500 - Poles And Fixtures	Crossarm	$6,334	$3,472	$2,861
WEST PENN POWER	WPCO - PA TL 138KV	South Oakford Tap	35610 - Overhd Conductr, Devices	Insulator - transmission	$27,659	$14,819	$12,840
WEST PENN POWER	WPCO - PA TL 138KV	South Oakford Tap	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$41,930	$22,466	$19,465
WEST PENN POWER	WPCO - PA TL 138KV	South Oakford Tap	35500 - Poles And Fixtures	Wood Pole	$81,868	$44,883	$36,986
WEST PENN POWER	WPCO - PA TL 138KV	South Oakford Tap	35620 - Clearing, Grading of Land	Site Clearing	$70,881	$25,291	$45,590
WEST PENN POWER	WPCO - PA TL 138KV	South Union Tap	35620 - Clearing, Grading of Land	Non-Unitized	$936	$6	$929
WEST PENN POWER	WPCO - PA TL 138KV	South Union Tap	35610 - Overhd Conductr, Devices	Insulator - transmission	$70,770	$54,017	$16,753
WEST PENN POWER	WPCO - PA TL 138KV	South Union Tap	35500 - Poles And Fixtures	Crossarm	$109,654	$83,996	$25,658
WEST PENN POWER	WPCO - PA TL 138KV	South Union Tap	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$367,212	$280,180	$87,032
WEST PENN POWER	WPCO - PA TL 138KV	South Union Tap	35500 - Poles And Fixtures	Wood Pole	$788,378	$605,812	$182,567
WEST PENN POWER	WPCO - PA TL 138KV	South Union Tap	35620 - Clearing, Grading of Land	Site Clearing	$398,474	$190,082	$208,392
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Misc Tools & Equipment	$1,196	$1,196	$0
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Fuse Equipment	$914	$914	$0
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Switching Equipment	$240	$240	$0
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Pump	$1,347	$1,347	$0
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Oil Storage & Filtering System	$28,430	$28,428	$2
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Fire Protection System for Equipmnt	$22,726	$22,724	$2
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Carrier Transmitter/Receiver Assemb	$2,632	$2,622	$10
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Equipment Enclosure	$14,276	$14,254	$21
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35210 - Structures, Improvements	Potable Water Supply System	$129	$107	$23
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35210 - Structures, Improvements	Driveways, Parking, Roads and Walks	$414	$333	$81
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35210 - Structures, Improvements	Non-Unitized	$948	$7	$941
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35210 - Structures, Improvements	Wall, Retaining, Abuse, Miscellaneo	$7,343	$6,387	$956
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35210 - Structures, Improvements	Heater	$5,992	$4,776	$1,216
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Cable, Wiring	$20,093	$18,419	$1,674
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Conduit/Duct System	$69,250	$67,164	$2,086
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Site Improvements	$3,679	$603	$3,076
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35210 - Structures, Improvements	Lighting/Power System	$25,635	$17,909	$7,726
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Cable Tray	$106,155	$93,948	$12,207
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Relays	$14,118	$1,896	$12,223
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Line Tuning Assembly	$20,097	$5,653	$14,444
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Air Break	$20,255	$4,205	$16,050
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Battery Charger	$20,996	$3,084	$17,912
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Controls and Instrumentation	$18,456	$457	$17,999
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Transformer, Power	$89,094	$70,138	$18,955
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Structure	$239,676	$218,987	$20,690
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Bus-Insulators	$77,603	$56,300	$21,303
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35210 - Structures, Improvements	Building	$55,892	$29,254	$26,637
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	CT 138KV	$38,142	$944	$37,199

Schedule 1(a) In-Service Assets

Company	Major Location	Asset Location	Utility Account	Retirement Unit	Original Cost	Allocated Accumulated Depreciation	Net Book Value
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Switch	$64,908	$27,626	$37,282
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Security System	$40,474	$2,307	$38,167
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Transformer, Instrument	$141,585	$102,863	$38,722
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Battery System	$58,980	$18,703	$40,277
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Line Wave Trap	$76,946	$35,751	$41,195
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Circuit Switcher	$54,406	$11,294	$43,112
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Coupling Capacitor	$91,188	$42,927	$48,261
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	RTU - SCADA	$53,771	$5,070	$48,701
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Wiring	$61,903	$10,437	$51,466
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Arrester, Lightning & Surge Protect	$169,517	$62,191	$107,326
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Transformer, Potential : Each	$168,808	$6,916	$161,892
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35210 - Structures, Improvements	Security System	$206,093	$42,799	$163,295
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Bus	$194,427	$13,950	$180,476
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Relaying Equipment	$240,085	$9,154	$230,930
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Cable Trench	$271,880	$11,139	$260,741
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Communication System	$273,944	$6,779	$267,165
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Foundation - Equipment	$468,051	$199,775	$268,277
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Conduit	$316,050	$13,574	$302,476
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Grounding System, Station	$360,150	$35,808	$324,342
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Cabinets/Panels/Consoles	$927,420	$554,167	$373,252
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Disconnect Switch	$797,188	$89,667	$707,521
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Non-Unitized	$888,365	$11,955	$876,411
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Control Wiring	$1,216,940	$223,819	$993,121
WEST PENN POWER	WPCO - PA Trans Subs	SPRINGDALE	35300 - Station Equipment	Circuit Breaker	$1,964,905	$281,053	$1,683,852
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Allegheny Ludlum #2	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$17,463	$17,352	$112
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Allegheny Ludlum #2	35620 - Clearing, Grading of Land	Site Clearing	$2,446	$1,052	$1,394
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Allegheny Ludlum #2	35610 - Overhd Conductr, Devices	Insulator - transmission	$12,182	$10,444	$1,738
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Allegheny Ludlum #2	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$41,660	$38,648	$3,012
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Allegheny Ludlum #2	35500 - Poles And Fixtures	Crossarm	$16,735	$11,704	$5,031
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Allegheny Ludlum #2	35500 - Poles And Fixtures	Wood Pole	$53,741	$40,911	$12,829
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Allegheny Ludlum #4	35500 - Poles And Fixtures	Crossarm	$310	$297	$13
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Allegheny Ludlum #4	35610 - Overhd Conductr, Devices	Insulator - transmission	$17,720	$17,051	$669
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Allegheny Ludlum #4	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$20,101	$19,342	$759
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Allegheny Ludlum #4	35620 - Clearing, Grading of Land	Non-Unitized	$935	$6	$929
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Allegheny Ludlum #4	35500 - Poles And Fixtures	Wood Pole	$47,979	$44,157	$3,822
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Allegheny Ludlum #4	35620 - Clearing, Grading of Land	Site Clearing	$40,091	$4,337	$35,754
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Butler	35500 - Poles And Fixtures	Unspecified	$13	$7	$6
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Butler	35610 - Overhd Conductr, Devices	Grounding (T & D)	$2,742	$2,684	$59
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Butler	35610 - Overhd Conductr, Devices	Switch: Equipment Enclosure	$4,893	$4,172	$721
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Butler	35620 - Clearing, Grading of Land	Non-Unitized	$880	$6	$874
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Butler	35500 - Poles And Fixtures	Crossarm	$20,303	$15,549	$4,753
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Butler	35620 - Clearing, Grading of Land	Site Clearing	$54,537	$42,465	$12,071
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Butler	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$102,955	$67,505	$35,451
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Butler	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$544,058	$489,909	$54,149
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Butler	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$487,340	$401,717	$85,623
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Butler	35610 - Overhd Conductr, Devices	Insulator - transmission	$256,337	$81,827	$174,510
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Butler	35500 - Poles And Fixtures	Wood Pole	$405,057	$120,286	$284,770
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Colfax	35620 - Clearing, Grading of Land	Site Clearing	$8,037	$8,013	$24
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Luxor	35610 - Overhd Conductr, Devices	Grounding (T & D)	$10,899	$10,221	$679
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Luxor	35620 - Clearing, Grading of Land	Non-Unitized	$928	$6	$921
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Luxor	35610 - Overhd Conductr, Devices	Insulator - transmission	$49,362	$44,647	$4,715
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Luxor	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$221,944	$197,822	$24,121
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Luxor	35620 - Clearing, Grading of Land	Site Clearing	$72,087	$44,603	$27,484
WEST PENN POWER	WPCO - PA TL 138KV	Springdale - Luxor	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$738,002	$540,551	$197,451
WEST PENN POWER	WPCO - PA TL 138KV	SPRINGDALE-FEDERAL STREET 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$905	$6	$899
WEST PENN POWER	WPCO - PA TL 138KV	SPRINGDALE-FEDERAL STREET 138KV	35500 - Poles And Fixtures	Crossarm	$57,474	$31,509	$25,965
WEST PENN POWER	WPCO - PA TL 138KV	SPRINGDALE-FEDERAL STREET 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$65,440	$35,062	$30,378
WEST PENN POWER	WPCO - PA TL 138KV	SPRINGDALE-FEDERAL STREET 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$265,286	$142,136	$123,150
WEST PENN POWER	WPCO - PA TL 138KV	SPRINGDALE-FEDERAL STREET 138KV	35620 - Clearing, Grading of Land	Site Clearing	$269,395	$87,706	$181,690
WEST PENN POWER	WPCO - PA TL 138KV	SPRINGDALE-FEDERAL STREET 138KV	35500 - Poles And Fixtures	Wood Pole	$466,998	$256,023	$210,975
WEST PENN POWER	WPCO - PA TL 138KV	SPRINGDALE-HARWICK 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$1,294	$1,174	$119
WEST PENN POWER	WPCO - PA TL 138KV	SPRINGDALE-HARWICK 138KV	35500 - Poles And Fixtures	Crossarm	$2,278	$2,059	$219
WEST PENN POWER	WPCO - PA TL 138KV	SPRINGDALE-HARWICK 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$7,917	$7,187	$729
WEST PENN POWER	WPCO - PA TL 138KV	SPRINGDALE-HARWICK 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$944	$6	$937
WEST PENN POWER	WPCO - PA TL 138KV	SPRINGDALE-HARWICK 138KV	35500 - Poles And Fixtures	Wood Pole	$13,511	$12,211	$1,300
WEST PENN POWER	WPCO - PA TL 138KV	SPRINGDALE-HARWICK 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$31,966	$29,021	$2,945
WEST PENN POWER	WPCO - PA TL 138KV	SPRINGDALE-HARWICK 138KV	35620 - Clearing, Grading of Land	Site Clearing	$44,596	$29,523	$15,073
WEST PENN POWER	WPCO - PA TL 138KV	SPRINGDALE-HARWICK 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$255,260	$158,003	$97,258
WEST PENN POWER	WPCO - PA TL 138KV	SPRINGDALE-WHITE VALLEY 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$23,771	$16,346	$7,426
WEST PENN POWER	WPCO - PA TL 138KV	SPRINGDALE-WHITE VALLEY 138KV	35620 - Clearing, Grading of Land	Site Clearing	$31,858	$14,610	$17,247
WEST PENN POWER	WPCO - PA TL 138KV	SPRINGDALE-WHITE VALLEY 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$94,159	$64,745	$29,414
WEST PENN POWER	WPCO - PA TL 138KV	SPRINGDALE-WHITE VALLEY 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$100,050	$69,530	$30,520
WEST PENN POWER	WPCO - PA TL 138KV	SPRINGDALE-WHITE VALLEY 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$203,099	$86,033	$117,065
WEST PENN POWER	WPCO - PA UNSPECIFIED	Springdale-WhiteValley	35620 - Clearing, Grading of Land	Site Clearing	$1,497	$162	$1,335
WEST PENN POWER	WPCO - PA Trans Subs	SQUAB HOLLOW	35210 - Structures, Improvements	Potable Water Supply System	$6,853	$2,552	$4,301
WEST PENN POWER	WPCO - PA Trans Subs	SQUAB HOLLOW	35300 - Station Equipment	Non-Unitized	$9,218	$958	$8,260
WEST PENN POWER	WPCO - PA Trans Subs	SQUAB HOLLOW	35210 - Structures, Improvements	Fence	$20,980	$7,812	$13,168
WEST PENN POWER	WPCO - PA Trans Subs	SQUAB HOLLOW	35210 - Structures, Improvements	Yard Drainage System	$48,297	$17,983	$30,314
WEST PENN POWER	WPCO - PA Trans Subs	SQUAB HOLLOW	35210 - Structures, Improvements	Landscaping	$104,390	$38,868	$65,522
WEST PENN POWER	WPCO - PA Trans Subs	SQUAB HOLLOW	35210 - Structures, Improvements	Yard Surfacing	$914,726	$340,583	$574,143
WEST PENN POWER	WPCO - PA TL 138KV	Stoner Jct. - Iron Bridge	35610 - Overhd Conductr, Devices	Grounding (T & D)	$125	$123	$2
WEST PENN POWER	WPCO - PA TL 138KV	Stoner Jct. - Iron Bridge	35500 - Poles And Fixtures	Crossarm	$3,918	$3,853	$65
WEST PENN POWER	WPCO - PA TL 138KV	Stoner Jct. - Iron Bridge	35500 - Poles And Fixtures	Wood Pole	$19,417	$19,097	$321
WEST PENN POWER	WPCO - PA TL 138KV	Stoner Jct. - Iron Bridge	35620 - Clearing, Grading of Land	Site Clearing	$7,431	$6,265	$1,166
WEST PENN POWER	WPCO - PA TL 138KV	Stoner Jct. - Iron Bridge	35610 - Overhd Conductr, Devices	Insulator - transmission	$27,735	$16,555	$11,180
WEST PENN POWER	WPCO - PA TL 138KV	Stoner Jct. - Iron Bridge	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$60,945	$45,254	$15,691
WEST PENN POWER	WPCO - PA TL 138KV	Stoner Jct. - Iron Bridge	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$98,839	$57,176	$41,663
WEST PENN POWER	WPCO - PA TL 138KV	STONY SPRINGS JCT (HARRISON CITY-HEMPFIELD-LUXOR) 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$936	$6	$929
WEST PENN POWER	WPCO - PA TL 138KV	STONY SPRINGS JCT (HARRISON CITY-HEMPFIELD-LUXOR) 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$93,162	$58,257	$34,905
WEST PENN POWER	WPCO - PA TL 138KV	STONY SPRINGS JCT (HARRISON CITY-HEMPFIELD-LUXOR) 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$84,612	$32,417	$52,195
WEST PENN POWER	WPCO - PA TL 138KV	STONY SPRINGS JCT (HARRISON CITY-HEMPFIELD-LUXOR) 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$363,869	$227,539	$136,331
WEST PENN POWER	WPCO - PA TL 138KV	STONY SPRINGS JCT (HARRISON CITY-HEMPFIELD-LUXOR) 138KV	35620 - Clearing, Grading of Land	Site Clearing	$563,294	$223,217	$340,077
WEST PENN POWER	WPCO - PA TL 138KV	STONY SPRINGS JCT (HARRISON CITY-HEMPFIELD-LUXOR) 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$1,520,689	$965,883	$554,806
WEST PENN POWER	WPCO - PA TL 138KV	Texas Eastern #5 Tap	35500 - Poles And Fixtures	Crossarm	$2,553	$1,457	$1,096
WEST PENN POWER	WPCO - PA TL 138KV	Texas Eastern #5 Tap	35610 - Overhd Conductr, Devices	Insulator - transmission	$21,457	$11,989	$9,468
WEST PENN POWER	WPCO - PA TL 138KV	Texas Eastern #5 Tap	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$22,386	$12,508	$9,878
WEST PENN POWER	WPCO - PA TL 138KV	Texas Eastern #5 Tap	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$17,623	$6,036	$11,587
WEST PENN POWER	WPCO - PA TL 138KV	Texas Eastern #5 Tap	35400 - Towers And Fixtures	Structure	$21,822	$7,475	$14,347
WEST PENN POWER	WPCO - PA TL 138KV	Texas Eastern #5 Tap	35500 - Poles And Fixtures	Wood Pole	$39,494	$22,536	$16,958
WEST PENN POWER	WPCO - PA TL 138KV	Texas Eastern #5 Tap	35610 - Overhd Conductr, Devices	Switch: Equipment Enclosure	$64,398	$35,981	$28,417
WEST PENN POWER	WPCO - PA TL 138KV	Texas Eastern #5 Tap	35620 - Clearing, Grading of Land	Site Clearing	$60,284	$22,479	$37,804
WEST PENN POWER	WPCO - PA TL 138KV	Texas Eastern #5 Tap	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$179,073	$102,182	$76,890
WEST PENN POWER	WPCO - PA TL 138KV	Texas Eastern #6 Tap	35610 - Overhd Conductr, Devices	Insulator - transmission	$21,236	$12,817	$8,419
WEST PENN POWER	WPCO - PA TL 138KV	Texas Eastern #6 Tap	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$64,698	$39,049	$25,650
WEST PENN POWER	WPCO - PA TL 138KV	Texas Eastern #6 Tap	35620 - Clearing, Grading of Land	Site Clearing	$238,118	$95,623	$142,495
WEST PENN POWER	WPCO - PA TL 138KV	Texas Eastern #6 Tap	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$481,752	$295,857	$185,894
WEST PENN POWER	WPCO - PA TL 500KV	Tidd - Wylie Ridge - Sammis	35610 - Overhd Conductr, Devices	Grounding (T & D)	$988	$941	$47
WEST PENN POWER	WPCO - PA TL 500KV	Tidd - Wylie Ridge - Sammis	35610 - Overhd Conductr, Devices	Insulator - transmission	$13,687	$12,280	$1,407
WEST PENN POWER	WPCO - PA TL 500KV	Tidd - Wylie Ridge - Sammis	35610 - Overhd Conductr, Devices	Fiber Optic Cable	$19,189	$17,217	$1,973
WEST PENN POWER	WPCO - PA TL 500KV	Tidd - Wylie Ridge - Sammis	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$160,672	$144,154	$16,518
WEST PENN POWER	WPCO - PA TL 500KV	Tidd - Wylie Ridge - Sammis	35620 - Clearing, Grading of Land	Site Clearing	$166,307	$37,575	$128,732
WEST PENN POWER	WPCO - PA TL 500KV	Tidd - Wylie Ridge - Sammis	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$538,767	$406,644	$132,122
WEST PENN POWER	WPCO - PA TL 138KV	UNION JCT (CHARLEROI-MITCHELL-PETERS) 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$92,998	$5,069	$87,929
WEST PENN POWER	WPCO - PA TL 138KV	UNION JCT (CHARLEROI-MITCHELL-PETERS) 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$266,084	$14,503	$251,582
WEST PENN POWER	WPCO - PA TL 138KV	UNION JCT (CHARLEROI-MITCHELL-PETERS) 138KV	35500 - Poles And Fixtures	Wood Pole	$791,519	$46,170	$745,349
WEST PENN POWER	WPCO - PA TL 138KV	Union Jct. - Charleroi	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$3	$3	$0
WEST PENN POWER	WPCO - PA TL 138KV	Union Jct. - Charleroi	35620 - Clearing, Grading of Land	Non-Unitized	$944	$6	$937
WEST PENN POWER	WPCO - PA TL 138KV	Vanceville Tap	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$1,826	$1,621	$205

Schedule 1(a) In-Service Assets

Company	Major Location	Asset Location	Utility Account	Retirement Unit	Original Cost	Allocated Accumulated Depreciation	Net Book Value
WEST PENN POWER	WPCO - PA Dist Subs	VANDERGRIFT	39700 - Communication Equipment	Aerial Fiber Optic Cable	$239,997	$30,119	$209,877
WEST PENN POWER	WPCO - PA TL 138KV	Vasco - Ethel Springs	35620 - Clearing, Grading of Land	Non-Unitized	$936	$6	$929
WEST PENN POWER	WPCO - PA TL 138KV	Vasco - Ethel Springs	35500 - Poles And Fixtures	Crossarm	$37,405	$24,526	$12,880
WEST PENN POWER	WPCO - PA TL 138KV	Vasco - Ethel Springs	35610 - Overhd Conductr, Devices	Insulator - transmission	$46,046	$29,775	$16,271
WEST PENN POWER	WPCO - PA TL 138KV	Vasco - Ethel Springs	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$264,579	$171,084	$93,495
WEST PENN POWER	WPCO - PA TL 138KV	Vasco - Ethel Springs	35500 - Poles And Fixtures	Wood Pole	$314,103	$205,948	$108,155
WEST PENN POWER	WPCO - PA TL 138KV	Vasco - Ethel Springs	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$389,774	$255,564	$134,211
WEST PENN POWER	WPCO - PA TL 138KV	Vasco - Ethel Springs	35620 - Clearing, Grading of Land	Site Clearing	$247,657	$94,945	$152,712
WEST PENN POWER	WPCO - PA TL 138KV	Vasco Branch	35610 - Overhd Conductr, Devices	Grounding (T & D)	$2,282	$2,144	$138
WEST PENN POWER	WPCO - PA TL 138KV	Vasco Branch	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$17,323	$16,279	$1,045
WEST PENN POWER	WPCO - PA TL 138KV	Vasco Branch	35620 - Clearing, Grading of Land	Site Clearing	$3,727	$2,653	$1,074
WEST PENN POWER	WPCO - PA TL 138KV	Vasco Branch	35400 - Towers And Fixtures	Structure	$27,885	$18,612	$9,273
WEST PENN POWER	WPCO - PA TL 138KV	Vasco Branch	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$42,260	$27,404	$14,856
WEST PENN POWER	WPCO - PA TL 138KV	Waltz Mills Branch	35610 - Overhd Conductr, Devices	Grounding (T & D)	$182	$172	$10
WEST PENN POWER	WPCO - PA TL 138KV	Waltz Mills Branch	35610 - Overhd Conductr, Devices	Insulator - transmission	$5,402	$5,111	$291
WEST PENN POWER	WPCO - PA TL 138KV	Waltz Mills Branch	35500 - Poles And Fixtures	Crossarm	$5,244	$4,934	$310
WEST PENN POWER	WPCO - PA TL 138KV	Waltz Mills Branch	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$23,668	$22,394	$1,275
WEST PENN POWER	WPCO - PA TL 138KV	Waltz Mills Branch	35500 - Poles And Fixtures	Wood Pole	$38,821	$36,525	$2,295
WEST PENN POWER	WPCO - PA TL 138KV	Waltz Mills Branch	35620 - Clearing, Grading of Land	Site Clearing	$13,466	$9,764	$3,702
WEST PENN POWER	WPCO - PA TL 138KV	Waltz Mills Branch	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$16,440	$11,166	$5,274
WEST PENN POWER	WPCO - PA TL 138KV	Waltz Mills Tap	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$1,949	$1,686	$263
WEST PENN POWER	WPCO - PA TL 138KV	Warfordsburg Loop	35620 - Clearing, Grading of Land	Non-Unitized	$936	$6	$929
WEST PENN POWER	WPCO - PA TL 138KV	Warfordsburg Loop	35610 - Overhd Conductr, Devices	Insulator - transmission	$42,208	$29,851	$12,357
WEST PENN POWER	WPCO - PA TL 138KV	Warfordsburg Loop	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$399,087	$282,246	$116,841
WEST PENN POWER	WPCO - PA TL 138KV	Warfordsburg Loop	35620 - Clearing, Grading of Land	Site Clearing	$360,191	$157,089	$203,102
WEST PENN POWER	WPCO - PA TL 138KV	Warfordsburg Loop	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$939,999	$670,851	$269,148
WEST PENN POWER	WPCO - PA TL 138KV	Washington - Laboratory	35500 - Poles And Fixtures	Crossarm	$381	$351	$30
WEST PENN POWER	WPCO - PA TL 138KV	Washington - Laboratory	35500 - Poles And Fixtures	Wood Pole	$4,270	$3,930	$340
WEST PENN POWER	WPCO - PA TL 138KV	Washington - Laboratory	35610 - Overhd Conductr, Devices	Insulator - transmission	$8,995	$8,040	$955
WEST PENN POWER	WPCO - PA TL 138KV	Washington - Laboratory	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$23,390	$21,637	$1,753
WEST PENN POWER	WPCO - PA TL 138KV	Washington - Laboratory	35620 - Clearing, Grading of Land	Site Clearing	$2,920	$921	$1,999
WEST PENN POWER	WPCO - PA TL 138KV	Washington - Laboratory	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$143,929	$132,432	$11,497
WEST PENN POWER	WPCO - PA TL 138KV	WASHINGTON-CHARLEROI 138KV	35400 - Towers And Fixtures	Non-Unitized	$72	$2	$70
WEST PENN POWER	WPCO - PA TL 138KV	WASHINGTON-CHARLEROI 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$6,097	$5,690	$407
WEST PENN POWER	WPCO - PA TL 138KV	WASHINGTON-CHARLEROI 138KV	35500 - Poles And Fixtures	Non-Unitized	$966	$8	$958
WEST PENN POWER	WPCO - PA TL 138KV	WASHINGTON-CHARLEROI 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$1,103	$11	$1,092
WEST PENN POWER	WPCO - PA TL 138KV	WASHINGTON-CHARLEROI 138KV	35620 - Clearing, Grading of Land	Site Clearing	$42,431	$32,829	$9,602
WEST PENN POWER	WPCO - PA TL 138KV	WASHINGTON-CHARLEROI 138KV	35500 - Poles And Fixtures	Wood Pole	$27,104	$9,774	$17,331
WEST PENN POWER	WPCO - PA TL 138KV	WASHINGTON-CHARLEROI 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$459,147	$418,901	$40,246
WEST PENN POWER	WPCO - PA TL 138KV	WASHINGTON-CHARLEROI 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$131,933	$65,467	$66,467
WEST PENN POWER	WPCO - PA TL 138KV	WASHINGTON-CHARLEROI 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$277,228	$132,742	$144,486
WEST PENN POWER	WPCO - PA TL 138KV	WASHINGTON-CHARLEROI 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$777,239	$527,457	$249,783
WEST PENN POWER	WPCO - PA TL 138KV	WASHINGTON-CHARLEROI 138KV	35400 - Towers And Fixtures	Riprap	$1,518,858	$45,263	$1,473,595
WEST PENN POWER	WPCO - PA Dist Subs	WASHINGTON-WP	35300 - Station Equipment	Non-Unitized	$511,445	$4,542	$506,902
WEST PENN POWER	WPCO - PA Dist Subs	WEST WAYNESBORO	35300 - Station Equipment	Non-Unitized	$21,307	$2,539	$18,768
WEST PENN POWER	WPCO - PA TL 138KV	WEST WAYNESBORO-GRAND POINT 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$924	$6	$918
WEST PENN POWER	WPCO - PA TL 138KV	WEST WAYNESBORO-GRAND POINT 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$1,003	$8	$995
WEST PENN POWER	WPCO - PA TL 138KV	WEST WAYNESBORO-GRAND POINT 138KV	35500 - Poles And Fixtures	Non-Unitized	$1,053	$10	$1,042
WEST PENN POWER	WPCO - PA TL 138KV	WEST WAYNESBORO-GRAND POINT 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$6,325	$345	$5,980
WEST PENN POWER	WPCO - PA TL 138KV	WEST WAYNESBORO-GRAND POINT 138KV	35500 - Poles And Fixtures	Crossarm	$17,605	$9,247	$8,358
WEST PENN POWER	WPCO - PA TL 138KV	WEST WAYNESBORO-GRAND POINT 138KV	35620 - Clearing, Grading of Land	Site Clearing	$49,346	$12,025	$37,322
WEST PENN POWER	WPCO - PA TL 138KV	WEST WAYNESBORO-GRAND POINT 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$402,999	$336,512	$66,487
WEST PENN POWER	WPCO - PA TL 138KV	WEST WAYNESBORO-GRAND POINT 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$823,636	$189,433	$634,203
WEST PENN POWER	WPCO - PA TL 138KV	WEST WAYNESBORO-GRAND POINT 138KV	35500 - Poles And Fixtures	Wood Pole	$1,731,851	$582,928	$1,148,923
WEST PENN POWER	WPCO - PA TL 138KV	White Valley Branch	35610 - Overhd Conductr, Devices	Insulator - transmission	$741	$658	$83
WEST PENN POWER	WPCO - PA TL 138KV	White Valley Branch	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$2,326	$2,065	$261
WEST PENN POWER	WPCO - PA TL 138KV	White Valley Branch	35620 - Clearing, Grading of Land	Non-Unitized	$842	$6	$837
WEST PENN POWER	WPCO - PA TL 138KV	White Valley Branch	35610 - Overhd Conductr, Devices	Non-Unitized	$1,110	$11	$1,099
WEST PENN POWER	WPCO - PA TL 138KV	White Valley Branch	35500 - Poles And Fixtures	Non-Unitized	$2,149	$42	$2,107
WEST PENN POWER	WPCO - PA TL 138KV	White Valley Branch	35620 - Clearing, Grading of Land	Site Clearing	$12,994	$3,165	$9,829
WEST PENN POWER	WPCO - PA TL 138KV	White Valley Branch	35610 - Overhd Conductr, Devices	Grounding (T & D)	$59,307	$4,252	$55,055
WEST PENN POWER	WPCO - PA TL 138KV	White Valley Branch	35500 - Poles And Fixtures	Wood Pole	$438,348	$33,571	$404,777
WEST PENN POWER	WPCO - PA TL 138KV	Williamette Loop	35610 - Overhd Conductr, Devices	Insulator - transmission	$35,795	$21,292	$14,503
WEST PENN POWER	WPCO - PA TL 138KV	Williamette Loop	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$107,579	$63,049	$44,531
WEST PENN POWER	WPCO - PA TL 138KV	Williamette Loop	35620 - Clearing, Grading of Land	Site Clearing	$106,358	$44,233	$62,126
WEST PENN POWER	WPCO - PA TL 138KV	Williamette Loop	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$356,867	$226,668	$130,199
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	Conduit/Duct System	$79	$77	$2
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	Cable Tray	$667	$650	$16
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	Foundation - Equipment	$48,877	$48,859	$18
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	Battery Charger	$871	$849	$21
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	Grounding System, Station	$3,783	$3,752	$30
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	Switch	$51,836	$51,781	$55
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	Arrester, Lightning & Surge Protect	$5,728	$5,624	$105
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	Battery System	$2,917	$2,793	$124
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35210 - Structures, Improvements	Roof	$1,442	$815	$628
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	Control Wiring	$25,618	$24,509	$1,110
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	Minor Station Equipment	$7,074	$4,911	$2,163
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35210 - Structures, Improvements	Fence	$8,562	$5,033	$3,529
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	RTU - SCADA	$23,317	$18,676	$4,641
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	Fire Protection System for Equipmnt	$33,318	$28,249	$5,069
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	Bus	$9,052	$3,834	$5,219
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	Transformer, Instrument	$53,195	$47,543	$5,652
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	Equipment Enclosure	$38,732	$29,404	$9,328
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35210 - Structures, Improvements	Building	$26,370	$14,899	$11,472
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	Cabinets/Panels/Consoles	$101,661	$88,931	$12,730
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	Line Tuning Assembly	$25,536	$2,582	$22,954
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	Coupling Capacitor	$27,204	$2,796	$24,408
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	Carrier Transmitter/Receiver Assemb	$34,288	$2,496	$31,792
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	Structure	$69,709	$35,739	$33,970
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	Non-Unitized	$38,673	$1,495	$37,179
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	Cable, Wiring	$48,093	$6,607	$41,486
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	Circuit Breaker	$206,419	$164,397	$42,022
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	Line Wave Trap	$57,378	$10,488	$46,890
WEST PENN POWER	WPCO - PA Trans Subs	WINDSOR-WP	35300 - Station Equipment	Bus-Insulators	$141,878	$52,057	$89,821
WEST PENN POWER	WPCO - PA TL 138KV	Woodland Branch	35610 - Overhd Conductr, Devices	Insulator - transmission	$315	$294	$21
WEST PENN POWER	WPCO - PA TL 138KV	Woodland Branch	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$460	$429	$31
WEST PENN POWER	WPCO - PA TL 138KV	WP - Pennsylvania (138kV)	35610 - Overhd Conductr, Devices	Insulator - transmission	$541	$4	$537
WEST PENN POWER	WPCO - PA TL 138KV	WP - Pennsylvania (138kV)	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$4,934	$188	$4,746
WEST PENN POWER	WPCO - PA TL 138KV	WP - Pennsylvania (138kV)	35610 - Overhd Conductr, Devices	Line Wave Trap - Mass	$7,784	$296	$7,488
WEST PENN POWER	WPCO - PA TL 138KV	WP - Pennsylvania (138kV)	35610 - Overhd Conductr, Devices	Transmission Shunt Splice	$33,143	$929	$32,213
WEST PENN POWER	WPCO - PA TL 138KV	WP - Pennsylvania (138kV)	35610 - Overhd Conductr, Devices	Switch - Mass	$55,511	$2,111	$53,400
WEST PENN POWER	WPCO - PA TL 138KV	WP - Pennsylvania (138kV)	35500 - Poles And Fixtures	Non-Unitized	$540,357	$6,323	$534,033
WEST PENN POWER	WPCO - PA TL 138KV	WP - Pennsylvania (138kV)	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$729,616	$29,744	$699,872
WEST PENN POWER	WPCO - PA TL 138KV	WP - Pennsylvania (138kV)	35610 - Overhd Conductr, Devices	Non-Unitized	$804,715	$13,286	$791,429
WEST PENN POWER	WPCO - PA UNSPECIFIED	WP - Pennsylvania (Prod)	35800 - Undergrnd Conductr,Devices	Non-Unitized	$2,274	$28	$2,246
WEST PENN POWER	WPCO - PA UNSPECIFIED	WP - Pennsylvania (Prod)	35610 - Overhd Conductr, Devices	Insulator - transmission	$3,780	$113	$3,667
WEST PENN POWER	WPCO - PA UNSPECIFIED	WP - Pennsylvania (Prod)	35610 - Overhd Conductr, Devices	Non-Unitized	$810,769	$13,428	$797,342
WEST PENN POWER	WPCO - PA UNSPECIFIED	WP - Pennsylvania (Prod)	35500 - Poles And Fixtures	Wood Pole	$18,151	$434	$17,717
WEST PENN POWER	WPCO - PA UNSPECIFIED	WP - Pennsylvania (Prod)	35500 - Poles And Fixtures	Crossarm	$30,998	$1,495	$29,503
WEST PENN POWER	WPCO - PA UNSPECIFIED	WP - Pennsylvania (Prod)	35300 - Station Equipment	Non-Unitized	$38,581	$4,166	$34,414
WEST PENN POWER	WPCO - PA UNSPECIFIED	WP - Pennsylvania (Prod)	35500 - Poles And Fixtures	Non-Unitized	$63,169	$4,615	$58,554
WEST PENN POWER	WPCO - PA Trans Subs	WP - Pennsylvania (Trans Subs)	35300 - Station Equipment	Non-Unitized	$4,897	$584	$4,314
WEST PENN POWER	WPCO - PA Transmission Various	WPCO - PA Transmission Various	35610 - Overhd Conductr, Devices	Arrester, Lightning Mass	$298	$7	$292
WEST PENN POWER	WPCO - PA Transmission Various	WPCO - PA Transmission Various	35610 - Overhd Conductr, Devices	Insulator - transmission	$4,197	$30	$4,167
WEST PENN POWER	WPCO - PA Transmission Various	WPCO - PA Transmission Various	35620 - Clearing, Grading of Land	Non-Unitized	$7,243	$160	$7,083
WEST PENN POWER	WPCO - PA Transmission Various	WPCO - PA Transmission Various	35300 - Station Equipment	Non-Unitized	$40,244	$2,930	$37,314
WEST PENN POWER	WPCO - PA Transmission Various	WPCO - PA Transmission Various	35610 - Overhd Conductr, Devices	Non-Unitized	$45,632	$962	$44,669
WEST PENN POWER	WPCO - PA Transmission Various	WPCO - PA Transmission Various	35500 - Poles And Fixtures	Non-Unitized	$59,787	$1,525	$58,262

Schedule 1(a) In-Service Assets

Company	Major Location	Asset Location	Utility Account	Retirement Unit	Original Cost	Allocated Accumulated Depreciation	Net Book Value
WEST PENN POWER	WPCO - PA UNSPECIFIED	WP-PA Unspecific Bulk Trans - O&M ONLY	35500 - Poles And Fixtures	Non-Unitized	$19,783	$504	$19,278
WEST PENN POWER	WPCO - PA UNSPECIFIED	WP-PA Unspecific Bulk Trans - O&M ONLY	35300 - Station Equipment	Non-Unitized	$110,223	$2,106	$108,117
WEST PENN POWER	WPCO - PA TL 138KV	Wycoff Tap	35610 - Overhd Conductr, Devices	Grounding (T & D)	$930	$908	$22
WEST PENN POWER	WPCO - PA TL 138KV	Wycoff Tap	35610 - Overhd Conductr, Devices	Insulator - transmission	$4,806	$4,689	$117
WEST PENN POWER	WPCO - PA TL 138KV	Wycoff Tap	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$17,422	$17,161	$261
WEST PENN POWER	WPCO - PA TL 138KV	Wycoff Tap	35620 - Clearing, Grading of Land	Site Clearing	$9,860	$8,232	$1,628
WEST PENN POWER	WPCO - PA TL 138KV	Wycoff Tap	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$142,358	$103,392	$38,965
WEST PENN POWER	WPCO - PA TL 500KV	Wylie Ridge - Cabot	35620 - Clearing, Grading of Land	Non-Unitized	$910	$6	$903
WEST PENN POWER	WPCO - PA TL 500KV	Wylie Ridge - Cabot	35610 - Overhd Conductr, Devices	Non-Unitized	$1,021	$9	$1,012
WEST PENN POWER	WPCO - PA TL 500KV	Wylie Ridge - Cabot	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$138,297	$108,983	$29,314
WEST PENN POWER	WPCO - PA TL 500KV	Wylie Ridge - Cabot	35610 - Overhd Conductr, Devices	Grounding (T & D)	$53,567	$13,069	$40,498
WEST PENN POWER	WPCO - PA TL 500KV	Wylie Ridge - Cabot	35610 - Overhd Conductr, Devices	Insulator - transmission	$1,283,934	$604,177	$679,757
WEST PENN POWER	WPCO - PA TL 500KV	Wylie Ridge - Cabot	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$6,344,804	$5,647,182	$697,623
WEST PENN POWER	WPCO - PA TL 500KV	Wylie Ridge - Cabot	35620 - Clearing, Grading of Land	Site Clearing	$1,995,298	$729,496	$1,265,802
WEST PENN POWER	WPCO - PA TL 138KV	WYLIE RIDGE-SMITH 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$927	$6	$921
WEST PENN POWER	WPCO - PA TL 138KV	WYLIE RIDGE-SMITH 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$60,319	$57,748	$2,571
WEST PENN POWER	WPCO - PA TL 138KV	WYLIE RIDGE-SMITH 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$2,895	$59	$2,836
WEST PENN POWER	WPCO - PA TL 138KV	WYLIE RIDGE-SMITH 138KV	35500 - Poles And Fixtures	Non-Unitized	$9,068	$241	$8,827
WEST PENN POWER	WPCO - PA TL 138KV	WYLIE RIDGE-SMITH 138KV	35620 - Clearing, Grading of Land	Site Clearing	$36,763	$27,525	$9,238
WEST PENN POWER	WPCO - PA TL 138KV	WYLIE RIDGE-SMITH 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$380,049	$27,491	$352,558
WEST PENN POWER	WPCO - PA TL 138KV	WYLIE RIDGE-SMITH 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$419,526	$22,866	$396,660
WEST PENN POWER	WPCO - PA TL 138KV	WYLIE RIDGE-SMITH 138KV	35500 - Poles And Fixtures	Crossarm	$1,340,141	$94,415	$1,245,727
WEST PENN POWER	WPCO - PA TL 138KV	WYLIE RIDGE-SMITH 138KV	35500 - Poles And Fixtures	Wood Pole	$1,780,991	$188,833	$1,592,158
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	RTU - SCADA	$184,258	$184,258	$0
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35210 - Structures, Improvements	Landscaping	$680	$324	$357
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Minor Station Equipment	$2,787	$1,613	$1,174
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Switching Equipment	$7,011	$5,428	$1,583
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35210 - Structures, Improvements	Heater	$4,504	$2,424	$2,080
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35210 - Structures, Improvements	Piping	$3,462	$489	$2,972
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Unit Type Metering Equipment	$7,117	$1,375	$5,742
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Fuse Equipment	$6,198	$51	$6,147
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35210 - Structures, Improvements	Driveway	$7,596	$1,074	$6,522
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Carrier Transmitter/Receiver Assemb	$11,154	$4,349	$6,804
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Equipment Enclosure	$11,437	$4,041	$7,395
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35210 - Structures, Improvements	Foundation - Building	$17,070	$8,828	$8,242
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35210 - Structures, Improvements	Culvert	$44,284	$34,087	$10,196
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Line Tuning Assembly	$17,380	$6,095	$11,285
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35210 - Structures, Improvements	Roof	$19,682	$7,182	$12,500
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35210 - Structures, Improvements	Lighting/Power System	$38,624	$25,927	$12,696
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35210 - Structures, Improvements	Fence	$35,046	$21,474	$13,572
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Cable Tray	$94,026	$79,072	$14,954
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35210 - Structures, Improvements	Non-Unitized	$26,830	$395	$26,435
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Tank	$40,056	$9,454	$30,603
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Transformer, Instrument	$90,542	$56,875	$33,667
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Switchgear	$41,806	$6,857	$34,949
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Generator, Motor Sets & Auxiliary S	$79,313	$43,383	$35,930
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35210 - Structures, Improvements	Yard Surfacing	$180,099	$142,615	$37,484
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35210 - Structures, Improvements	Driveways, Parking, Roads and Walks	$193,451	$139,366	$54,085
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Grounding System, Station	$170,311	$104,805	$65,506
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Coupling Capacitor	$183,413	$106,734	$76,679
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35210 - Structures, Improvements	Building	$241,068	$143,893	$97,176
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Conduit/Duct System	$127,352	$24,701	$102,652
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Battery System	$113,515	$10,039	$103,476
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Wiring	$140,485	$23,041	$117,443
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Transformer, Potential : Each	$125,422	$1,041	$124,381
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Oil Storage & Filtering System	$263,627	$132,436	$131,192
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Foundation - Equipment	$647,401	$513,421	$133,980
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Bus-Insulators	$586,421	$420,289	$166,132
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Cable, Wiring	$240,076	$68,665	$171,411
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Relaying Equipment	$186,572	$1,549	$185,022
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Structure	$563,214	$357,840	$205,374
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Bus	$398,356	$158,512	$239,844
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35210 - Structures, Improvements	Security System	$303,717	$63,014	$240,704
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Communication System	$261,162	$10,700	$250,462
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Carrier Equipment System	$254,913	$2,117	$252,797
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Arrester, Lightning & Surge Protect	$508,670	$216,277	$292,392
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Line Wave Trap	$393,631	$59,900	$333,732
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Relays	$403,166	$3,348	$399,818
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Capacitor Bank	$716,401	$253,154	$463,246
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Switch	$969,491	$459,585	$509,907
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Cabinets/Panels/Consoles	$1,135,917	$526,927	$608,990
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Control Wiring	$1,104,871	$360,413	$744,458
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Interrupter Assembly	$1,164,497	$97,107	$1,067,389
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Transformer, Power	$2,849,205	$1,724,938	$1,124,267
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Circuit Breaker	$6,359,576	$1,634,824	$4,724,751
WEST PENN POWER	WPCO - PA Trans Subs	YUKON	35300 - Station Equipment	Non-Unitized	$99,137,525	$826,282	$98,311,243
WEST PENN POWER	WPCO - PA TL 138KV	Yukon - Forward Junction	35610 - Overhd Conductr, Devices	Grounding (T & D)	$1,105	$981	$124
WEST PENN POWER	WPCO - PA TL 138KV	Yukon - Forward Junction	35610 - Overhd Conductr, Devices	Insulator - transmission	$22,909	$20,343	$2,566
WEST PENN POWER	WPCO - PA TL 138KV	Yukon - Forward Junction	35620 - Clearing, Grading of Land	Site Clearing	$7,911	$4,902	$3,009
WEST PENN POWER	WPCO - PA TL 138KV	Yukon - Forward Junction	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$349,731	$310,554	$39,177
WEST PENN POWER	WPCO - PA TL 138KV	Yukon - Forward Junction	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$710,898	$422,286	$288,611
WEST PENN POWER	WPCO - PA TL 138KV	Yukon - Shepler Hill	35610 - Overhd Conductr, Devices	Grounding (T & D)	$327	$313	$14
WEST PENN POWER	WPCO - PA TL 138KV	Yukon - Shepler Hill	35620 - Clearing, Grading of Land	Non-Unitized	$929	$6	$922
WEST PENN POWER	WPCO - PA TL 138KV	Yukon - Shepler Hill	35610 - Overhd Conductr, Devices	Insulator - transmission	$10,406	$8,780	$1,626
WEST PENN POWER	WPCO - PA TL 138KV	Yukon - Shepler Hill	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$41,765	$39,484	$2,281
WEST PENN POWER	WPCO - PA TL 138KV	Yukon - Shepler Hill	35500 - Poles And Fixtures	Wood Pole	$12,694	$9,925	$2,768
WEST PENN POWER	WPCO - PA TL 138KV	Yukon - Shepler Hill	35620 - Clearing, Grading of Land	Site Clearing	$10,579	$6,665	$3,914
WEST PENN POWER	WPCO - PA TL 138KV	Yukon - Shepler Hill	35500 - Poles And Fixtures	Non-Unitized	$14,274	$1,642	$12,632
WEST PENN POWER	WPCO - PA TL 138KV	Yukon - Shepler Hill	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$119,996	$83,784	$36,212
WEST PENN POWER	WPCO - PA TL 138KV	Yukon Branch	35610 - Overhd Conductr, Devices	Grounding (T & D)	$3,955	$3,740	$215
WEST PENN POWER	WPCO - PA TL 138KV	Yukon Branch	35610 - Overhd Conductr, Devices	Insulator - transmission	$29,502	$27,909	$1,593
WEST PENN POWER	WPCO - PA TL 138KV	Yukon Branch	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$224,185	$212,084	$12,102
WEST PENN POWER	WPCO - PA TL 138KV	Yukon Branch	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$488,402	$331,246	$157,156
WEST PENN POWER	WPCO - PA Trans Subs	Yukon Spare Asset Yard	35210 - Structures, Improvements	Non-Unitized	$1,084	$10	$1,074
WEST PENN POWER	WPCO - PA Trans Subs	Yukon Spare Asset Yard	35210 - Structures, Improvements	Yard Surfacing	$49,726	$5,099	$44,627
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-HEMPFIELD 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$1,316	$1,260	$56
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-HEMPFIELD 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$870	$6	$864
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-HEMPFIELD 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$23,043	$22,061	$982
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-HEMPFIELD 138KV	35500 - Poles And Fixtures	Non-Unitized	$1,695	$29	$1,666
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-HEMPFIELD 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$196,682	$188,297	$8,385
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-HEMPFIELD 138KV	35620 - Clearing, Grading of Land	Site Clearing	$53,768	$37,045	$16,723
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-HEMPFIELD 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$521,626	$364,186	$157,440
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-HEMPFIELD 138KV	35500 - Poles And Fixtures	Wood Pole	$273,889	$37,414	$236,475
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-HUNTINGDON 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$58	$51	$6
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-HUNTINGDON 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$3,432	$3,048	$385
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-HUNTINGDON 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$9,006	$7,997	$1,009
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-HUNTINGDON 138KV	35620 - Clearing, Grading of Land	Site Clearing	$3,623	$2,308	$1,315
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-HUNTINGDON 138KV	35400 - Towers And Fixtures	Steel Tower Fully Dressed	$68,481	$40,563	$27,918
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-HUNTINGDON 138KV	35610 - Overhd Conductr, Devices	Grounding (T & D)	$121,424	$879	$120,546
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-HUNTINGDON 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$314,088	$2,273	$311,816
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-HUNTINGDON 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$653,463	$4,728	$648,734
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-HUNTINGDON 138KV	35500 - Poles And Fixtures	Steel Pole Fully Dressed	$1,119,541	$8,716	$1,110,825
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-SPRINGDALE 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$798	$5	$793
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-SPRINGDALE 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$118,179	$6,441	$111,737
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-SPRINGDALE 138KV	35500 - Poles And Fixtures	Wood Pole	$297,681	$17,364	$280,317
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-YOUNGWOOD 138KV	35500 - Poles And Fixtures	Crossarm	$3,022	$2,861	$161
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-YOUNGWOOD 138KV	35610 - Overhd Conductr, Devices	Wire Fully Dressed	$18,521	$17,632	$889
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-YOUNGWOOD 138KV	35620 - Clearing, Grading of Land	Non-Unitized	$895	$6	$889

Schedule 1(a) In-Service Assets

Company	Major Location	Asset Location	Utility Account	Retirement Unit	Original Cost	Allocated Accumulated Depreciation	Net Book Value
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-YOUNGWOOD 138KV	35610 - Overhd Conductr, Devices	Non-Unitized	$961	$7	$954
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-YOUNGWOOD 138KV	35500 - Poles And Fixtures	Wood Pole	$25,293	$23,945	$1,348
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-YOUNGWOOD 138KV	35610 - Overhd Conductr, Devices	Insulator - transmission	$9,476	$4,803	$4,674
WEST PENN POWER	WPCO - PA TL 138KV	YUKON-YOUNGWOOD 138KV	35620 - Clearing, Grading of Land	Site Clearing	$80,610	$58,467	$22,143
	GRAND TOTAL				**$555,663,250**	**$204,383,430**	**$351,279,820**

SCHEDULE 1(b)

REGULATORY ASSETS AND LIABILITIES

Schedule 1(b) Regulatory Assets and Liabilities

Regulatory Assets	
Other Regulatory Assets (Income Taxes Recoverable Related to AFUDC - Equity, Excess Deferred Income Tax and Flow-Through)	5,388,277
Other Regulatory Assets (Vegetation Management)	21,163,961
Other Regulatory Assets (PJM Receivable)	1,939,404
Regulatory Liabilities	
Other Regulatory Liabilities (Income Taxes Refundable Related to Excess Deferred Income Tax)	14,372,706

JOINT APPLICANTS

EXHIBIT AP-8

GROUND LEASE

BETWEEN FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY, LESSOR

AND

KEYSTONE APPALACHIAN TRANSMISSION COMPANY, LESSEE

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Exhibit A Leased Property

Schedule A Base Rent Formula

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GROUND LEASE

This Lease made as of the [•] day of [•], 202[•], by and between FirstEnergy Pennsylvania Electric Company, a Pennsylvania corporation ("Lessor"), as successor-in-interest to West Penn LLC, itself a successor-in-interest to West Penn Power Company (and together with West Penn LLC, "West Penn"), and KEYSTONE APPALACHIAN TRANSMISSION COMPANY, a Virginia corporation ("KATCo").

RECITALS

On the date of this Lease, West Penn has transferred to KATCo all of the electric energy transmission system of Lessor including, without limitation, all high tension electric transmission lines, towers, poles, posts, cables, conduits, transformers, insulators, meters, electrical connections, fuses, junction boxes and other fixtures and equipment, together with various substations and switching stations, all as more particularly described in the Capital Contribution Agreement executed and delivered by West Penn to KATCo on the date hereof (collectively the "Transmission Facilities").

Pursuant to this Ground Lease, Lessor leases to KATCo all such lands, easements, franchises and other rights as Lessor has or may have upon, under or over which Transmission Facilities are located on the date hereof, for the purposes and on the terms set forth below.

The Premises are leased to KATCo so as to permit continued use of Transmission Facilities on the portion of the Premises on which the same exist on the date of this Lease for an annual rental representing a reasonable return on Lessor's net book value thereof. Such terms recognize that Lessor has reserved the right to use, and to permit Authorized Users to use, portions of the Premises for all purposes that do not cause Transmission Facilities to violate the National Electric Safety Code ("NESC") or Applicable Laws or that do not materially impair KATCo's ability to satisfy its service obligations under applicable tariffs. Additional, or extensions of, uses of the Premises for KATCo facilities relating to transmission of electricity that additionally burden the Premises are subject to Lessor's prior written approval, which shall not be withheld except as necessary to preserve Lessor's Compatible Uses (as hereinafter defined) but will require payment to Lessor of the fair market value for the additional burden or limitation upon other uses resulting therefrom as set forth in this Lease.

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties hereto, Lessor and KATCo have agreed and do hereby agree as follows:

ARTICLE 1.

Demise of Leased Property

Section 1.1. Premises: Leased Property. Lessor hereby leases to KATCo, and KATCo hereby leases from Lessor, the following described property and rights to the extent of Lessor's rights and interests therein, for the purposes set forth in Article 1 hereof and none other (collectively, the "Premises"):

(a) The tracts or parcels of land described on Exhibit A hereto as fee lands, together with portions of the buildings, structures, and fixtures thereon to the extent used for transmission, but not distribution, of electricity on the date of this Lease.

(b) The easements granted to Lessor on, under or over which Transmission Facilities are situated on the date of this Lease, as described on Exhibit A hereto.

(c) The leased lands, servitudes, interests in land, permits, privileges, licenses, consents, franchises, and authorizations granted to or held by Lessor on, under or over which Transmission Facilities are situated on the date of this Lease as described on Exhibit A hereto and not identified as being either fee land or an easement.

The portions of the Premises that are required for Transmission Facilities as the same exist and are used for transmission of electricity on the Commencement Date are referred to herein as "Leased Property" and constitute a burden upon the Premises only to the extent necessary for operation of Transmission Facilities thereon in compliance with the NESC and Applicable Laws and KATCo's service obligations under applicable tariffs. KATCo is to have the priority right to use Leased Property for electric transmission and the right to replace and modify Transmission Facilities on Leased Property so long as the same do not increase KATCo's uses of, or the burden upon, the portions of the Premises that are not within Leased Property. Because the Premises are primarily used for Transmission Facilities and the Leased Property is not capable of being separately described, KATCo leases the entire Premises and is to be responsible for the control and maintenance thereof and for payment of the Impositions thereon except to the extent specifically provided otherwise in this Lease.

Section 1.2 No Warranty. KATCo accepts the Premises "AS IS" in the condition existing on the date of this Lease and acknowledges that Lessor has made no representations or warranties with respect thereto including, without limitation, the extent of Lessor's title thereto or rights in the Premises, the location of Transmission Facilities on, under or over the Premises, encroachments of Transmission Facilities on the property of others or encroachments of facilities of third parties on, under or over the Premises.

ARTICLE 2.

Term

Section 2.1 Commencement Date: Initial Term. The Initial Term of this Lease shall commence on the date of this Lease (the "Commencement Date") and expire at midnight on the twenty-fifth (25^{th}) anniversary of the Lease (hereinafter referred to as the "Initial Term") unless this Lease shall sooner terminate as provided in this Lease. The Initial Term and any period for which the same may be extended by KATCo pursuant to Section 2.2 hereof is hereinafter referred to as the "Term."

Section 2.2 Extension Periods. KATCo shall have three separate options – consecutive terms of twenty-five (25) years and one term of twenty-four (24) years – to extend the Term of this Lease for additional periods such that the total term of the Lease shall not exceed ninety-nine (99) years from the Commencement Date, upon terms and conditions set forth herein, provided KATCo

is not in material default in performing or observing any of its obligations under this Lease at the time of exercise of such option. KATCo shall be deemed to have exercised its option to extend the Term for the Extension Period and the Term shall automatically be so extended unless KATCo shall have given Lessor written notice of KATCo's decision not to extend the Term at least one (1) year prior to the expiration of the then current Term. If KATCo exercises its options for the three renewal periods, the Parties agree to begin negotiations in the 98th year of the Lease to extend the Lease for additional periods beyond ninety-nine (99) years.

ARTICLE 3.

Rent

Section 3.1 Base Rent during the Term. As provided at Schedule A herein, Lessor shall calculate an annual Base Rent using the following inputs: (i) net book value of the Premises; (ii) KATCo's weighted average cost of capital as reviewed and approved by the Federal Energy Regulatory Commission; (iii) KATCo's statutory tax rate; (iv) property taxes; and (v) all other costs, expenses, liabilities or charges that may be incurred by Lessor pursuant to any lease agreement, license agreement, consent agreement or other similar agreement relating to the Premises. Base rent shall be payable in equal quarterly installments on the first day of each calendar quarter during the Term; except that KATCo shall pay to Lessor within five (5) business days after the Commencement Date prorated rent for the period from the Commencement Date to the end of the calendar quarter in which the Commencement occurs. A projected base rent will be estimated for quarterly installments until actual information becomes available. At that time, a reconciliation adjustment to reflect actual end of year values will be included in the subsequent quarterly installment.

Section 3.2 Payment. KATCo covenants and agrees to pay Base Rent to Lessor as required by this Lease as and when due and payable. All Base Rent payable, as well as all other amounts payable by KATCo to Lessor pursuant to this Lease, shall be payable to Lessor via the FirstEnergy Utility Money Pool, pursuant to the Revised and Restated FirstEnergy Utility Money Pool Agreement as such agreement may be amended from time to time, or in such other manner or at such place as Lessor shall, from time to time, designate by notice to KATCo.

Section 3.3 Net Operating Lease. It is intended that the Base Rent provided for in this Lease shall be absolutely net to Lessor throughout the Term, net of any taxes, costs, expenses, liabilities, charges or other deductions whatsoever, with respect to the Premises or with respect to any interest of Lessor therein, except as specifically provided otherwise herein.

ARTICLE 4.

Permitted Uses of Leased Property and Transmission Facilities

KATCo shall have use of Leased Property for operation of Transmission Facilities solely for transmission, but not distribution, of electricity, and purposes incidental thereto including, without limitation, operating, inspecting, maintaining, repairing, replacing and removing Transmission Facilities (the "Permitted Uses"). Subject to Article 5 hereof, KATCo shall also have the right to construct, improve, alter and/or relocate Transmission Facilities on Leased Property.

KATCo shall not have the right to use the Premises and KATCo may not permit others to use any Leased Property or Transmission Facilities for any purpose other than Permitted Uses, all such rights being reserved to Lessor as provided in Article 5.

ARTICLE 5.

Additions/Alterations

Section 5.1 Additions/Alterations. KATCo may construct, erect, alter, add to or relocate Transmission Facilities (an "Addition/Alteration") on Leased Property only after prior written notice thereof to Lessor. Prior to undertaking any Addition/Alteration, KATCo shall submit plans, specifications, surveys and/or other information pertaining to the proposed Addition/Alteration so as to fully inform Lessor as to the nature and extent thereof. Within sixty (60) days after such notice to Lessor, Lessor shall notify KATCo whether such proposed Addition/Alteration will result in an additional burden on the Premises and Lessor's estimate of the amount of the fair market value of the property rights required therefor.

Section 5.2 New Facilities. With the prior written approval of Lessor, which approval shall not be withheld except as necessary to preserve Lessor's Compatible Uses (as hereinafter defined), KATCo may construct, erect, install and operate electric transmission lines, towers, poles, posts, cables, conduits, transformers, insulators, meters, electric connections, fuses, junction boxes and other fixtures and any equipment ("New Facilities") on the Premises provided that KATCo pays to Lessor the fair market value of the property rights required therefor. KATCo may submit to Lessor from time-to-time written requests to use portions of the Premises for New Facilities and shall accompany such request with plans, specifications, surveys and/or other information pertaining thereto so as to fully inform Lessor as to the nature and extent thereof. Within sixty (60) days after submission of such request to Lessor, Lessor shall notify KATCo whether or not Lessor approves use of the Premises for the New Facilities and of Lessor's estimate of the fair market value of the property rights required therefor. Lessor shall accommodate, if practically feasible, KATCo's requests for New Facilities to the extent that the same are related to the Transmission Facilities or to the provision of adequate and reliable transmission service by KATCo, including the interconnection of generation sources or load.

Section 5.3 Payment of Fair Market Value. Prior to making any Addition/Alteration on Leased Property or undertaking work on the Premises with respect to New Facilities, KATCo shall pay to Lessor a lump sum equal to the fair market value of the property rights required therefor. If KATCo wishes to proceed with making the Addition/Alteration on Leased Property or undertaking work on the Premises with respect to New Facilities prior to final determination of the fair market value of the property rights required therefor, KATCo shall deposit with Lessor a sum equal to the amount of Lessor's estimate without prejudice to its right to a refund of a portion thereof with interest if the fair market value is subsequently determined to be less than the amount so deposited.

Section 5.4 Compliance with Laws. All Additions/Alterations and New Facilities shall be undertaken in a good and workmanlike manner and in compliance with the laws, regulations and requirements of all governmental authorities having jurisdiction.

Section 5.5 Additions to Leased Property. Unless Lessor and KATCo agree otherwise in writing, all Additions/Alterations and New Facilities shall become Transmission Facilities as if originally subject to this Lease and the same shall remain the property of KATCo. Further, any additional property rights in the Premises for which KATCo has made payment to Lessor pursuant to Section 5.2, Section Section 5.3, Section Section 7.2 or Section Section 7.3 hereof shall become Leased Property as if originally subject to this Lease.

ARTICLE 6.

Maintenance of the Premises and Transmission Facilities

Section 6.1 KATCo Maintenance Obligations. Except as provided in Section 9.4, KATCo shall be solely responsible for maintaining, at its expense, all Transmission Facilities and the Premises. KATCo shall maintain the portions of the Premises for which KATCo is responsible for maintenance in a clean and orderly condition, free from all litter and debris without regard to how the same became placed thereon or therein. KATCo shall be responsible for maintaining and repairing buildings, structures and fixtures on Leased Property (but not Distribution Facilities therein or thereon) so as to keep the same in good condition and repair. KATCo shall keep and maintain the Transmission Facilities located on Leased Property in a structurally and operationally safe condition and keep the same in a state of repair complying with all requirements of NESC and Applicable Law. KATCo shall be solely responsible for repairing, maintaining and replacing, as necessary, all parking areas, driveways, passageways, walkways and other areas on the Premises (except such as may be or have been installed by Lessor or an Authorized User in connection with a Compatible Use of the Premises that is related to any exclusive use by Lessor and/or an Authorized User and not KATCo) and the sidewalks and tree lawns adjoining the Premises. KATCo also shall be responsible for mowing portions of the Premises for which KATCo is responsible for maintenance, for removal of noxious weeds and brush therefrom and for removal of snow and ice from driveways and parking areas other than those exclusively related to a Compatible Use of Leased Property by Lessor and/or an Authorized User and not KATCo.

Section 6.2 Patrol: Encroachments. KATCo shall patrol by air the Premises at least annually and KATCo shall notify Lessor of any unauthorized uses of the Premises or encroachments thereon that may be identified as a result of such patrol or otherwise. If there are unauthorized uses of, or encroachments upon, the Premises, Lessor shall determine in the first instance whether or not action should be undertaken to terminate or otherwise address the same. If Lessor undertakes to terminate the unauthorized use or encroachment, Lessor shall do so at its sole cost and expense. If Lessor notifies KATCo that Lessor has determined that no action will be required by Lessor to terminate such unauthorized use or encroachment, then KATCo may take action, at KATCo's sole cost and expense, as it may deem appropriate to terminate such unauthorized use or encroachment.

Section 6.3 Lessor Not Responsible for Maintenance. Except as otherwise provided herein, Lessor shall not be responsible or liable to KATCo for, or by reason of, the condition of Premises, or arising from any failure to keep the same in good and lawful order and condition. Lessor shall not be required to make any expenditure whatsoever for the maintenance of Premises except as necessary to permit its Compatible Uses thereof or related to Lessor's facilities and equipment on, under or over Premises.

ARTICLE 7.

Electric Distribution Facilities on Transmission Facilities and Leased Property

Section 7.1 Priority Rights for Transmission Facilities. Lessor acknowledges that KATCo is to have the priority right to use Transmission Facilities and the Leased Property for its electric transmission lines and that Lessor's proposed installation of Distribution Facilities (defined in Section 8.1 hereof) on or in Transmission Facilities and/or Leased Property or Lessor's existing Distribution Facilities on or in Transmission Facilities and/or Leased Property may conflict with KATCo's planned installation of additional transmission lines thereon or therein.

Section 7.2 Proposed Installation of Distribution Facilities. To the extent that Lessor proposes to install Distribution Facilities on or in Transmission Facilities or Premises that KATCo regards as conflicting with KATCo's planned installation of additional transmission lines thereon or therein, KATCo may preclude Lessor's use for such installation. In such event, KATCo shall reimburse Lessor for the additional incremental cost of the alternative required in order to facilitate the Distribution Facilities proposed by Lessor (it being recognized that alternative rights-of-way for electric distribution lines are less difficult to obtain and less costly than KATCo alternative rights-of-way for transmission lines) over the cost Lessor would have incurred if Distribution Facilities were installed on Transmission Facilities or Premises.

Section 7.3 Relocation of Distribution Facilities. Lessor and KATCo also recognize that Distribution Facilities may presently be installed on or in Transmission Facilities or Leased Property or hereafter installed thereon or therein that KATCo subsequently determines preclude installation of additional transmission lines unless such Distribution Facilities are removed and relocated. In such event, KATCo shall have the right to require Lessor to remove such Distribution Facilities provided KATCo has reimbursed Lessor for alternative rights-of-way such that Lessor may install Distribution Facilities that are a suitable alternative to the existing Distribution Facilities that are to be removed and relocated. KATCo shall also reimburse Lessor for the cost of removing its Distribution Facilities from Transmission Facilities or Leased Property and for the cost of installing the alternative Distribution Facilities and shall pay to Lessor a lump sum equal to the fair market value of the property rights reserved or used for KATCo's additional transmission lines if the same result in an additional burden on the Premises.

ARTICLE 8.

Lessor's Reserved Rights to Use the Premises and Transmission Facilities

Section 8.1 Compatible Uses. Subject to Article 9 hereof, Lessor reserves and retains the right to use, and to permit other users authorized in writing by Lessor to use (each an "Authorized User"), the Premises and Transmission Facilities for any and all purposes not inconsistent with KATCo's Permitted Uses including, without limitation, all such uses as are being made of the Premises and Transmission Facilities on the date of this Lease and any future uses that do not cause Transmission Facilities to be in violation of the NESC or any other law, ordinance, rule or regulation applicable to Transmission Facilities or Leased Property, including the Reliability Standards adopted by the Federal Energy Regulatory Commission and enforced by the North American Electric Reliability Corporation and ReliabilityFirst Corporation ("Applicable

Laws") or that do not materially impair KATCo's ability to satisfy its service obligations under applicable tariffs. Such uses of Premises and Transmission Facilities by Lessor or an Authorized User are herein referred to as "Compatible Uses." Compatible Uses of Leased Property include, for example and not limitation, towers, poles, posts, cables, conduits, transformers, insulators, meters, electrical connections, fuses, junction boxes and other equipment relating to distribution, but not transmission, of electricity ("Distribution Facilities") of Lessor or Authorized Users; any and all underground lines, conduits, pipes, equipment and facilities including, without limitation, sewer, water and gas lines and mains; farming, gardening, and other agricultural uses, roadways, parking lots and buildings; microwave and cellular telephone and other telecommunication towers, poles, antennae and equipment, fiberoptic cables and all other structures and facilities of every type and nature. Compatible Uses of Transmission Facilities includes, for example and not limitation, installation, and operation thereon of Distribution Facilities, telephone, fiber optic and other communication lines and equipment, installation of communication poles, antennae or structures within or on Transmission Facilities and use of Transmission Facilities for support thereof.

Section 8.2 Conflicting Uses. Any use of Leased Property that is not a Compatible Use, i.e., that causes Transmission Facilities to be in violation of the NESC or Applicable Law or that materially impairs KATCo's ability to satisfy its service obligations under applicable tariffs, is referred to herein as a "Conflicting Use."

ARTICLE 9.

Compatible Uses by Lessor or Authorized Users

Section 9.1 Notice of Compatible Use. Lessor shall give KATCo written notice of an intention to initiate any use that Lessor or an Authorized User, as the case may be, (an "Initiating User") deems to be a Compatible Use at least thirty (30) days prior to undertaking activities in furtherance of such proposed use provided, however, that no such notice shall be required unless the Compatible Use involves an attachment to Transmission Facilities (such as Distribution Facilities, electric distribution lines, equipment, supports, antenna and other equipment or facilities attached in any way thereto or suspended therefrom) or an installation requiring excavation within the surface area underlying or within thirty (30) feet adjacent to, Transmission Facilities at ground level. Within thirty (30) days after notice to KATCo of such proposed use, KATCo shall notify Lessor whether KATCo believes the proposed use to be a Conflicting Use. If KATCo notifies Lessor that it regards the proposed use to be a Conflicting Use, then activities in furtherance thereof shall not be undertaken until and unless KATCo notifies Lessor in writing that KATCo withdraws its claim that such proposed use is a Conflicting Use or KATCo and Lessor otherwise agree in writing to modification of the proposed use of the Transmission Facilities affected thereby so as to accommodate the objections by KATCo. Lessor shall furnish to KATCo such plans and specifications, surveys, or other information regarding the proposed use as KATCo may reasonably request in order to evaluate the nature and extent of the proposed use.

KATCo and Lessor shall cooperate in good faith to accommodate Permitted Uses and Compatible Uses of Leased Property and Transmission Facilities to the extent reasonably feasible. If and to the extent that Transmission Facilities may be relocated or modified to accommodate Compatible Uses and thereby avoid Conflicting Uses without materially adversely affecting the

operation thereof, KATCo shall undertake, or authorize Lessor or an Authorized User to undertake, such relocation or modification provided Lessor or the Authorized User, as the case may be, pays all costs reasonably incurred in making such relocations or modifications (including, without limitation, land or right of way acquisition costs, engineering and legal fees and expenses and construction costs) and observes such requirements as KATCo may reasonably specify in connection therewith.

Section 9.2 Informational Notices. Lessor may give KATCo written notice of an intention to initiate any proposed use of Leased Property by Lessor or an Authorized User in proximity to Transmission Facilities that might adversely affect the structure of, or subjacent or lateral support for, Transmission Facilities and furnish such plans and specifications, surveys and other information regarding such proposed use so that KATCo may specify appropriate protective requirements with respect to the work so as to avoid possible damage to Transmission Facilities. Lessor also may give KATCo informational notice of other Compatible Uses of the Premises that do not require notice to KATCo prior to initiating same. Such informational notices may result in relieving KATCo of some maintenance responsibility for the Premises or for payment of a share of Impositions that are attributable to the facilities or equipment related to Compatible Use or may be merely for the purpose of informing KATCo of the existence of such Compatible Use.

Section 9.3 Repair Obligations of Lessor Authorized User. Lessor shall promptly cause all damage to the Premises or Transmission Facilities resulting from activities associated with Compatible Uses undertaken by Lessor to be repaired to a condition at least substantially equivalent to that existing prior thereto including, as appropriate in the case of the Premises, leveling of the surface thereof and seeding with grasses or other ground cover as appropriate following excavation of the surface and such other restorative requirements, as the case may be, set forth in the plans and specifications therefor submitted to KATCo. Lessor shall also require each Authorized User to cause all damage to the Premises or Transmission Facilities resulting from activities associated with Compatible Uses by such Authorized User to be so repaired.

Section 9.4 Maintenance Obligation of Lessor or Authorized User. Lessor or an Authorized User, as the case may be, shall be solely responsible for maintenance and repair of all facilities and equipment relating to its Compatible Uses of the Premises or Transmission Facilities and shall keep and maintain the same in a structurally and operationally safe condition. Lessor or an Authorized User, as the case may be, shall also be responsible for maintaining any portion of the Premises that is exclusively used by Lessor or the Authorized User.

ARTICLE 10.

Right of First Offering

Section 10.1 Sale Offer of Leased Property. In the event Lessor determines to sell any Leased Property, Lessor shall notify in writing KATCo thereof and the sales price and terms upon which Lessor wishes to sell the same (the "Sale Offer"). KATCo shall have the right to purchase the Leased Property that Lessor proposes to sell at the price and upon the terms of the Sale Offer for a period of thirty (30) days after such notice to KATCo. KATCo shall exercise such right by written notice of acceptance of such Sale Offer within such 30-day period. In the event KATCo does not accept such Sale Offer, Lessor may sell the Leased Property subject to the Sale Offer at

any time within one (1) year after notice of the Sale Offer to KATCo upon substantially the same terms and for a sale price that is not less than 90% of the sale price set forth in the Sale Offer.

Section 10.2 KATCo's Lease Rights Preserved. Any sale of Leased Property to a third party pursuant to a Sale Offer shall not affect the rights of KATCo under this Lease and, unless Lessor and KATCo shall agree otherwise in writing, such sale shall not result in adjustment of the Base Rent otherwise payable by KATCo to Lessor with respect to such Leased Property.

Section 10.3 Sale of Premises other than Leased Property. Lessor shall have the right to sell any portion of the Premises that does not include Leased Property without offering to sell the same to KATCo.

ARTICLE 11.

Taxes and Other Impositions

Section 11.1 KATCo's Responsibility for Impositions. Except as hereinafter provided in Section 11.2 and Section Section 11.4, KATCo shall reimburse Lessor within ten (10) business days after receipt of an invoice from Lessor therefor, before any fine, penalty, interest or cost may be added thereto for the non-payment thereof, all real estate taxes, assessments, water and sewer rents and charges, any occupancy tax or similar tax, whether or not imposed on or measured by the rents payable by KATCo, and other governmental levies and charges, of any kind and nature whatsoever, which are assessed, levied, confirmed, imposed or become a lien upon the Premises and/or any part thereof, during the Term and any tax measured by the rent payable by KATCo under this Lease or any tax solely on the rent payable by KATCo under this Lease, whether or not such tax is imposed on Lessor or KATCo (all of which are hereinafter referred to as "Impositions"). Upon request, Lessor shall furnish to KATCo all bills relating to Impositions received by Lessor so that KATCo may determine whether or not to contest same as permitted by Section 11.3 hereof. If, by law, any Imposition is payable or may at the option of the taxpayer be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Lessor shall pay the same (and any accrued interest on the unpaid balance of such Imposition) in installments as the same respectively become due and before any fine, penalty, interest or cost may be added thereto for the non-payment of any such installment and interest. Any Imposition, the lien of which relates to a period in which the Term of this Lease as to any of the Premises begins or ends, shall be apportioned so that KATCo shall pay only that portion of such Imposition which corresponds with the portion of said period as is within the Term. Upon request by KATCo, Lessor will cooperate with KATCo in applying for any exemption from real estate taxes to which the Premises may be entitled under applicable law provided KATCo reimburses Lessor for any out-of-pocket costs reasonably incurred by Lessor in connection therewith.

Section 11.2 Apportionment. Notwithstanding Section 11.1, KATCo shall not be responsible for reimbursing Lessor for the portions of Impositions attributable to buildings, improvements or Distribution Facilities of Lessor or an Authorized User, it being contemplated that KATCo will be responsible for Impositions attributable to the Premises and to buildings and improvements that relate to Transmission Facilities (i.e., to the extent attributable to use for transmission of electricity). Distribution Facilities and the Transmission Facilities are generally treated under applicable state tax law as personal property and taxed as such to Lessor or KATCo,

as the case may be. Real estate taxes on rights-of-way are generally payable by the fee owner and not Lessor. Accordingly, it is anticipated that real estate taxes and assessments with respect to fee land that is a part of the Premises will have to be apportioned so that the taxes attributable to the land and buildings and improvements (or portions thereof) relating to transmission of electricity are allocated to KATCo and Lessor shall cooperate in order to effect an appropriate allocation of real estate taxes, assessments and any other Impositions such that KATCo, Lessor or Authorized Users are charged with payment of the proper portion thereof.

Section 11.3 Contested Impositions. Notwithstanding anything to the contrary herein contained, if KATCo deems any Imposition for which it is responsible to be excessive or illegal, KATCo may request that Lessor defer payment thereof in order to permit the validity or the amount thereof to be contested in good faith by KATCo (or by Lessor on KATCo's behalf) provided KATCo shall have furnished to Lessor such security as Lessor may reasonably require in order to assure the discharge of the amounts so contested and unpaid, together with all interest and penalties in connection therewith and all charges that may or might be assessed against or become a charge on the Premises in said proceedings. If, at any time during the continuance of such proceedings, Lessor shall deem the security provided to it insufficient, KATCo shall, upon demand, furnish to Lessor such additional security as Lessor may reasonably require, and upon failure of KATCo so to do, the security theretofore provided may be applied to the payment, removal and discharge of such Imposition and interest and penalties in connection therewith and any costs, fees or other liabilities accruing in such proceedings, and the balance, if any, shall be returned to KATCo, provided KATCo is not in default hereunder. If the amount so deposited or the amount paid by KATCo or its surety shall be insufficient for this purpose, KATCo shall forthwith pay to Lessor such additional sum as may be necessary to pay the same. Any contest as to the validity or amount of any Imposition, whether before or after payment, may be made by KATCo, in the name of Lessor or of KATCo, or both, as KATCo shall determine, and Lessor will, at KATCo's expense, cooperate with KATCo in any such contest to such extent as KATCo may reasonably request. It is understood, however, that Lessor shall not be subject to any liability for the payment of any costs or expenses in connection with any such proceeding brought by KATCo and KATCo covenants to pay, and to indemnify and save Lessor harmless from, any such costs or expenses. KATCo shall be entitled to any refund of any such Imposition and penalties or interest thereon which have been paid by KATCo or which have been paid by Lessor and reimbursed to Lessor by KATCo.

Section 11.4 Lessor's Taxes. It is expressly understood and agreed that KATCo shall not be required to pay, or reimburse Lessor for any federal, capital levy, franchise tax, gross receipts tax, revenue tax, premium tax, personal property tax, income tax or profits tax of Lessor or any such tax imposed after the date hereof, by any state or local governmental authority or jurisdiction if such tax is determined on the basis of the general assets, or the general net income or net revenue of Lessor.

ARTICLE 12.

Compliance with Applicable Laws

Section 12.1 Compliance with Applicable Law. KATCo shall, throughout the Term, and at no expense whatsoever to Lessor, promptly comply, or cause compliance, with all Applicable

Laws and all orders, rules, regulations and requirements of duly constituted public authorities relating to the Transmission Facilities and all of the Premises except as the same relate to Compatible Uses by Lessor and/or Authorized Users.

Section 12.2 KATCo's Contest of Applicable Law. KATCo shall have the right to contest by appropriate legal proceedings, without cost or expense to Lessor, the validity of any Applicable Law relating to its use of Leased Property or Transmission Facilities and to postpone compliance with the same if, by the terms of any such Applicable Law, compliance therewith may legally be held in abeyance without incurring any lien, charge or liability of any kind against the Premises or any interest of Lessor therein and without subjecting Lessor to any liability, civil or criminal, whatsoever nature for failure to comply therewith. KATCo may postpone compliance therewith until the final determination of any proceedings, provided that all such proceedings shall be prosecuted with all due diligence and dispatch. If KATCo shall initiate or carry on any such legal proceedings in the name of Lessor, or of Lessor and KATCo, and, except in the case of an emergency, KATCo shall so advise Lessor in writing not less than fifteen (15) days before initiating such proceedings and give full details as to the tribunal in which said proceedings are to be filed, the law, ordinance, order, ruling, regulation or requirement contested, and such additional data as Lessor may require to enable it to understand the facts and evaluate them. If any lien, charge or civil liability, but not criminal liability, is incurred by reason of non-compliance, KATCo may nevertheless make the contest and delay compliance as aforesaid, provided that KATCo furnishes to Lessor such security as Lessor may reasonably require against any loss or injury by reason of such non-compliance or delay therein and KATCo prosecutes the contest with due diligence and dispatch.

Section 12.3 Contest of Applicable Law by Lessor or Authorized User. Nothing in this Article 12 shall preclude Lessor or an Authorized User from contesting the validity of any law, ordinance, rule, or regulation applicable to the Premises or any use thereof by Lessor or an Authorized User as the case may be.

ARTICLE 13.

Damage or Destruction of Transmission Facilities and Condemnation

Section 13.1 Damage; Destruction and Condemnation. This Lease shall not terminate, nor, except to the extent otherwise specifically provided herein, shall KATCo be entitled to any abatement or return of Base Rent or reduction thereof, nor shall the respective obligations of Lessor and KATCo be otherwise affected, by reason of damage to or destruction of all or any of the Transmission Facilities from whatever cause, the taking of the Premises or Transmission Facilities by condemnation or exercise of the power of eminent domain or otherwise, the lawful prohibition of KATCo's use of any Leased Property or Transmission Facilities, or any other cause similar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the Base Rent and charges paid or payable by KATCo shall continue to be payable in all events unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease.

Section 13.2 Condemnation Award. Lessor shall be entitled to the entire award resulting from any taking of the Premises pursuant to exercise of the power of eminent domain and KATCo

shall have no claim with respect thereto. Notwithstanding the foregoing, in the event of a taking of Leased Property by exercise of the power of eminent domain such that KATCo cannot continue use of the portion affected thereby for its Transmission Facilities, then KATCo shall have the right to terminate this Lease as to such portion, however, Base Rent payable by KATCo shall not be reduced as a result thereof.

ARTICLE 14.

Environmental Matters

Section 14.1 Hazardous Material. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any governmental authority, including without limitation, any material or substance which is (a) defined or listed as a "hazardous waste," "extremely hazardous waste," "restricted hazardous waste," "hazardous substance" or "hazardous material" under any applicable federal, state or local law or administrative code promulgated thereunder; (b) petroleum or any derivative thereof; (c) asbestos; (d) PCB's; or (e) lead. KATCo shall not cause or permit any Hazardous Material to be brought upon, stored, used, handled, generated, released or disposed of on, in, under or about the Premises by KATCo, its agents, employees, contractors or invitees, except in compliance with applicable laws and regulations. Moreover, KATCo shall be responsible for removal of any and all Hazardous Material on or under the Premises excepting only such Hazardous Material as was present prior to the Commencement Date or hereafter is placed on or under the Premises as a result of acts of Lessor or Authorized Users or the presence of facilities and equipment of Lessor or Authorized Users thereon or therein or on, under or over other properties of Lessor adjacent to or in the vicinity of the Premises.

Section 14.2 KATCo's Environmental Indemnity. KATCo shall indemnify, defend and hold Lessor and its officers, directors and employees harmless from any and all claims, actions, administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, liabilities, interest or losses, attorney's fees and expenses, consultant and expert fees, costs of investigation, monitoring, cleanup, containment, restoration, removal or other remedial work, together with all other costs and expenses of any kind or nature that arise during or after the Term from any breach of KATCo's obligations set forth in this Article 14.

Section 14.3 Lessor's Environmental Indemnity. Lessor shall indemnify, defend and hold KATCo and its officers, directors and employees harmless from any and all claims, actions, administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, liabilities, interest or losses, attorney's fees and expenses, consultant and expert fees, costs of investigation, monitoring, cleanup, containment, restoration, removal or other remedial work, together with all other costs and expenses of any kind or nature that arise during or after the Term from the presence of Hazardous Material on or under the Premises prior to the Commencement Date or that is hereafter placed on or under the Premises as a result of acts of Lessor or Authorized Users or the presence of facilities of Lessor or Authorized Users thereon or therein or on, under or over other properties of Lessor and adjacent to or in the vicinity of the Premises.

Section 14.4 Survival of Environmental Indemnity Covenants. Each of the covenants and agreements of KATCo and Lessor set forth in this Article 14 shall survive termination of this Lease.

ARTICLE 15.

Indemnification

Section 15.1 KATCo's Indemnification Obligation. Except as herein expressly provided otherwise, KATCo covenants and agrees, at its sole cost and expense, to indemnify, defend and save harmless Lessor against and from any and all claims by or on behalf of any person, firm, corporation or governmental authority, arising from the construction, occupancy, use, possession, conduct or maintenance of or from any work or thing whatsoever done in or about Premises during the Term and further to indemnify, defend and hold Lessor harmless against and from any and all claims arising with respect to Transmission Facilities, or arising from any breach or default on the part of KATCo in the performance or observance of any covenant or agreement on the part of KATCo to be performed or observed pursuant to the terms of this Lease, or arising from any negligent act or omission or willful misconduct of KATCo, or any of its agents, employees, contractors or invitees, or arising from any accident, injury or damage whatsoever, however caused, occurring during the Term, in or about the Premises, and from and against all costs, counsel and consultants' fees, expenses and liabilities incurred by Lessor in connection with any such claim, action or proceeding brought thereon; and in case any action or proceeding be brought against Lessor, covenants to resist or defend such action or proceeding by counsel reasonably satisfactory to Lessor unless such action or proceeding is resisted or defended by counsel for any carrier of commercial general liability insurance referred to in Section 17.1 hereof, as authorized by the provisions of any policy of commercial general liability insurance maintained pursuant to said Section. The foregoing indemnification, defense and hold harmless provision for the benefit of Lessor (a) shall apply only to the extent that the proceeds of insurance required hereunder or otherwise obtained by KATCo for the benefit of Lessor are insufficient fully to protect Lessor and (b) shall not apply or extend to any negligent act or omission or willful misconduct of Lessor or an Authorized User, or any agents, employees or contractors of Lessor or an Authorized User nor to any condition, or circumstance resulting from operation, maintenance, repair, replacement or removal, of the Distribution Facilities of Lessor on the Premises or improvements, equipment or facilities of an Authorized User on the Premises.

Section 15.2 KATCo's Indemnification for Lessor's Costs of Enforcing Lease. KATCo shall indemnify, defend and hold Lessor harmless against and from, all costs and charges, including counsel and consultants' fees, reasonably incurred in obtaining possession of the Premises after default by KATCo or upon expiration or earlier termination of the Term hereof, or in enforcing any covenant or agreement of KATCo herein contained.

Section 15.3 Workers' Compensation Indemnity Waivers. For the purpose of indemnification of Lessor from judgments, claims, suits or actions brought against it by KATCo employees, KATCo expressly and specifically waives any and all immunity to which it may be entitled under the workers' compensation laws of the jurisdiction in which the Premises are located.

ARTICLE 16.

Liens

Section 16.1 No Liens. Except as provided in Article 11 and Article 24 hereof, KATCo shall not allow the interest of Lessor or KATCo in the Premises or Transmission Facilities to become subject to any lien, charge or encumbrance whatsoever and shall indemnify, defend and hold Lessor harmless from and against all such liens, charges and encumbrances.

Section 16.2 Discharge of Certain Liens. KATCo shall not suffer or permit any mechanic's, laborer's, or materialman's liens to stand against the Premises, or any part thereof by reason of any work, labor, services, or materials done for, or supplied to, or claim to have been done for, or supplied to, KATCo. If any such lien shall at any time be filed against the Premises, or any part thereof, or against the interest of KATCo in the Premises, KATCo shall cause the same to be discharged of record within thirty (30) days after the date of filing the same, by either payment, deposit or bond. If KATCo shall fail to discharge any such lien within such period, then, in addition to any other right or remedy of Lessor, Lessor may, but shall not be obligated to, procure the discharge of the same either by paying the amount claimed to be due by deposit in court or bonding, and/or Lessor shall be entitled, if Lessor so elects, to compel the prosecution of any action for the foreclosure of such lien by the lienor and to pay the amount of the judgment, if any, in favor of the lienor, with interest, costs and allowances. Any amount paid or deposited by Lessor for any of the aforesaid purposes, and all reasonable costs and other expenses of Lessor, including reasonable counsel and consultants' fees, in defending any such action or procuring the discharge of such lien, with all necessary disbursements in connection therewith, shall be payable by KATCo to Lessor as additional rent within thirty (30) days after invoice by Lessor to KATCo therefor.

Section 16.3 No Lessor Consent to Liens. Nothing in this Lease shall be deemed to be, or construed in any way as constituting, the consent of Lessor to the filing of any lien against Lessor's interest in the Premises by any person, firm or corporation for the performance of any labor or the furnishing of any materials for any construction, rebuilding, alteration or repair of Transmission Facilities, or any part thereof.

ARTICLE 17.

Insurance and Waiver of Subrogation

Section 17.1 Insurance. During the Term, KATCo shall maintain in effect commercial general liability insurance protecting KATCo and Lessor (as evidenced by policies in which Lessor is named as an additional insured) against claims of any and all persons, firms and corporations for personal injury, death or property damage occurring upon, in or about the Premises, with such limits of liability as are customarily carried by prudent electric transmission companies or such amount as Lessor shall approve in writing from time to time. All insurance policies provided pursuant to this Section 17.1 shall be obtained by KATCo from an insurance carrier or carriers of good reputation and sound financial responsibility selected by KATCo and shall be subject to self-retention deductibles in such amounts as Lessor may approve in writing from time to time, which approval Lessor agrees not to unreasonably withhold, delay or condition. Policies or certificates evidencing such insurance have been delivered by KATCo to Lessor prior to execution of this

Lease and certificates evidencing renewal of such insurance shall be delivered to Lessor at least ten (10) days prior to the expiration of any such policy of insurance. Each such policy shall contain an agreement by the insurers not to cancel such policy or materially alter its coverages except upon at least thirty (30) days' prior written notice to Lessor.

Section 17.2 Waivers of Subrogation. Lessor and KATCo each hereby mutually waive its respective rights of subrogation and recovery against the other for any loss insured by property insurance maintained by such party. The Transmission Facilities and all other property on the Premises belonging to KATCo, its agents, employees or invitees shall be at the risk of KATCo or such other person only, and Lessor shall not be liable for damage thereto or for the theft, misappropriation or loss thereof.

ARTICLE 18.

Lessor's Rights to Perform KATCo's Covenants

Except to the extent otherwise provided in Section 11.3, KATCo covenants and agrees that if it shall at any time fail to pay, or cause to be paid, any Imposition required to be paid by KATCo pursuant to the provisions of Article 11 hereof, or to take out, pay for, maintain or deliver or cause to be taken out, paid for, maintained or delivered any of the insurance policies provided for in Article 17 hereof, or shall fail to make any other payment or perform any other act which KATCo is obligated to make or perform under this Lease, or cause such to be done, then Lessor may, but shall not be obligated so to do, after thirty (30) days' written notice to KATCo (but without notice in the event of an emergency) and without waiving, or releasing KATCo from, any obligation of KATCo in this Lease contained, pay any such Imposition or effect such insurance coverage and pay premiums therefor, and may make any other payment or perform any other act which KATCo is obligated to perform under this Lease, in such manner and to such extent as shall be necessary, reasonable and, in exercising any such rights, pay necessary, reasonable and incidental costs and expenses, employ counsel and incur and pay attorneys' and consultants' fees. All sums so paid by Lessor and all necessary, reasonable and incidental costs and expenses in connection with the performance of any such act by Lessor, shall be deemed additional Base Rent hereunder and, except as otherwise expressly provided in this Lease, shall be payable to Lessor as additional Base Rent within thirty (30) days after the date of Lessor's invoice to KATCo therefor, and KATCo covenants to pay any such sum or sums and Lessor shall have the same rights and remedies in the event of the nonpayment thereof by KATCo as in the case of default by KATCo in the payment of Base Rent.

ARTICLE 19.

Default Provisions

Section 19.1 Events of Default. This Lease and the Term hereof are subject to the limitation that if, at any time during the Term, any one or more of the following events (herein called an "Event of Default") shall occur:

(a) if KATCo shall fail to pay any installment of the Base Rent provided for herein, or any part thereof, when the same shall become due and payable, and such failure

shall continue for ten (10) days after receipt of written notice thereof from Lessor to KATCo; or

(b) if KATCo shall fail to pay any other charge or sum required to be paid by KATCo hereunder and any such failure shall continue for thirty (30) days after receipt of written notice thereof from Lessor to KATCo; or

(c) if KATCo shall fail to perform or observe any other requirement of this Lease (not already specified in this Section 19.1) on the part of the KATCo to be performed or observed, and such failure shall continue for thirty (30) days after receipt of written notice thereof from Lessor to KATCo; or

(d) if substantially all Transmission Facilities in or on Leased Property or KATCo's interest in this Lease are attached or levied upon under execution and the same is not discharged within sixty (60) days thereafter,

Lessor shall have the right, then or at any time thereafter, and while such default or defaults shall continue, to give KATCo written notice of Lessor's intention to terminate this Lease on a date specified in such notice, which date shall not be less than thirty (30) days after the date of giving of such notice, and, on the date specified in such notice, KATCo's right to possession of Leased Property shall cease and KATCo shall peaceably and quietly yield to and surrender to Lessor the Premises and this Lease shall thereupon be terminated and all of the right, title and interest of KATCo hereunder shall wholly cease and expire in the same manner and with the same force and effect as if the date of expiration of such thirty (30) day period were the date originally specified herein for the expiration of this Lease and the Term hereof, and KATCo shall then quit and surrender the Premises and the Transmission Facilities on Leased Property to Lessor, but KATCo shall remain liable to Lessor as provided below. In the event of termination of this Lease, KATCo shall be deemed to have abandoned all Transmission Facilities on, under or over Leased Property to the extent the same have not been removed thereon prior to the date of such termination.

Section 19.2 Possession Following Event of Default. In the event of any termination of this Lease pursuant to Section 19.1 or if an Event of Default shall continue beyond the expiration of any grace or cure period provided for above, Lessor may enter upon the Premises and have, repossess and enjoy the same by summary proceedings, ejectment or otherwise, and in any such event neither KATCo nor any person claiming through or under KATCo shall be entitled to possession or to remain in possession of the Premises but shall forthwith quit and surrender the Premises. Lessor shall be under no liability for or by reason of any such entry, repossession or removal of KATCo or any person claiming through or under KATCo.

Section 19.3 KATCo's Responsibility for Costs. In case of any such termination, re-entry or dispossession by summary proceedings, ejectment or otherwise, the rent and other charges required to be paid by KATCo hereunder shall thereupon become due and payable up to the time of such termination, re-entry or dispossession, and KATCo shall also pay to Lessor all reasonable expenses which Lessor may then or thereafter incur for legal expenses, attorney's and consultants' fees, brokerage commissions, and all other reasonable costs paid or incurred by Lessor for keeping or restoring the Premises and the Transmission Facilities to good order and condition or, if Lessor elects to do so, for removing Transmission Facilities from Leased Property. Lessor shall be under

no obligation to lease or relet Leased Property or Transmission Facilities or any part of either in order to mitigate damages.

Section 19.4 Survival of KATCo's Payment Obligation. The right of Lessor to recover from KATCo the amounts provided for above shall survive the issuance of any order for possession or other cancellation or termination hereof.

Section 19.5 Extension of Cure Period for Certain Events of Default. Anything in this Article 19 to the contrary notwithstanding, it is expressly understood that, with respect to any Event of Default within the purview of clause (c) of Section 19.1 hereof, if such Event of Default is of such a nature that it cannot, with due diligence, be cured within a period of thirty (30) days, Lessor shall not be entitled to re-enter the Premises, serve a notice of termination upon KATCo as provided in said Section 19.1, or exercise any right, power or remedy with respect to such Event of Default nor shall the same be regarded as an Event of Default for any of the purposes of this Lease, if KATCo shall have notified Lessor in writing that KATCo will undertake curing such default and commenced the curing of such default within the period of thirty (30) days referred to in said clause 19.1(c), and so long as KATCo shall thereafter proceed in good faith with reasonable diligence to complete the curing of such default, and the time within which KATCo must cure the same shall be extended for such period as may be necessary to complete the same with due diligence.

ARTICLE 20.

Cumulative Remedies, Waiver

Section 20.1 Cumulative Remedies. The specified remedies to which Lessor may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which Lessor may be lawfully entitled in case of any breach or threatened breach by KATCo of any provision of this Lease. In addition to the other remedies in this Lease provided, Lessor shall be entitled to the restraint by injunction of any violation or attempted or threatened violation of any of the terms, covenants, conditions, provisions or agreements of this Lease.

Section 20.2 No Waiver. The failure of Lessor to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, provisions or agreements of this Lease or to exercise any option herein contained shall not be construed as a waiver or a relinquishment for the future of any such term, covenant, condition, provision, agreement or option. A receipt and acceptance by Lessor of Base Rent or any other payment, or the acceptance of any performance of anything required by this Lease to be performed, with knowledge of the breach of any term, covenant, condition, provision or agreement of this Lease, shall not be deemed a waiver of such breach, nor shall any acceptance of any payment in a lesser amount than is herein provided for (regardless of any endorsement on any check, or any statement in any letter accompanying any payment) operate or be construed either as an accord and satisfaction or in any manner other than as payment on account of the amounts then unpaid by KATCo, and no waiver by Lessor of any term, covenant, condition, provision or agreement of this Lease shall be deemed to have been made unless specifically acknowledged as such in a writing signed by Lessor.

ARTICLE 21.

Quiet Enjoyment and Surrender of Leased Property

Section 21.1 Quiet Enjoyment. So long as KATCo shall make the Base Rent and other payments provided for herein and shall keep, observe and perform all of the other covenants of this Lease, KATCo shall and may peaceably and quietly have, hold and enjoy the Premises for Permitted Uses during the Term hereof free of interference from Lessor or those claiming by, through or under Lessor except that nothing herein shall preclude use of the Premises or Transmission Facilities by Lessor or Authorized Users to the extent provided elsewhere in this Lease. This covenant shall be construed as running with the land to and against subsequent owners and successors in interest, and is not, nor shall it operate or be construed as, a personal covenant of Lessor, except to the extent of Lessor's interest in the Premises and only so long as such interest shall continue, and thereafter this covenant shall be binding only upon such subsequent owners and successors in interest, to the extent of their respective interests, as and when they shall acquire the same, and only so long as they shall retain such interest.

Section 21.2 Surrender of Premises. Except as otherwise provided in this Lease, KATCo shall, upon the expiration or termination of this Lease for any reason whatsoever, surrender the Premises to Lessor in good order, condition and repair, except for reasonable wear and tear. KATCo shall surrender to Lessor all the Premises to Lessor upon expiration of the Term without notice of any kind, and KATCo hereby waives all right to any such notice as may be provided under any present or future law.

Section 21.3 Holdover. If KATCo continues to occupy the Premises with the written consent of Lessor after the last day of the Term, KATCo shall be a tenant from month to month, at Base Rent twice the rate in effect prior to the end of the Term and such tenancy shall otherwise be subject to all of the covenants and agreements of this Lease. In the event that Lessor does not so consent to KATCo's continued possession after the expiration of the Term of this Lease, or if no new agreement shall have been entered into by the parties hereto, KATCo shall pay Lessor all damages sustained by reason of KATCo's retention of possession after such expiration.

Section 21.4 KATCo's Right to Terminate Lease as to All or Part of Premises. From time to time during the Term, KATCo shall have the right to terminate this Lease as to, and surrender possession of, all or a portion of Leased Property and portions of the Premises adjoining such Leased Property as of the end of a calendar quarter. KATCo shall give Lessor written notice of its intention to terminate this Lease as to, and surrender possession of, Leased Property not less than one hundred eighty (180) days prior to the date for termination specified therein and, if appropriate, its wish to remove some or all of the Transmission Facilities located thereon as specified in such notice. If a Leasehold Mortgagee shall exist as of the time of any notice of termination to Lessor pursuant to this Section, such notice of termination shall be accompanied by a written consent thereto signed by the Leasehold Mortgagee and no such notice of termination shall be effective unless accompanied by such written consent. In the event of termination of this Lease as to some, but not all, of the Premises, Base Rent shall not be reduced by the portion thereof that is attributable to the Leased Property as to which such termination relates.

Section 21.5 Surrender or Removal of Transmission Facilities. Upon expiration of the Term or termination of this Lease, in its entirety or with respect to but not all Leased Property, or termination of this Lease pursuant to Article 21 hereof, KATCo shall surrender to Lessor all Transmission Facilities then on, under or over Leased Property and title thereto shall vest in Lessor unless Lessor shall have notified KATCo in writing prior to the expiration of the Term or the effective date of such termination that some or all of the Transmission Facilities are to be removed therefrom. If Lessor notifies KATCo that some or all of the Transmission Facilities are to be removed from Leased Property, KATCo shall undertake removal thereof with reasonable diligence thereafter and shall cause the surface of Leased Property affected thereby to be restored. KATCo shall coordinate removal activities with Lessor and Authorized Users as and to the extent necessary to protect or relocate Distribution Facilities or other uses of Transmission Facilities then being made of Transmission Facilities by Lessor and/or Authorized Users. KATCo shall continue to have access to Leased Property after such expiration or termination for such purpose and shall not be deemed to be continuing to occupy Leased Property pursuant to Section 21.3. Until completion of such removal, Section 6.1, Section 12.2, Article 14, and Article 15 shall continue in effect notwithstanding expiration or termination of this Lease. In the event title to some or all of the Transmission Facilities vests in Lessor pursuant to this Section 21.5, KATCo shall execute and deliver to Lessor from time to time such bills of sale or other conveyance as Lessor may reasonably request for the purpose of confirming Lessor's ownership thereof.

ARTICLE 22.

Assignment Subletting

Section 22.1 Prohibition Against Assignment of Lease Without Lessor's Approval. Except as specifically provided otherwise in this Lease, neither this Lease nor the leasehold estate created hereby shall be sold or assigned without the prior written approval of Lessor which Lessor may withhold for any reason or no reason. No sale or assignment of this Lease shall be effective until there has been delivered to Lessor an undertaking, signed by such proposed purchaser or assignee, in which such purchaser or assignee assumes the due performance of all obligations on KATCo's part to be performed under this Lease. Upon such assumption, KATCo shall have no further liability under this Lease except as to liabilities that arose prior to the sale or assignment. In the event KATCo has been notified by Lessor of an Event of Default which has not been cured as of the time of a proposed sale or assignment the undertaking to be signed by the proposed purchaser or assignee shall include a specific commitment to cure any such Event of Default in timely fashion.

Section 22.2 Prohibition Against Subleasing. KATCo shall not sublet all or any part of the Premises to any third party without the prior written approval of Lessor, which Lessor may withhold, for any reason or no reason.

Section 22.3 Permitted Assignments by KATCo. Notwithstanding Section 22.1, this Lease may be assigned without Lessor's prior written approval to any electric transmission company with which KATCo is merged or consolidated or which is a purchaser of substantially all of the Transmission Facilities or to any Leasehold Mortgagee or the nominee of a Leasehold Mortgagee or purchaser or assignee of the leasehold estate pursuant to Article 24 hereof.

Section 22.4 Assumption by Assignee. Each assignee of this Lease shall promptly execute and deliver to Lessor a written assumption of KATCo's obligations under this Lease in such form as Lessor may require.

ARTICLE 23.

Fee Mortgage Indenture

[Reserved].

ARTICLE 24.

Mortgaging of Leasehold Interest

Section 24.1 Leasehold Mortgages. KATCo, without Lessor's consent, shall have the unrestricted right to mortgage the leasehold estate created by this Lease pursuant to a leasehold mortgage or mortgages, at any time and from time to time, on any terms KATCo may deem desirable. If more than one such mortgage shall at the time be in effect, each such mortgage, at the time in effect, is herein called a "Leasehold Mortgage." No holder of a Leasehold Mortgage shall have the rights or benefits set forth in this Article 24, nor shall the provisions of this Article be binding upon Lessor unless and until holder of a Leasehold Mortgage shall have notified Lessor in writing that it is a holder of such Leasehold Mortgage and of the name and address to which all notices and other communications hereunder to it may be addressed; and such a holder of a Leasehold Mortgage, having given such notice, is herein called "Leasehold Mortgagee."

Section 24.2 Notices to Leasehold Mortgagees. Any notice which the holder of a Leasehold Mortgage shall desire or be required to give to Lessor shall be in writing and shall be deemed to have been given (a) upon receipt when the same is delivered in person or by courier or (b) as of the third business day after the same has been deposited with the United States Postal Service, postage prepaid for certified or registered mail, at the address set forth in Section 26.1 hereof or at such other addresses as shall be designated by Lessor in a written notice thereof to the Leasehold Mortgagee. Any notice which Lessor shall desire or be required to give to a Leasehold Mortgagee shall be in writing and shall be deemed to have been given (i) upon receipt when the same is delivered in person or by courier or (ii) as of the third business day after the same has been deposited with the United States Postal Service, postage prepaid for certified or registered mail, addressed to such Leasehold Mortgagee at the address set forth in the Leasehold Mortgage or in such last recorded assignment thereof or at such other address as shall have been designated by such Leasehold Mortgagee in a written notice thereof to Lessor.

Section 24.3 No Lease Cancellation, Surrender or Material Modification Without Leasehold Mortgagee Consent. Lessor and KATCo shall not agree between themselves to any cancellation, surrender or material modification of this Lease without the prior written consent of each Leasehold Mortgagee.

Section 24.4 Notices of Default to Leasehold Mortgagee. Lessor shall give to each Leasehold Mortgagee a copy of any Notice of Default or notice of Lessor's intention to terminate

this Lease given by Lessor to KATCo hereunder not later than ten (10) days after giving any such notice to KATCo.

Section 24.5 Payment or Performance by Leasehold Mortgagee. At any time when any Leasehold Mortgage shall remain unsatisfied of record, any Leasehold Mortgagee may make any payment or perform any act required hereunder to be made or performed by KATCo and Lessor shall accept such payment and performance. No entry by a Leasehold Mortgagee upon the Premises for such purpose shall constitute or be deemed to be an eviction of KATCo or release KATCo from any obligation or default hereunder (except in the case of any obligation or default which shall have been fully performed or corrected by such payment or performance by a Leasehold Mortgagee).

Section 24.6 Leasehold Mortgagee Notices to Lessor of Intention to Cure Event of Default. For purposes of this Article, no Event of Default shall be deemed to exist under Article 19 in respect of performance or observance of any requirement of this Lease on the part of KATCo to be performed or observed if a Leasehold Mortgagee shall have notified Lessor in writing of its intention to cure such default and commenced the curing of such default within the time permitted therefor and shall thereafter have proceeded in good faith with reasonable diligence to complete the curing of such default and the time within which such default must be cured shall be extended for such period as may be necessary to complete the same with due diligence.

Section 24.7 Leasehold Mortgagee Opportunities to Cure Events of Default. Anything herein contained to the contrary notwithstanding, upon the occurrence of an Event of Default (inclusive of the occurrence of any of the events specified in paragraph (c) or (d) of Section 19.1 hereof), other than an event of default due to a default in the payment of money, Lessor shall take no action to effect a termination of this Lease without first giving to each Leasehold Mortgagee written notice thereof and a reasonable time thereafter within which notify Lessor in writing of its intention, and thereafter diligently proceeding, either (i) to obtain possession of the Premises (including possession by a receiver) or (ii) to institute, prosecute and complete foreclosure proceedings or otherwise acquire KATCo's interest under this Lease. Upon obtaining possession or acquiring KATCo's interest under this Lease, a Leasehold Mortgagee shall be required promptly to cure all defaults then reasonably susceptible of being cured by such Leasehold Mortgagee. Notwithstanding the foregoing, (i) such Leasehold Mortgagee shall not be obligated to continue such possession or to continue such foreclosure proceedings after the Events of Default shall have been cured; (ii) nothing herein contained shall preclude Lessor, subject to the provisions of this Article, from exercising any rights or remedies under this Lease with respect to any other default by KATCo during the pendency of such foreclosure proceedings; (iii) if such Leasehold Mortgagee shall be a party other than a bank, insurance company or other entity having a net worth exceeding $30,000,000 at the time the Leasehold Mortgage is granted or a group of such banks, insurance companies or other entities (a "Lending Institution"), such Leasehold Mortgagee shall deposit with Lessor during the period of forbearance by Lessor from taking action to effect a termination of this Lease such security as shall be reasonably satisfactory to Lessor to assure Lessor of compliance by such Leasehold Mortgagee during the period of such forbearance with such of the terms, conditions and covenants of this Lease as are reasonably susceptible of being complied by such Leasehold Mortgagee and (iv) such Leasehold Mortgagee, if a Lending Institution, shall agree with Lessor in writing to comply during the period of such forbearance with such of the terms, conditions and covenants of this Lease as are reasonably susceptible of being complied with by

such Leasehold Mortgagee. Any Event of Default by KATCo not reasonably susceptible of being cured by such Leasehold Mortgagee shall be deemed to have been waived by Lessor upon completion of such foreclosure proceedings or upon such acquisition of KATCo's interest in this Lease, except that any of such Events of Default which are reasonably susceptible of being cured after such completion and acquisition shall then be cured with reasonable diligence by such Leasehold Mortgagee or its designee or other purchaser, as the case may be. Such Leasehold Mortgagee or its designee, or other purchaser in foreclosure proceedings, may become the legal owner and holder of this Lease through such foreclosure proceedings or by assignment of this Lease in lieu of foreclosure.

Section 24.8 Leasehold Mortgagee Right to New Lease. In the event of the termination of this Lease prior to the expiration of the Term, Lessor shall serve upon each Leasehold Mortgagee written notice that the Lease has been terminated together with a statement of any and all such sums which would at the time be due under this Lease but for such termination, and all other Events of Default, if any, under this Lease then known to Lessor. Any Leasehold Mortgagee shall thereupon have the option to obtain a new lease in accordance and upon the following terms and conditions:

> Upon the written request of the Leasehold Mortgagee, within sixty (60) days after service of such notice that the Lease has been terminated, Lessor shall enter into a new lease with respect to the Premises with such Leasehold Mortgagee as follows:
>
> Such new lease shall be entered into at the reasonable cost of the lessee thereunder, shall be effective as of the date of termination of this Lease and shall be for the remainder of the Term of this Lease and at the Base Rent and upon all the agreements, terms, covenants and conditions hereof, including any options to extend the Term. Such new lease shall require the lessee to perform any unfulfilled obligation of KATCo under this Lease, which is reasonably susceptible of being performed, by such lessee. Upon the execution of such new lease, the lessee named therein shall pay any and all sums which would at the time of the execution thereof be due under this Lease but for such termination, and shall pay all expenses, including reasonable counsel fees, court costs and disbursements incurred by Lessor in connection with such Events of Default and termination, the recovery of possession of the Leased Property and the preparation, execution and delivery of such new lease.

Section 24.9 Extension of Term Pursuant to New Lease. If the Term is not extended pursuant to Section 2.2 hereof, or for any other reason whatsoever, KATCo shall not become entitled to extend the Term of this Lease, Lessor shall serve upon each Leasehold Mortgagee written notice thereof and any such Leasehold Mortgagee shall have the option upon written request served upon Lessor to obtain from Lessor a new lease of the Premises for such renewal term in accordance with and upon the following terms and conditions:

> Such written request shall be served upon Lessor not later than sixty (60) days after the service of the aforementioned notice by Lessor on such

Leasehold Mortgagee, and within thirty (30) days after the service of such written request, lessor and the Leasehold Mortgagee, or its designee, shall enter into a new lease with respect to the Premises as follows:

Such new lease shall be entered into at the reasonable cost and expense of the lessee thereunder, shall be effective as of the date of termination of the then current Term of this Lease, and shall be for the Extended Term next succeeding the then current term of this Lease, and at the Base Rent and upon all the agreements, terms, covenants and conditions hereof, including any further options to extend the Term. Such new lease shall require the lessee to perform any unfulfilled obligation of KATCo under this Lease, which is reasonably susceptible of being performed, by such lessee. Upon execution of such new lease, the lessee therein named shall pay any and all sums remaining unpaid under the Lease then expiring, then unpaid, plus the reasonable expenses incurred by Lessor in connection with the preparation, execution and delivery of such new lease.

Section 24.10 Benefited Leasehold Mortgagees. Anything herein contained to the contrary notwithstanding, the provisions of this Article shall inure only to the benefit of Leasehold Mortgagees under Leasehold Mortgages which shall be, respectively, a first, second and third lien against the leasehold estate hereunder. If Leasehold Mortgagees of more than one such Leasehold Mortgage shall make written requests upon Lessor for a new lease in accordance with this Section, the new lease shall be entered into pursuant to the request of the holder whose Leasehold Mortgage shall be of the highest priority and thereupon the written requests for a new lease of each holder of a Leasehold Mortgage junior in lien shall be and be deemed to be void and of no force or effect.

Section 24.11 Possession Pursuant to New Lease. Nothing herein contained shall be deemed to obligate Lessor to deliver possession of the Premises to the lessee under any new lease entered into pursuant to this Article.

Section 24.12 Assignment by Leasehold Mortgagee. If any Leasehold Mortgagee shall acquire title to KATCo's interest in this Lease, by foreclosure of a Leasehold Mortgage thereon or by assignment in lieu of foreclosure or by assignment from a designee or subsidiary of such Leasehold Mortgagee, or under a new lease pursuant to this Article, such Leasehold Mortgagee may assign such lease and shall thereupon be released from all liability for the performance or observance of the covenants and conditions in such lease contained on the part of KATCo or such lessee, as the case may be, to be performed and observed from and after the date of such assignment, provided that the assignee from such Leasehold Mortgagee shall have assumed such lease in accordance with Section 22.4 hereof and shall have complied otherwise with said Section.

ARTICLE 25.

Estoppel Certificates

Lessor and KATCo agree at any time and from time to time, upon not less than ten (10) days' prior written request by KATCo, Lessor, the Trustee or a Leasehold Mortgagee, to execute, acknowledge and deliver to the party requesting the same a statement in writing certifying that this

Lease is unmodified and is in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating the modifications), the Base Rent currently payable, and the dates to which the Base Rent and other charges have been paid in advance, if any, it being intended that any such statement delivered pursuant to this Article may be relied upon by any prospective purchaser or mortgagee of the Premises of KATCo's interest in this Lease. Such certificate by KATCo shall contain a statement that there are no Defaults by Lessor under this Lease, or, if there be any, a reasonably detailed specification of all such Defaults and such other matters as may be reasonably requested. Such certificate by Lessor shall contain a statement that it has knowledge of no Defaults by KATCo under this Lease, or, if there be any of which it has knowledge, a reasonably detailed specification of all such Defaults and such other matters as may be reasonably requested.

ARTICLE 26.

Miscellaneous

Section 26.1 Notices. Any and all notices upon receipt when required or permitted under this Lease shall be in writing and shall be deemed sufficiently given (a) upon receipt when the same is delivered in person or by courier or (b) as of the third business day after the same has been deposited with the United States Postal Service, postage prepaid for certified or registered mail, addressed as follows:

To Lessor:

FirstEnergy Pennsylvania Electric Company
800 Cabin Hill Drive
Greensburg, Pennsylvania 15601
Attention: President and General Counsel

To KATCo:

Keystone Appalachian Transmission Company
76 South Main Street
Akron, Ohio 44308
Attention: President and General Counsel

or to such other address or addresses as either Lessor or KATCo by notice to the other may designate from time to time in the manner herein provided.

Section 26.2 Dispute Resolution. In the event of any dispute, controversy, or claim arising out of, under, or relating to this Ground Lease, Lessor and KATCo shall first attempt to resolve such dispute through good faith negotiations between representatives who will have the authority to settle the dispute. Lessor and/or KATCo shall give the other party written notice of any dispute not resolved in the ordinary course of business. Within ten (10) calendar days after delivery of any such notice, the aforementioned representatives will meet at a mutually acceptable time and place to attempt to resolve the dispute. If such designated representatives are unable to resolve a dispute within thirty (30) calendar days after receipt of notice of the dispute, then upon request of either Lessor or KATCo such dispute will be referred to a senior officer designated by

each party for resolution. Each such senior officer shall be an individual who has authority to resolve the dispute on behalf of Lessor or KATCo. Any dispute not resolved within sixty (60) calendar days following receipt of the request for submission to senior officers may, by mutual determination of Lessor and KATCo, be addressed and resolved through an alternative dispute resolution method to be agreed upon by Lessor and KATCo in good faith at such time, such as, but not limited to, binding arbitration or mediation; provided, however, neither Lessor nor KATCo shall be obligated to agree to any alternative resolution method to address the unresolved dispute. Nothing in this section shall in any way limit or preclude Lessor or KATCo from pursuing any rights or remedies or obtaining any relief to which it may be entitled at law or equity.

Section 26.3 Invalidity of Particular Provisions. If any term or provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and may be enforced to the fullest extent permitted by law.

Section 26.4 Successors and Assigns. The terms, conditions, covenants, provisions and agreements herein contained shall be binding upon and inure to the benefit of Lessor, its successors and assigns, and KATCo, its successors and assigns.

Section 26.5 Amendments: Modifications. This Lease may be modified only by written agreement signed by Lessor and KATCo with the same formalities attendant as upon the execution of this Lease, it being the express intention of the parties hereto that no provision, term or condition of this Lease may be amended or varied in any way by an oral understanding or by any document not executed in accordance with this Section 26.5.

Section 26.6 Memoranda of Lease. Upon request by either Lessor or KATCo, the parties hereto shall execute, for recording purposes, memoranda of this Lease in conformity with the law and practice of the state in which the Premises are located, and the same shall be placed of record at KATCo's expense. If requested by Lessor, KATCo shall, upon termination of this Lease as to some or all Leased Property as provided herein, execute and deliver to Lessor an appropriate release, in form proper for recording, of KATCo's interest therein.

Section 26.7 Governing Law. This Lease shall be governed by and interpreted in accordance with the laws of the state in which the Premises are located.

Section 26.8 Entire Agreement. Except as set forth in an Operating Agreement of even date herewith that Lessor and KATCo expect will terminate before expiration of the Initial Term and except as provided in any amendment of this Lease hereafter entered into by Lessor and KATCo, this Lease sets forth the entire agreement and understanding between Lessor and KATCo to the subject matter hereof.

Section 26.9 Further Assurances. Subject to the terms and conditions of this Lease, each of the parties hereto, including without limitation subsidiaries and affiliates of the parties, will use their best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things

necessary, proper or advisable to consummate the transactions contemplated by this Lease and to fully effect the intent of this Lease.

IN WITNESS WHEREOF, the parties hereto have caused this Ground Lease to be duly executed as of the day and year first above written,

(Witnesses as to Lessor)

FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY

_____ By _____

Primed Name:

_____

Printed Name:

(Witnesses as to KATCo)

KEYSTONE APPALACHIAN TRANSMISSION COMPANY

_____ By _____

Printed Name:

_____

Printed Name

EXHIBIT A

Leased Property

General Description: This exhibit identifies the property that Lessor has agreed to lease to KATCo as of [•], 202[•], in return for quarterly installments of Base Rent and subject to the rights, terms and conditions of this Ground Lease:

(1) Tracts or parcels owned by the Lessor (fee lands), together with portions of the buildings, structures and fixtures thereon to the extent used for transmission, but not distribution, of electricity on the date of this Lease.

(2) Easements granted to Lessor on, under or over which Transmission Facilities are situated on the date of this Lease.

(3) Leased lands, servitudes, interests in land, permits, privileges, licenses, consents, franchises and authorizations granted to or held by Lessor on, under or over which Transmission Facilities are situated on the date of this Lease and not identified as being either fee land or an easement.

SCHEDULE A

"Base Rent" = (Net Book Value of Premises - ADITs) * Pre-Tax WACC + Book Depreciation Expense + Property Taxes + All other costs, expenses, liabilities or charges that may be incurred by Lessor pursuant to any lease agreement, license agreement, consent agreement or other similar agreement relating to the Premises.

For purposes of this definition:

"ADIT" means Accumulated Deferred Income Taxes associated with the Premises.

"Pre-Tax WACC" = $\frac{\text{WACC}}{(1 - \text{Statutory Tax Rate})}$

"Weighted Average Cost of Capital ("WACC") =

((Debt Ratio * KATCo's Effective Cost of Outstanding Long-Term Debt) * (1 - Statutory Tax Rate))

+

(Equity Ratio * KATCo's Authorized Rate of Return on Equity)

JOINT APPLICANTS
EXHIBIT AP-9

SERVICE AGREEMENT

This Service Agreement ("Agreement") is entered into as of the ___ day of _____, 20__, by and between each of the associate companies listed on the signature page hereto (each a "Client Company" and collectively the "Client Companies"), and FirstEnergy Service Company ("Service Company"), an Ohio corporation.

WHEREAS, Service Company is a direct wholly-owned subsidiary of FirstEnergy Corp. ("FirstEnergy");

WHEREAS, Service Company provides corporate, administrative, management and other services to FirstEnergy and the Client Companies; and

WHEREAS, Client Company desires to purchase such corporate, administrative, management and other services from Service Company as Client Company may request or require in accordance with this Agreement and as required by the laws, rules, regulations, judgement, and orders of any federal or state regulatory body whose approval and regulation is, pursuant to the laws of said jurisdiction, necessary and a legal prerequisite to Client Company's operations to accomplish Client Company's business purpose (collectively, "Law");

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. DESCRIPTION AND PROVISION OF SERVICES.

(a) Service Company shall perform such corporate, administrative, management and other services for Client Company (the "Basic Operating Services"), including but not limited to, executive services, accounting and finance, internal auditing, risk management, human resources, corporate affairs, corporate communications, information technology, policy and compliance, records management, and legal services. Service Company shall provide such Basic Operating Services to Client Company until this Agreement terminates.

(b) In addition to Basic Operating Services, Service Company shall provide to Client Company such services as Client Company deems necessary to achieve Client Company's business purpose or as required by Law (the "Additional Services", and together with Basic Operating Services, the "Services"). Additional Services include but are not limited to, operations management, construction, maintenance, asset oversight, customer service, rates and regulatory affairs, environmental, corporate real estate, strategic planning and operations, flight operations, performance management, business development, and investment management. Service Company

shall provide such Additional Services until such time as Client Company indicates otherwise by written notice.

(c) Exhibit A hereto lists and describes all Services that are available from Service Company, as will be reviewed annually and updated as required by Law or when otherwise deemed appropriate by the parties hereto.

2. PERSONNEL.

Service Company will employ such executive officers, accountants, financial advisers, technical advisers, attorneys and other persons with the qualifications to provide the Services, as appropriate and necessary. Service Company may, at its discretion, also arrange for the services of nonaffiliated experts, consultants, and attorneys in connection with the performance of any of the Services provided under this Agreement.

3. COMPENSATION AND ALLOCATION.

(A) COMPENSATION.

As and to the extent permitted by Law,

(i) any Services provided by Service Company pursuant to this Agreement shall be at cost;

(ii) the costs for Services rendered by Service Company shall cover direct and indirect costs, plus any reasonable expenses and fees incurred by Service Company to provide such Services to Client Company (collectively, "Costs"); and

(iii) Client Company shall pay such Costs as appropriate.

(B) COST ALLOCATION METHODOLOGY.

The Costs of Services provided by Service Company pursuant to this Agreement shall be directly assigned, distributed, or allocated by activity, project, program, work order or other appropriate means, as follows:

(i) a direct charge, whereby Costs are assigned to the Client Company directly benefiting from the Service provided; and/or

(ii) an indirect charge, whereby the appropriate share of the Costs of Services provided by Service Company that are not directly charged to a Client Company will be allocated among Client Companies by utilizing the method that most accurately distributes such Costs. Applicable cost allocation factors, which are included in FirstEnergy's cost allocation manual, will be reviewed annually and updated as required by Law or when otherwise deemed appropriate by the parties hereto.

4. BILLING AND PAYMENT.

Billing and payment for Services provided by Service Company shall be by making appropriate accounting entries on the books of Client Company and Service Company. Monthly reports provided to Client Company will include details of Costs associated with Services provided by Service Company. Financial settlement for Services provided by Service Company will be made on a monthly basis, with billing to occur as soon as practicable after the close of the month, and financial settlement or accounting entries completed within thirty (30) days of billing. Any amount remaining unpaid by Client Company after thirty (30) days following billing shall bear interest thereon from the due date of billing until financial settlement at a rate equal to the prime rate on the due date.

5. APPLICATION OF LAW.

This Agreement shall be subject to the approval of any state electric utility regulatory commission whose approval is, by the laws of the federal government or said state, a legal prerequisite to the execution and delivery or the performance of this Agreement.

6. TERM AND TERMINATION.

(A) INITIAL TERM.

This Agreement shall commence as of the date first indicated above and shall continue thereafter for a period of five (5) years (the "Initial Term"), unless sooner terminated pursuant to this Section 6.

(B) RENEWAL TERM.

Upon expiration of the Initial Term, this Agreement shall automatically renew for successive five (5)-year terms unless either party provides written notice of nonrenewal no later than three hundred and sixty-five (365) days prior to the end of the then-current term (each a "Renewal Term" and together with the Initial Term, the "Term"). If the Term is renewed for one or more Renewal Term, the terms and conditions of this Agreement during each Renewal Term shall be the same as the terms and conditions in effect immediately prior to such renewal. If either party provides timely notice of nonrenewal, this Agreement shall terminate on the expiration of the then-current Term, unless sooner terminated in this Section 6.

(C) VOLUNTARY TERMINATION.

Any party to this Agreement may terminate this Agreement by providing one hundred eighty (180) days written notice of such termination to the other party.

(D) TERMINATION IN COMPLIANCE WITH LAW.

This Agreement is subject to termination or modification at any time to the extent its performance may conflict with any rule, regulation, requirement, or order of the state or federal electric utility regulatory commission with jurisdiction over the Client Company.

(E) AUTOMATIC TERMINATION.

This Agreement shall automatically terminate upon Client Company (i) ceasing to be an affiliate of Service Company; (ii) becoming insolvent or admitting its inability to pay its debt obligations as they come due; (iii) becoming subject, voluntarily or involuntarily, to any proceeding under any bankruptcy or insolvency law, which is not stayed within ten (10) business days or is not dismissed or vacated within thirty (30) business days after filing; (iv) being dissolved or liquidated or taking any corporate action for such purpose; (v) making a general assignment for the benefit of creditors; or (vi) having a receiver, trustee, custodian, or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business. In the event of a termination of this Agreement pursuant to this Section 6(E), there shall be a transition period not to exceed ninety (90) days for which the Service Company will continue to provide Services at cost to Client Company.

7. GENERAL.

(A) ENTIRE AGREEMENT.

This Agreement, together with its exhibits, constitutes the entire understanding and agreement of the parties with respect to its subject matter, and effective upon the execution of this Agreement by the respective parties hereof, any and all prior agreements, understandings or representations with respect to this subject matter are hereby terminated and canceled in their entirety and are of no further force and effect, except to the extent transactions thereunder have taken place prior to such effective date, in which case such agreements will govern the terms of such transactions.

(B) ASSIGNMENT AND BINDING EFFECT.

No assignment of this Agreement or a party's rights, interests or obligations hereunder may be made without the other party's written consent, which shall not be unreasonably withheld, delayed, or conditioned. This Agreement shall inure to the benefit of and shall be binding upon the parties and their respective successors and assigns.

(C) NOTICE.

Where written notice is required by this Agreement, all notices, consents, certificates, or other communications hereunder shall be in writing and shall be deemed given to the persons and at the addresses identified below (or to such other person and address as a party may give in a notice given in accordance with the provisions hereof) only as follows: (i) if given by personal delivery, upon such personal delivery, (ii) if sent for next day delivery by United States registered, certified or express mail, or overnight delivery service, on the date of delivery as confirmed by written confirmation of delivery, or (iii) if sent by electronic mail, upon electronic confirmation of receipt, except that if such confirmation occurs on a day that is not a business day, then such notice or other communication will not be deemed effective or given until the next succeeding business day. Notices sent in any other manner will not be effective.

To Client Company: c/o President
76 South Main St.
Akron, OH 44308
[President Email]

To Service Company: c/o Vice President and Controller
76 South Main St.
Akron, OH 44308
[Controller Email]

(D) EXTENSION OF TIME; WAIVER.

A party may (i) extend the time for the performance of any of the obligations of the other party under this Agreement, and/or (ii) waive compliance with any of the agreements or conditions for the other party's benefit contained herein. Any such extension or waiver will be valid only if set forth in a writing signed by the acting party. No waiver by a party of any default, misrepresentation, or breach hereunder, whether intentional or not, may be deemed to extend to any prior or subsequent default, misrepresentation, or breach hereunder or affect in any way any rights arising because of any prior or subsequent occurrence. No failure or delay of a party to exercise any right or remedy under this Agreement will operate as a waiver thereof, and no single or partial exercise of any right or remedy will preclude any other or further exercise of the same, or of any other, right or remedy.

(E) GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, without regard to its conflict of law provisions.

(F) HEADINGS.

The headings contained in this Agreement are inserted for convenience only and will not affect in any way the meaning or interpretation of this Agreement.

(G) SEVERABILITY.

The provisions of this Agreement will be deemed severable, and the invalidity or unenforceability of any provision will not affect the validity or enforceability of the other provisions hereof.

(H) MODIFICATION.

This Agreement may not be amended or modified except by a writing signed by each of Service Company and Client Company.

(I) COUNTERPARTS.

This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument. This

Agreement will become effective when one or more counterparts have been signed by each party and delivered to the other party, it being understood that the parties need not sign the same counterpart. The exchange of copies of this Agreement and of executed signature pages by electronic mail in "portable document format" (".pdf") or by a combination of such means, will constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of an original Agreement for all purposes. Signatures of the parties transmitted by electronic mail or by .pdf shall be deemed to be original signatures for all purposes.

(J) THIRD PARTY BENEFICIARIES.

Nothing in this Agreement shall be deemed to create any right in any creditor or other person or entity not a party hereto. This Agreement shall not be construed in any respect to be a contract in whole or in part for the benefit of any third party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed effective as of date first above written.

FirstEnergy Service Company

By: _____
Name:
Title: Vice President and Controller

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed effective as of date first above written.

[Client Company][, on its own behalf and on behalf of its subsidiaries [•]]

By: _____
Name:
Title: [Officer]

EXHIBIT A

DESCRIPTION OF SERVICES

Service	Description
Executive Management	Provide strategic, financial, and operational leadership for all aspects of the business.
Accounting and Tax Support	Various accounting and tax services, including but not limited to: financial reporting; utility reporting and billing; property, general, regulatory, and tax accounting; accounts payable; accounting research; utility and transmission business services; finance transformation; tax planning; federal, state, and local tax and rates; and return on Service Company assets.
Investor Relations, Corporate Responsibility and Communications Support	Various services, including but not limited to: investor relations; corporate responsibility and rating agencies; internal, external, and customer communications; and graphic and document production.
Treasury Support	Various treasury services, including but not limited to: pension and investment management; business development; and capital markets, cash, and e-commerce.
Risk Support	Various risk-related services, including but not limited to: insurance and credit risk; enterprise risk management and risk control; and operational risk management.
Rates and Regulatory Affairs Support	Various regulatory services, including but not limited to: load forecasting and rate initiatives; distribution and transmission rates; and state and federal regulatory affairs.
Strategy, Planning & Business Performance Support	Various services, including but not limited to: business planning and performance; and long-term planning.
Supply Chain Support	Various supply chain services, including but not limited to: supply chain solutions/standards; material operations; and strategic category management.
Human Resources & Corporate Services Support	Various services, including but not limited to: talent management; total rewards; pension and other post-employment benefits; labor/employee relations and corporate safety; diversity, equity, and inclusion; and HR technology.

Service	Description
Corporate Services	Various services, including but not limited to: administrative services; real estate; and flight operations.
Legal Support	Various services, including but not limited to: legal services; records and information compliance; claims; and corporate secretary.
Ethics & Compliance Support	Perform investigations and risk assessments on compliance matters; provide policy management and compliance training and communication.
Internal Auditing Support	Provide risk-based independent assurance and consulting internal audit services; evaluate risk management, control, and governance processes, and administer the program for management's testing of internal controls.
Corporate Affairs and Community Involvement Support	Coordinate community partnerships and employee volunteer opportunities; administer contributions for charitable, social and community welfare programs.
Compliance & Regulated Services Support	Various regulatory compliance services, including but not limited to: regulated commodity sourcing; FERC and RTO technical support; NERC compliance; FERC and state compliance reporting; regulated settlements.
External Affairs Support	Various external affairs services; including but not limited to: regional external affairs; state and federal government affairs; and legislative and regulatory policy and administration.
Information Technology & Corporate Security	Various IT and security services, including but not limited to: IT innovation and enablement; cyber security and transmission security operations center; compliance field support and physical security; and physical security compliance and technology.
Transmission Support	Various transmission-related services, including but not limited to: operations; planning and protection; substation services; and assets and records control.
Utility Operations	Various utility-related services, including but not limited to: state executive management; engineering services; distribution engineering and customer accounts support; work management operations; and operational strategy and alignment.

Service	Description
Safety & Human Performance	Various services, including but not limited to: human performance and governance; safety data analytics, training and work practices, and operations.
Operations Support	Various services, including but not limited to: regional workforce development; metering and support systems; central electric lab and BETA lab support; work management and process improvement; distribution system operations; vegetation management; emergency preparedness; and ADMS/GIS Project.
Utility Services	Various services, including but not limited to: environmental support; generation services; and fuels and generation commercial operations.
Construction & Design Services	Various services, including but not limited to: transmission and substation design; transmission project management; portfolio management; and transmission program support.
Transformation Support	Various services, including but not limited to: emerging technology programs and strategy; and transformation office and program.
Competitive Products & Services	Various services, including but not limited to: FirstEnergy sales; and consumer products and marketing.
Customer Engagement	Various customer-related services, including but not limited to: national accounts and customer support; economic development; energy efficiency implementation, compliance and reporting; and customer analytics and reporting.
Customer Care	Various customer services, including but not limited to: customer contact centers, management, and care support; and revenue operations.
Customer Policy & Solutions	Various customer-related services, including but not limited to: FEP operations; and customer policy, advocacy, and solutions.

JOINT APPLICANTS

EXHIBIT AP-10

SECOND REVISED, AMENDED AND RESTATED MUTUAL ASSISTANCE AGREEMENT

This Second, Revised, Amended and Restated Mutual Assistance Agreement ("***Mutual Assistance Agreement***" or "***Agreement***") is entered into as of the ___ day of _____, 20__, by and among the companies listed on the signature page hereto (each a "***Company***" and collectively the "***Companies***").

WHEREAS, each Company is a subsidiary of FirstEnergy Corp. ("***FirstEnergy***");

WHEREAS, FirstEnergy Service Company ("***Service Company***") provides corporate, administrative, management and other services within the FirstEnergy holding company system under Service Company agreements;

WHEREAS, from time to time, the Companies may request and/or may require non-power goods and services from one or more of their affiliated companies (individually, "***Affiliate***" and collectively, "***Affiliates***") within the FirstEnergy holding company system; and

WHEREAS, from time to time various opportunities arise for the Companies to effect economies of scale and better utilization of available resources through transfers of a broader range of goods and services by, between and among the Companies, such that the Companies desire to enter into this Mutual Assistance Agreement, which supersedes any other agreements that may have existed between the parties hereto related to the matters covered by this Mutual Assistance Agreement, as applicable, for providing goods and services between them;

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

1. DESCRIPTION AND PROVISION OF SERVICES.

(A) SERVICES.

As used herein, "***Services***" refers to the list of services set forth in Attachment I hereto, as will be reviewed annually and updated as required by law or when otherwise deemed appropriate by the parties hereto.

(B) GOODS.

As used herein, "***Goods***" refers to goods incidental to the Services, electric transmission, distribution, office, administrative and general plant materials, supplies and equipment not "in

place" or "installed". As contemplated hereunder, transactions in Goods may be, but need not be, incidental to the provision of Services.

(C) **REQUESTS FOR GOODS AND SERVICES**.

From time to time each Company, in its sole discretion, may determine, request or, upon the request of another Company, furnish to such other Company, upon the terms and conditions set forth herein, one or more of the Goods and Services (including, in the case of Goods, those which at the time are inadequate, obsolete, unfit, or unnecessary or unadapted for use in the operations of the Company to which such request is made).

2. PRICING.

(a) All transactions carried out pursuant hereto shall be affected as follows:

(i) if a regulated Company furnishes Goods or Services to a regulated Affiliate, then such furnishing Company shall be paid for such Goods or Services at cost in the case of the performance of Services (including all applicable direct and indirect costs of the furnishing Company), or cost less accumulated depreciation in the case of the sale of Goods (including all applicable direct and indirect costs of the furnishing Company);

(ii) if a regulated Company furnishes Goods or Services to Service Company, the Company shall be paid for such Goods or Services at the higher of (A) cost in the case of the performance of Services (including all applicable direct and indirect costs of the furnishing Company), or cost less depreciation in the case of the sale of Goods (including all applicable direct and indirect costs of the furnishing Company) or (B) the price at arm's length for similar goods and services in the markets in which such goods and services are being provided ("***Market Price***"); and

(iii) (A) if a regulated Company furnishes Goods or Services to a non-regulated Affiliate, then the furnishing Company shall be paid for such Goods or Services at a price that is the higher of cost or Market Price; or (B) if a non-regulated Company furnishes Goods or Services to a regulated Company, then the furnishing Company shall be paid for such Goods or Services at a price that is, in the case of Goods, the lesser of cost less accumulated depreciation or Market Price, and, in the case of Services not made generally available to the public by the non-regulated Company, the lesser of fully allocated cost and Market Price.

(b) Costs include, as applicable, wages and salaries of employees and related fringe benefit expenses (such as health care, life insurance, payroll taxes, pensions, and other employee welfare expenses), equipment, tooling, materials, subcontract costs, overheads, cost of capital, and taxes.

3. BILLING, PAYMENT, AND ACCOUNTING.

(a) Costs are accumulated within the Companies' integrated accounting system related to the Services and Goods provided hereunder in order to support the inter-company billing, which

shall be performed monthly by Service Company. Details supporting each transaction are contained within the integrated accounting system, in accordance with applicable FirstEnergy procedures and processes, as amended from time to time, and supporting documentation shall be provided upon reasonable request of the Company to which Goods or Services were furnished.

(b) Direct charges to a Company shall be made so far as charges can be identified and related to the particular transactions involved without excessive effort or expense. Whenever possible, charges for Services rendered hereunder between the Companies, including personnel and non-personnel costs and expenses and related costs and expenses that relate to a particular requesting Company, shall be billed by the providing Company directly to such requesting Company. For those charges that cannot be direct billed either because the Services giving rise to those charges are provided to, or on behalf of, more than one recipient Company or the charges themselves are not easily susceptible to precise identification with a particular or specific transaction, the providing Company shall allocate such costs in accordance with an allocation method recommended and provided by Service Company from among its approved allocation methods, as such methods may be amended from time to time as required by law or when otherwise deemed appropriate by the parties to the Service Company agreements.

(c) To the extent a Company is required to pay cost for Goods or Services, as provided in Section 2 of this Agreement, such costs:

(i) shall not exceed a fair and equitable allocation of expenses (including the price paid for goods) plus reasonable compensation for necessary capital procured through the issuance of capital stock (or similar securities);

(ii) for Services rendered by a providing Company, shall be determined and calculated based upon the time records of employees, and records of related expenses, including out-of-pocket expenses that are billed at cost;

(iii) may include taxes, interest, other overhead, and compensation for the use of capital procured by the issuance of capital stock (or similar securities), which shall be fairly and equitably allocated. Interest on borrowed capital and compensation for the use of capital shall represent a reasonable return on only the amount of capital reasonably necessary for the performance of services or construction for, or the selling of goods to, customers for whom transactions are performed at cost. Such amount shall not include the cost of assignment of, or any capitalization of, any service, sales, or construction contract; and

(iv) shall not include any expense (including the price paid for goods) incurred in a transaction with an affiliated Company of the providing Company, to the extent that it exceeds the cost of such transaction to such affiliated Company.

(d) Billing and payment for Goods and Services provided shall be by making appropriate accounting entries on the books of the affected Companies. Financial settlement for Goods and Services provided will be made on a monthly basis, with billing to occur as soon as practicable after the close of the month, and financial settlement or accounting entries completed

within thirty (30) days of billing. Any amount remaining unpaid by a Company after thirty (30) days following billing shall bear interest thereon from the due date of billing until financial settlement at a rate equal to the prime rate on the due date.

(e) FirstEnergy's Internal Auditing Department shall periodically audit inter-Company transactions and billings hereunder. The audits shall also include an evaluation of the work order process in order to assure that transactions and charges have been properly authorized, calculated, allocated (if applicable), invoiced, recorded, paid and tracked.

(f) The supporting records and details related to all inter-company billings, including direct charges and allocated charges, and applicable allocation methods (in order to enable testing with respect to cost allocations to and from affiliates), will be retained for auditing purposes in accordance with applicable law and regulation.

4. WAIVER.

To the extent that the Goods and Services are furnished at cost, or cost less depreciation, if any pursuant to Section 2, and to facilitate the undertaking of this Mutual Assistance Agreement, each Company expressly waives any right it may have to recover from the other Companies for any losses, damages, penalties, liabilities, claims or expenses (including damage to its own property or liabilities to third parties) for any cause whatsoever including without limitation the negligence of the other Companies, its employees and agents in connection with the provision of Goods and Services that are furnished at cost.

5. TERM AND TERMINATION.

(A) INITIAL TERM.

This Agreement shall commence as of the date first indicated above and shall continue thereafter for a period of five (5) years (the "***Initial Term***"), unless sooner terminated pursuant to this Section 5.

(B) RENEWAL TERM.

Upon expiration of the Initial Term, this Agreement shall automatically renew for successive five (5)-year terms unless either party provides written notice of nonrenewal no later than three hundred and sixty-five (365) days prior to the end of the then-current term (each a "***Renewal Term***" and together with the Initial Term, the "***Term***"). If the Term is renewed for one or more Renewal Term, the terms and conditions of this Agreement during each Renewal Term shall be the same as the terms and conditions in effect immediately prior to such renewal. If either party provides timely notice of nonrenewal, this Agreement shall terminate on the expiration of the then-current Term, unless sooner terminated pursuant to this Section 5.

(C) VOLUNTARY TERMINATION.

Any party to this Agreement may withdraw from this Agreement, and this Agreement shall be terminated with respect to such party, by providing one hundred eighty (180) days written notice of such termination to the other parties.

(D) AUTOMATIC TERMINATION OF A PARTY.

A Company shall automatically withdraw from this Agreement, and this Agreement shall be terminated with respect to such party upon a Company (i) ceasing to be an Affiliate; (ii) becoming insolvent or admitting its inability to pay its debt obligations as they come due; (iii) becoming subject, voluntarily or involuntarily, to any proceeding under any bankruptcy or insolvency law, which is not stayed within ten (10) business days or is not dismissed or vacated within thirty (30) business days after filing; (iv) being dissolved or liquidated or taking any corporate action for such purpose; (v) making a general assignment for the benefit of creditors; or (vi) having a receiver, trustee, custodian, or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business. In the event of a termination of a party to this Agreement pursuant to this Section 5(E), there shall be a transition period not to exceed ninety (90) days for which the providing Company will continue to provide Goods and Services at cost to its Affiliates.

6. NOTICE.

Where written notice is required by this Mutual Assistance Agreement, all notices, consents, certificates, or other communications hereunder shall be in writing and shall be deemed given to the persons and at the addresses identified on the signature pages (or to such other person and address as a party may give in a notice given in accordance with the provisions hereof) only as follows: (i) if given by personal delivery, upon such personal delivery, (ii) if sent for next day delivery by United States registered, certified or express mail, or overnight delivery service, on the date of delivery as confirmed by written confirmation of delivery, or (iii) if sent by electronic mail, upon electronic confirmation of receipt, except that if such confirmation occurs on a day that is not a business day, then such notice or other communication will not be deemed effective or given until the next succeeding business day. Notices sent in any other manner will not be effective.

7. MODIFICATION OR AMENDMENT.

No amendment, change or modification to this Mutual Assistance Agreement shall be valid unless made in writing and signed by the parties hereto, and upon the receipt of any required regulatory approvals as described in Section 8 below. This Agreement is subject to modification at any time to the extent its performance may conflict with any rule, regulation, requirement, or order of the state or federal electric utility regulatory commission with jurisdiction over a Company.

8. REGULATORY APPROVALS, STATE LAW.

This Agreement, and any amendments thereto, shall be subject to the approval of any state electric utility regulatory commission whose approval is, by the laws of the federal government or said state, a legal prerequisite to the execution and delivery or the performance of this Agreement; and any transactions hereunder shall be in compliance with applicable state laws and regulations.

9. GOVERNING LAW.

For purposes of providing Goods or Services hereunder, in the case of each transaction hereunder, this Mutual Assistance Agreement shall be governed by, and construed under, the laws of the state in which the principal offices of the Company providing the Goods or Services hereunder are located, without regard to its conflict of laws provisions.

10. ASSIGNMENT.

This Mutual Assistance Agreement shall inure to the benefit and shall be binding upon the undersigned parties and their respective successors and assigns. No assignment of this Agreement or of any party's rights, interests or obligations hereunder, may be made without the other parties' consent, which shall not be unreasonably withheld, delayed or conditioned.

11. ENTIRE AGREEMENT.

This Agreement, together with its exhibits, constitutes the entire understanding and agreement of the parties with respect to its subject matter, and effective upon the execution of this Agreement by the respective parties hereof, any and all prior agreements, understandings or representations with respect to this subject matter are hereby terminated and canceled in their entirety and are of no further force and effect, except to the extent transactions thereunder have taken place prior to such effective date, in which case such agreements will govern the terms of such transactions.

12. LEGAL RESPONSIBILITY.

Nothing herein contained shall render any party liable for the obligations of any other party hereunder and the rights, obligations and liabilities of the parties are several in accordance with their respective obligations, and not joint.

13. HEADINGS.

The headings contained in this Mutual Assistance Agreement are inserted for convenience only and will not affect in any way the meaning or interpretation of this Mutual Assistance Agreement.

14. SEVERABILITY.

The provisions of this Mutual Assistance Agreement will be deemed severable, and the invalidity or unenforceability of any provision will not affect the validity or enforceability of the other provisions hereof.

15. COUNTERPARTS.

This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument. This Agreement will become effective when one or more counterparts have been signed by each party and delivered to the other party, it being understood that the parties need not sign the same counterpart. The exchange of copies of this Agreement and of executed signature pages by electronic mail in "portable document format" (".pdf") or by a combination of such means, will constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of an original Agreement for all purposes. Signatures of the parties transmitted by electronic mail or by .pdf shall be deemed to be original signatures for all purposes.

16. THIRD PARTY BENEFICIARIES.

Nothing in this Mutual Assistance Agreement shall be deemed to create any right in any creditor or other person or entity not a party hereto. This Mutual Assistance Agreement shall not be construed in any respect to be a contract in whole or in part for the benefit of any third party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed effective as of date first above written.

AMERICAN TRANSMISSION SYSTEMS, INCORPORATED

By: _____
Name: _____
Title: _____

Notice:

ALLEGHENY ENERGY SUPPLY COMPANY, LLC

By: _____
Name: _____
Title: _____

Notice:

FIRSTENERGY PENNSYLVANIA CORPORATION

By: _____
Name: _____
Title: _____

Notice:

FIRSTENERGY PROPERTIES, INC.

By: _____
Name: _____
Title: _____

Notice:

FIRSTENERGY SERVICE COMPANY

By: _____
Name: _____
Title: _____

Notice:

FIRSTENERGY TRANSMISSION, LLC

By: _____
Name: _____
Title: _____

Notice:

GPU NUCLEAR, INC.

By: _____
Name: _____
Title: _____

Notice:

JERSEY CENTRAL POWER & LIGHT COMPANY

By: _____
Name: _____
Title: _____

Notice:

KEYSTONE APPALACHIAN TRANSMISSION COMPANY

By: _____
Name: _____
Title: _____

Notice:

MID-ATLANTIC INTERSTATE TRANSMISSION, LLC

By: _____
Name: _____
Title: _____

Notice:

MONONGAHELA POWER COMPANY

By: _____
Name: _____
Title: _____

Notice:

OHIO EDISON COMPANY

By: _____
Name: _____
Title: _____

Notice:

SUVON, LLC

By: _____
Name: _____
Title: _____

Notice:

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

By: _____
Name: _____
Title: _____

Notice:

THE POTOMAC EDISON COMPANY

By: _____
Name: _____
Title: _____

Notice:

THE TOLEDO EDISON COMPANY

By: _____
Name: _____
Title: _____

Notice:

TRANS-ALLEGHENY INTERSTATE LINE COMPANY

By: _____
Name: _____
Title: _____

Notice:

ATTACHMENT I

DESCRIPTION OF SERVICES

Service	Description
Engineering, Operating Maintenance and Management Services	Design, engineering, commission, construction, operation, restoration, corrective and preventative maintenance, repair, testing and nonpower services incidental to transmission and distribution facilities (including substation and line maintenance), generation facilities operations and maintenance (including personnel to perform such services), and asset management services.
Engineering Support Services	Lab testing, research and development, engineering and support services for transmission and support services for transmission and distribution, construction and maintenance facilities, functions, and activities.
Use of Space	Use or lease of office, warehouse, storage and other space or facilities, and associated warehousing and storage services.
Regional Support Services	Utilize utility operations level experience to provide regional support related to utility operations functions including in connection with providing Engineering Services, Human Resources Services, Facilities Services, Regional Claims Services, Labor Contract Negotiations Services, Area Managers, and related utility operations functions.
Storm Support Services	Utilize utility operations level experience to provide storm support services including storm-related construction and reconstruction, operations, and line restoration services to address storm-related conditions.
Environmental Services	Provide services and assistance related to identifying, managing, and remediating environmental threats or risks.
Safety & Human Performance	Advising and implementation of safety related training, practices, and policies.
Communications/Software Services	Services include pagers, cell phones, computers, radios, IPads, laptops, software, and hardware.

Service	Description
Meter Services	Provide services related to maintenance, operation, engineering, testing, and repair of meters and related equipment.
Transportation and Garage Services	Provide services related to transportation maintenance practices and support.
Forestry and Vegetation Management Services	Provide services related to forestry and vegetation management such as routine pruning, controlling, or removing of vegetation as required to maintain line reliability, maintain access, make repairs, or restore service.
Microfilming Services	Provide services related to microfilm storage and retrieval.
Records Retention and Storage	Provide services related to records storage, retrieval, and planning.
Reprographic Services	Provide services related to production printing, document imaging, and graphic services.
Remittance Processing	Provide services related to processing customer payments and depositing funds.
Transmission and Distribution Skills Training	Develop and facilitate technical and safety training for workers associated with distribution activities, including line, substation, meter, fleet, warehouse, field engineering, and dispatch. Provide support through equipment evaluation, training analyses, job assessments, and project coordination.