

AMERICAN TRANSMISSION SYSTEMS, INC.

American Transmission Systems, Inc. (“ATSI”), a subsidiary of FirstEnergy Corp., is preparing to file an application for certification of an electric transmission facility to serve existing and projected electric needs in parts of Geauga County and Southern Ashtabula County, Ohio. ATSI currently anticipates filing the application with the Ohio Power Siting Board (“OPSB”), the state agency with jurisdiction over siting such facilities in Ohio, in late June, 2007, although this filing date may change. Thereafter, the application will be evaluated by means of the regulatory process described in the OPSB’s regulations.

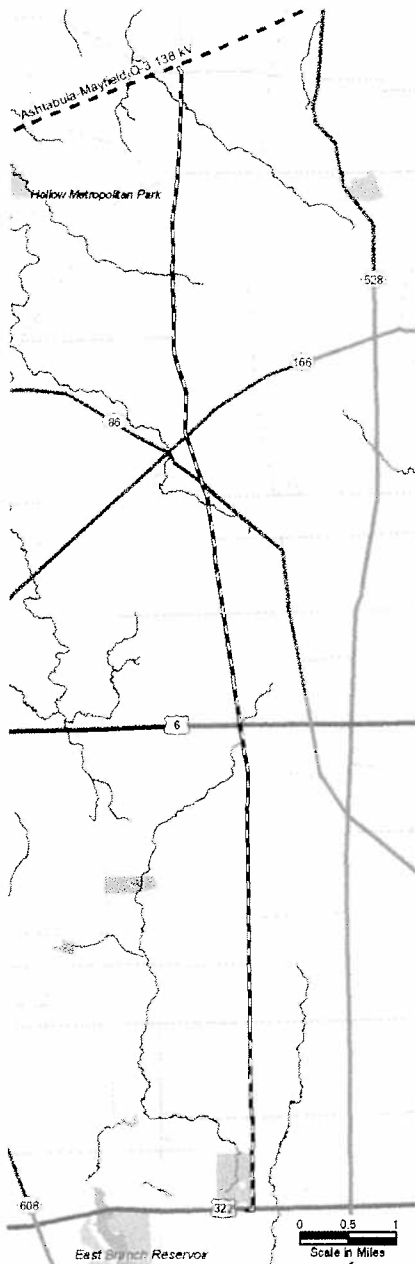
As part of preparing the application, ATSI evaluated different routes for the proposed line. Utilizing publicly-available data bases (*e.g.*, tax records, aerial photography, governmental agency reports and maps, *et seq.*), ATSI developed data about existing land uses, ecological considerations, and cultural sites in the area. ATSI then applied industry-standard modeling and methodologies that have been accepted in recent OPSB electric transmission line proceedings to evaluate and identify the most suitable routes. This process enabled ATSI to evaluate multiple potential routes in a broad geographic area for the projects. Generally speaking, the Clay Street route, the Cross Country route, and variants thereof showed the most merit. Public officials have identified five (5) other routes and asked about how these routes compare to the Clay Street and Cross Country routes. This paper summarizes the modeling results for the Clay Street and Cross Country routes, as well as these five other routes.

It is important to note, however, that Ohio’s Legislature has established an orderly and systematic process for evaluating the merits of any proposed project.¹ One of the benefits of this process is that an open, on-the-record forum is established for examining all aspects of any proposed project. This benefits both the project sponsor (here, ATSI) as well as interested members of the public by ensuring that all siting decisions are made by an impartial third party, that issues are examined in an orderly and open manner, that any decision is based on the facts in the record (as opposed to unsupported claims or assertions), and that decisions are made subject to the legal requirements that Ohio’s Legislature and governmental agencies have established as controlling for these questions. Thus, while ATSI is pleased to provide the information herein, ATSI encourages any parties that continue to have questions or concerns to raise these issues in the regulatory proceeding that will be established for the purpose of evaluating the project.

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¹ *I.e.*, Ohio Statutes, Chapter 4906.

CLAY STREET



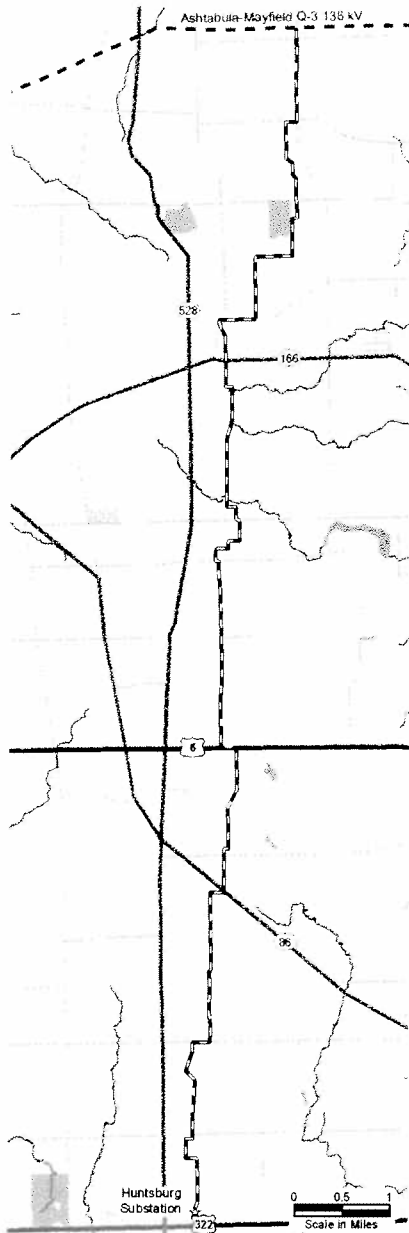
The Clay Street corridor was one of the routes that ATSI evaluated. This route would tie into the existing transmission lines that are located near the border between Geauga and Lake Counties, and then run generally south along Clay Street to the point where Clay Street intersects with Mayfield Road, where a new substation would be constructed. The length of this route would be approximately 12 miles.

The Clay Street route and variants thereof compared favorably against all other routes that were evaluated. This resulted in large part from the comparatively low occurrence of sensitive ecological and cultural sites along the route. Nevertheless, ATSI is sensitive to the concerns of potentially affected property owners near any proposed route. Fortunately, Ohio's Legislature has established the utility siting process, as well as the appropriations process, in order to ensure, among other protections, that the interests of all directly-affected parties will factor into the decision about the project, and that all relevant issues are considered in the decision-making process.

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CROSS COUNTRY (“EASTERN ROUTE”)

A Cross Country corridor that lies generally to the east of State Route 528 was one of the routes that ATSI evaluated. This route would tie into the existing transmission lines that are located near the border between Geauga and Lake Counties, then run generally south through rural or agricultural lands to the point that lies slightly to the east of where State Route 528 intersects with Mayfield Road, where a new substation would be constructed. The length of this route would be approximately 15 miles.

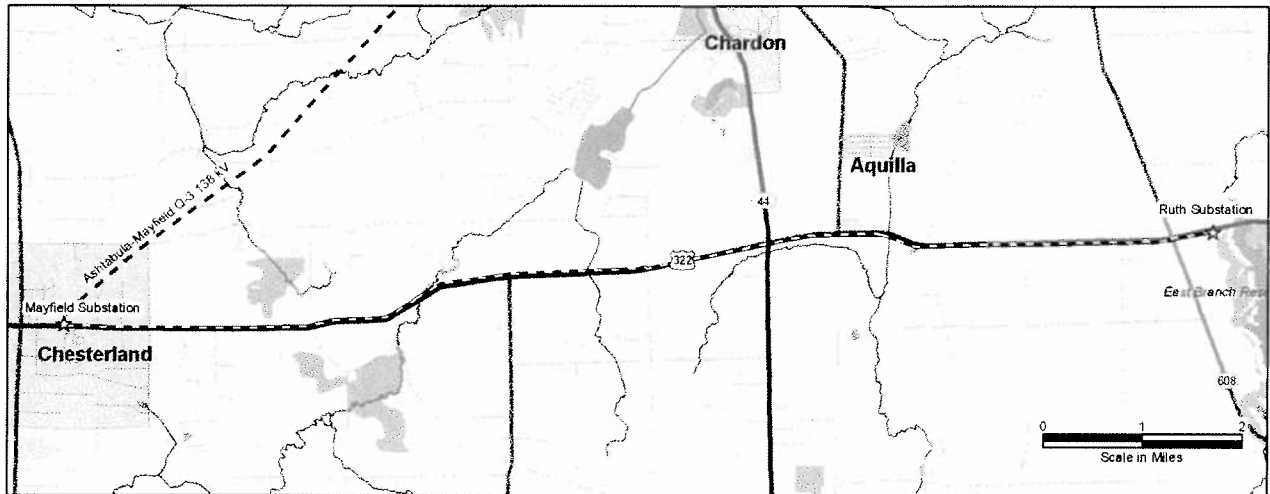


The Cross Country route and variants thereof generally compared favorably against other routes that were evaluated. This resulted in large part from the comparatively low occurrence of sensitive land uses and cultural sites along the routes. There also were a comparatively low number of residences in close proximity to the route. Nevertheless, ATSI is sensitive to the concerns of potentially affected property owners near any proposed route. Fortunately, Ohio's Legislature has established the utility siting process, as well as the appropriations process, in order to ensure, among other protections, that the interests of all directly-affected parties will factor into the decision about the project, and that all relevant issues are considered in the decision-making process.

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US 322/MAYFIELD ROAD

The US 322 (Mayfield Road) corridor was one of the routes that ATSI evaluated. This route would run between the Mayfield Substation in Chesterland Township east along Mayfield Road to a site at or near the Ruth Substation in Claridon Township. The length of this route would be approximately 12 miles.

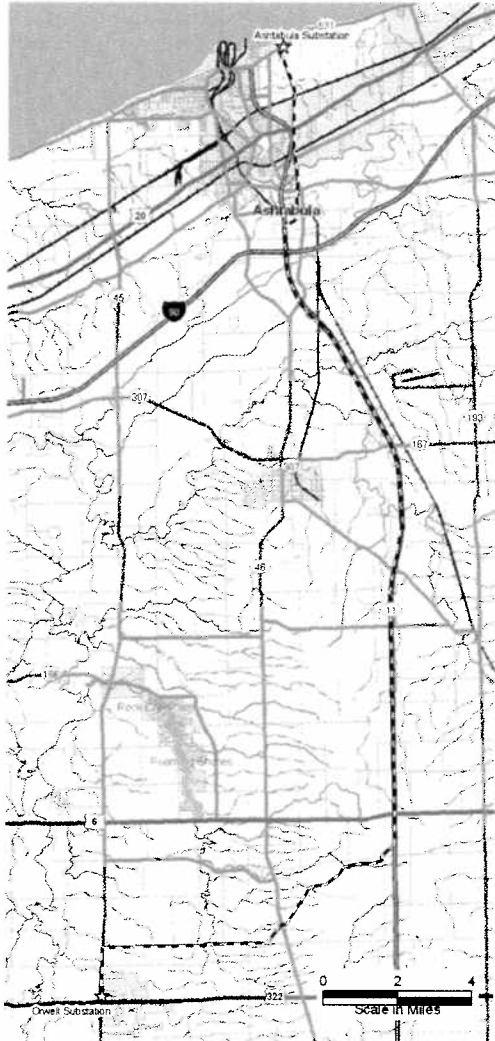


Generally, the Mayfield Road routes compared poorly against other routes that were evaluated. This resulted, in large part, from high land use, cultural and engineering considerations. Factors that contributed to the comparatively low evaluation include: (a) the presence of other sensitive land uses, including a large number of potential historic structures (10) that are in close proximity to the proposed center line; and (b) the significantly denser residential and commercial development (as compared to other potential routes) along Mayfield Road. Accordingly, ATSI will not pursue this option further.

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STATE ROUTE 11

The State Route 11 corridor, in Ashtabula County, was one of the routes that ATSI evaluated. This route would start at Ashtabula substation, and then run southerly following existing transmission corridors to State Route 11, and then run southerly along State Route 11 to a point south of the intersection between State Route 11 and U.S. 6, then west on a cross-country course through generally rural lands to the Orwell Substation in the town of Orwell. The length of this route would be approximately 30 miles.



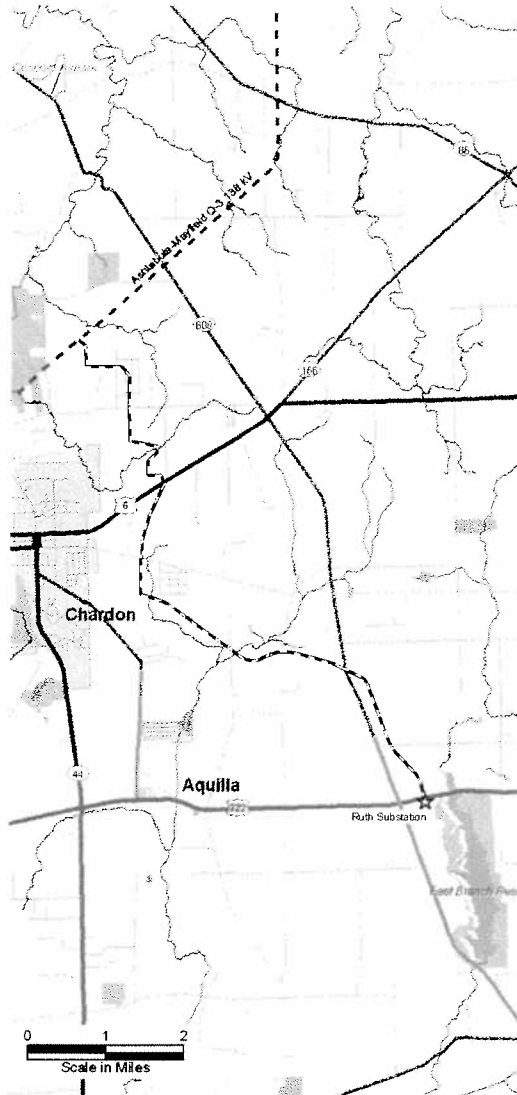
One compelling factor in evaluating the State Route 11 corridor is that constructing the line this far to the east would not directly improve the thermal and voltage problems that currently occur in Geauga County. Rather, if the State Route 11 corridor was selected, additional transmission or distribution circuits would need to be constructed to run from State Route 11 west, ideally to the load center, and minimally to the existing infrastructure near Orwell. Therefore, evaluation of this corridor included extending the transmission line to Orwell.

The State Route 11 corridor compared poorly against other routes that were evaluated. This resulted from high land use, ecological and engineering considerations. Factors that contributed to the comparatively low evaluation include: (a) the estimated number of residences that are in proximity to the project; (b) significant environmental factors that include, among other things, the 2.7 miles of woodlots and 6.2 miles of wetlands that would be crossed; and (c) the comparatively longer length (30 miles) as contrasted to the significantly shorter lengths of other routes (generally 12-15 miles) (longer length means more social and ecological impacts). Accordingly, ATSI will not pursue this option further.

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THE “RACHEL” ROUTE

The “Rachel” route was one of the routes that ATSI evaluated. The “Rachel” route is the route that the OPSB, in 1997, approved for siting of a similar project.² This route would start at a point on the existing 138 kV system that is north of Chardon Village, and then run generally south on a cross-country route to a point on the former Baltimore & Ohio railroad grade and from thence generally south and east to the Ruth Substation located on Mayfield Road. The length of this route would be approximately 9.5 miles.



The Rachel route compared extremely poorly against other routes that were evaluated due to high ecological issues and land use considerations. This resulted from numerous factors, the most significant of which include: (a) the fact that the former Baltimore & Ohio railroad right-of-way now is owned by the Geauga County Park District and is used as a bike path (which means that – given the societal preference that new utility lines be constructed in or through parkland only if there are no other alternatives, which is not the case here – ATSI probably would not be able to obtain legal rights-of-way to support the line); and (b) significant existing and new residential construction near the northern tie-in location. Accordingly, ATSI will not pursue this option further.

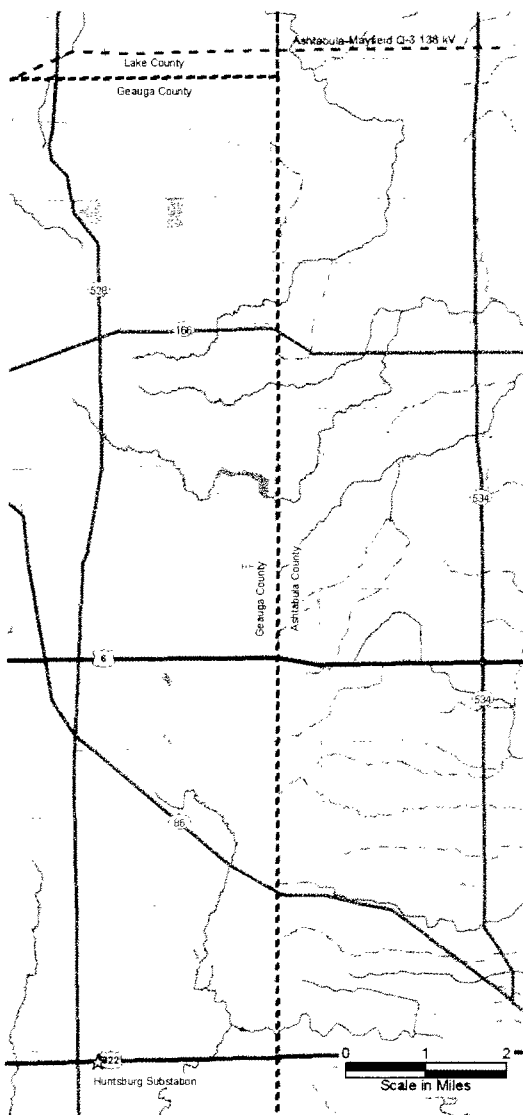
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² The OPSB certificate authorizing construction of the line along the Rachel route was surrendered after FirstEnergy Corp. determined that the electric needs that were to be served by that line could be served through other means.

ASHTABULA COUNTY LINE

During public meetings that were held on March 5th and 6th, 2007, several Geauga County residents suggested consideration of a route that would run along the Geauga/Ashtabula county line. The commenting members of the public opined that running the line through this area would be preferable because of the comparatively lower population and, based on implicit assumption that the affected property owners' lands would stop at the county line, because the project would not bisect parcels or agricultural fields.

Analysis of this area, however, failed to identify any suitable corridors; and review of aerial photography and publicly available data suggested that ecological and environmental impacts are likely to be too substantial to permit a successful outcome in the regulatory process. Specific environmental impacts include significantly more streams and wetlands, as well as significant clearance requirements for forested areas, as compared to other routes that were evaluated. Moreover, review of public data suggests that the number of residences in the county-line area is approximately equal to the number of residences along other routes that have been studied, which means that similar social impacts could be expected.

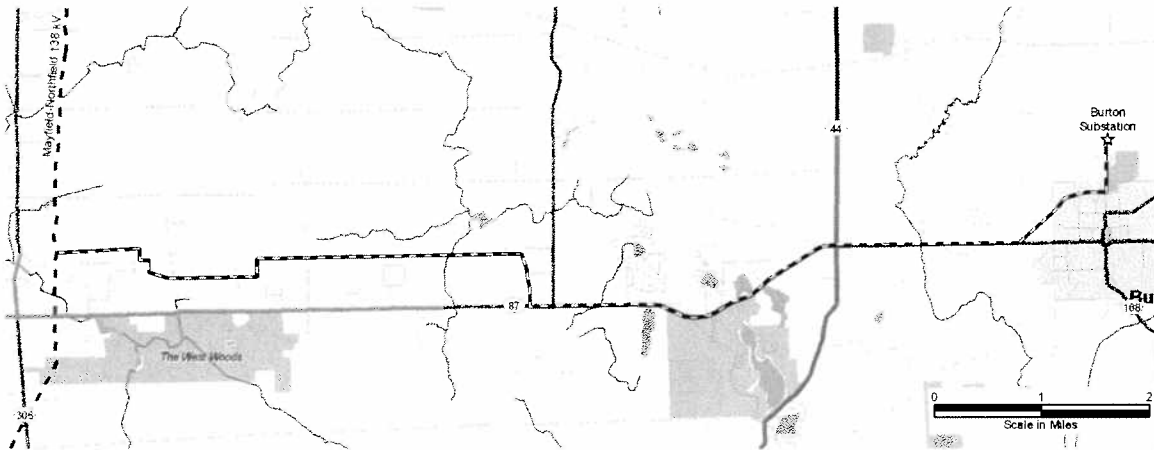


Based on these factors, the selection of a route or corridor along or east of the Ashtabula County line does not appear likely to yield a route that would compare equal to or better than the Clay Street or Cross Country routes that were described at the March 5th and 6th, 2007 public meetings. Accordingly, ATSI will not pursue this option further.

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STATE ROUTE 87

The State Route 87 corridor was one of the routes that was evaluated. This route would originate at a point on ATSI's existing 138 kV lines that lies slightly to the northeast of the intersection of State Routes 87 and 306, then run easterly following an existing cross-country distribution line to a point near the intersection of State Routes 87 and 4, then run south to State Route 87, then run east then north to a site at or near the Burton Substation, which is to the north of the Village of Burton. The length of this route would be approximately 11.5 miles.



This route compared poorly against other routes that were evaluated. The relatively low evaluation resulted in large part from land use, ecological and cultural issues. Specific considerations include the number of residences, as well as the commercial, industrial and institutional land uses, that are in proximity to the project. In addition, at least one state park (Punderson State Park) would be close enough to the center line as to result in significant viewshed impacts within the park. The “bottom line” is that large portions of the State Route 87 corridor and the surrounding areas are heavily developed and, in consequence, present severe constraints with regard to siting the project (as compared to other routes that were evaluated). Accordingly, ATSI will not pursue this option further.

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