

April 30, 2021

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

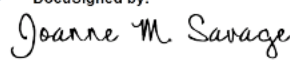
Re: Joint Application of Mid-Atlantic Interstate Transmission, LLC (“MAIT”); Metropolitan Edison Company (“Met-Ed”) and Pennsylvania Electric Company (“Penelec”) for: (1) a Certificate of Public Convenience Under 66 Pa.C.S. § 1102(A)(3) Authorizing the Transfer of Certain Transmission Assets from Met-Ed and Penelec to MAIT; (2) a Certificate of Public Convenience Conferring Upon MAIT the Status of a Pennsylvania Public Utility Under 66 Pa.C.S. § 102; and (3) Approval of Certain Affiliate Interest Agreements Under 66 Pa.C.S. § 2102; Docket No. A-2015-2488903; A-2015-2488904; A-2015-2488905; G-2015-2488906; G-2015-2488907

Dear Secretary Chiavetta:

In compliance with the Commission’s Order at Docket No. A-2015-2488903, *et. al.*, dated July 21, 2016 and Paragraph 34 of the Joint Petition for Full Settlement (“Settlement”) dated March 4, 2016, attached is Mid-Atlantic Interstate Transmission, LLC’s (“MAIT”) final annual report that identifies: (1) the calculation of the Ground Lease payments; (2) the annual dividends paid by MAIT to Metropolitan Edison Company (“Met-Ed”) and Pennsylvania Electric Company (“Penelec”) during the prior calendar year; and (3) the actual costs assigned or allocated between MAIT and Met-Ed and Penelec by FirstEnergy Service Company (“FESC”), as well as a brief explanation, as to why such costs were assigned or allocated in the manner that they were.

Copies have been served on all parties as indicated in the attached certificate of service.

Respectfully Submitted,

DocuSigned by:

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Joanne M. Savage
Director
Rates & Regulatory Affairs – PA

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**JOINT APPLICATION OF MID-
ATLANTIC INTERSTATE
TRANSMISSION, LLC (“MAIT”);
METROPOLITAN EDISON COMPANY
 (“MET-ED”) AND PENNSYLVANIA
ELECTRIC COMPANY (“PENELEC”)
FOR: (1) A CERTIFICATE
OF PUBLIC CONVENIENCE UNDER
66 PA.C.S. § 1102(A)(3) 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
UNDER 66 PA.C.S. § 102; AND
(3) APPROVAL OF CERTAIN
AFFILIATE INTEREST AGREEMENTS
UNDER 66 PA.C.S. § 2102**

Docket Nos.: A-2015-2488903, et al.

CERTIFICATE OF SERVICE

I hereby certify and affirm that I have this day served a copy of the Mid-Atlantic Interstate Transmission, LLC’s (“MAIT”) annual report that identifies: (1) the calculation of the Ground Lease payments; (2) the annual dividends paid by MAIT to Metropolitan Edison Company (“Met-Ed”) and Pennsylvania Electric Company (“Penelec”) during the prior calendar year; and (3) the actual costs assigned or allocated between MAIT and Met-Ed and Penelec by FirstEnergy Service Company (“FESC”) on the following persons in the matter specified in accordance with the requirements of 52 Pa. Code § 1.54:

Service by electronic mail as follows:

The Honorable Mark A. Hoyer
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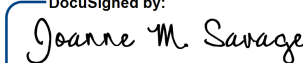
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Dated: April 30, 2021

DocuSigned by:

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**JOINT APPLICATION OF MID-ATLANTIC INTERSTATE
TRANSMISSION, LLC, METROPOLITAN EDISON COMPANY
AND PENNSYLVANIA ELECTRIC COMPANY**

**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 and G-2015-2490802**

(1) Calculation of the Ground Lease Payments

See Schedule 1.

(2) Annual Dividends Paid by MAIT to Met-Ed and Penelec During the Prior Calendar Year

For the period of January 1, 2020 to December 31, 2020, the following dividends were paid by MAIT:

Met-Ed - \$23,814,287.46

Penelec - \$35,557,476.35

(3) Actual Costs Assigned/Allocated Between MAIT and Met-Ed and Penelec by FESC

See Schedule 2. The costs assigned and/or allocated between MAIT and Met-Ed and Penelec by FESC were in accordance with the FirstEnergy Service Company Agreement.

**JOINT APPLICATION OF MID-ATLANTIC INTERSTATE
TRANSMISSION, LLC, METROPOLITAN EDISON COMPANY
AND PENNSYLVANIA ELECTRIC COMPANY
2021 GROUND LEASE CALCULATION**

<u>Line No.</u>	<u>Description</u>	<u>Met-Ed</u>	<u>Penelec</u>
1	Net Book Value of Premises	\$ 15,893,033	\$ 8,428,043
2	Accumulated Deferred Income Taxes (ADIT)	<u>187,635</u>	<u>86,073</u>
3	Net Book Value less ADIT (Line 1 - Line 2)	15,705,398	8,341,970
4	Pre-Tax Weighted Average Cost of Capital	10.26%	10.26%
5	Book Depreciation Expense	374,439	275,160
6	Property Taxes	499,222	389,477
7	Other Costs	<u>-</u>	<u>-</u>
8	Annual Base Rent ((Line 3 * Line 4) + Line 5 + Line 6 + Line 7)	\$ 2,484,374	\$ 1,520,171
9	Monthly Base Rent (Line 8 / 12)	\$ 207,031	\$ 126,681

**JOINT APPLICATION OF MID-ATLANTIC INTERSTATE
TRANSMISSION, LLC, METROPOLITAN EDISON COMPANY
AND PENNSYLVANIA ELECTRIC COMPANY
2021 GROUND LEASE CALCULATION**

Line No.	Description	Capital Structure (1)	Embedded Cost (2)	Pre-tax Rate of Return (3) = (1) * (2)	Statutory Tax Rate (4)	Tax Multiplior (5) = 1 - (4)	Weighted Average Cost of Capital (6) = (3) * (5)
1	Long-Term Debt	40.14%	3.95%	1.59%	28.89%	71.11%	1.13%
2	Equity	59.86%	10.30%	6.17%			<u>6.17%</u>
3	Total						<u>7.29%</u>
4	Pre-Tax Weighted Average Cost of Capital (Line 3, Column 6 / 1 - Line 1, Column 4)						<u>10.26%</u>

JOINT APPLICATION OF MID-ATLANTIC INTERSTATE TRANSMISSION, LLC,
 METROPOLITAN EDISON COMPANY AND PENNSYLVANIA ELECTRIC COMPANY
 ACTUAL COSTS ASSIGNED/ALLOCATED BETWEEN MAIT AND MET-ED AND PENELEC BY FESC
 APRIL 2020 TO MARCH 2021

	MAIT			Met-Ed			Penelec		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
Accounting Support and Tax	\$ 113,471.04	\$ 2,124,653.00	\$ 2,238,124.04	\$ 375,246.69	\$ 4,758,367.11	\$ 5,133,613.80	\$ 379,530.98	\$ 5,285,233.94	\$ 5,664,764.92
Assets Carrying Charges	996,661.71	-	996,661.71	1,675,104.99	-	1,675,104.99	1,891,327.56	-	1,891,327.56
Business Development and Strategy	-	285,026.42	285,026.42	-	533,924.74	533,924.74	-	587,421.70	587,421.70
Communications	-	579,263.39	579,263.39	3,171.67	1,042,234.73	1,045,406.40	-	1,146,287.67	1,146,287.67
Compliance & Reg. Services	315,014.52	689,112.66	1,004,127.18	13,920.61	733,766.93	747,687.54	8,582.71	807,642.97	816,225.68
Corporate Affairs & Community Involvement	-	367,916.15	367,916.15	177.51	677,226.28	677,403.79	181.89	744,485.90	744,667.79
Corporate Risk	-	265,450.57	265,450.57	580.20	479,612.90	480,193.10	158.24	527,902.20	528,060.44
Corporate Services & CIO	3,452,670.68	4,055,196.39	7,507,867.07	3,111,152.54	7,839,036.54	10,950,189.08	3,791,762.99	9,250,778.34	13,042,541.33
Corporate, Real Estate, Records Management	333,384.56	626,333.29	959,717.85	1,160,978.30	1,363,026.83	2,524,005.13	43,627.87	1,615,122.98	1,658,750.85
Customer Service	-	-	-	951,026.47	7,847,072.55	8,798,099.02	915,980.49	8,046,528.33	8,962,508.82
Energy Efficiency	-	-	-	1,345,591.19	(14,394.71)	1,331,196.48	1,276,080.68	(11,000.73)	1,265,079.95
Environmental	273,042.25	497,679.86	770,722.11	82,747.26	139,850.93	222,598.19	352,821.18	596,512.56	949,333.74
External Affairs	-	20,007.76	20,007.76	-	36,135.20	36,135.20	-	39,816.10	39,816.10
FE Generation & CNO	4,339.56	-	4,339.56	23,639.31	51,464.50	75,103.81	78,532.89	90,066.93	168,599.82
FE Tomorrow	-	16,338.42	16,338.42	-	29,560.49	29,560.49	-	32,587.76	32,587.76
Federal Affairs & Energy Policy	-	79,691.41	79,691.41	765.36	143,363.73	144,129.09	765.36	157,793.79	158,559.15
Generation Related Support	211,624.23	-	211,624.23	70.09	-	70.09	73,956.86	19,803.58	93,760.44
Human Resources	12,413.59	24,399.69	36,813.28	36,706.22	(1,028,605.82)	(991,899.60)	10,350.85	(1,218,634.78)	(1,208,283.93)
Innovation Center	-	140,400.44	140,400.44	11.48	250,885.14	250,896.62	12.32	275,614.22	275,626.54
Internal Auditing	-	149,291.65	149,291.65	-	223,722.23	223,722.23	-	246,172.31	246,172.31
Legal	35,817.03	346,331.62	382,148.65	1,224,605.19	583,460.27	1,808,065.46	952,529.79	640,994.10	1,593,523.89
Local Affairs & Economic Development	-	4,081.37	4,081.37	455,257.19	520,638.71	975,895.90	1,096,738.53	232,451.49	1,329,190.02
Marketing & Branding	-	20,038.56	20,038.56	45,219.00	308,125.10	353,344.10	32,677.48	338,554.38	371,231.86
President & CEO, FirstEnergy Service Company	-	314,771.61	314,771.61	-	561,657.33	561,657.33	-	616,764.37	616,764.37
President, FE Utilities	-	299,580.80	299,580.80	-	645,682.06	645,682.06	-	710,411.79	710,411.79
Rates & Regulatory Affairs	42,976.96	68,190.53	111,167.49	296,536.50	271,140.31	567,676.81	302,172.92	298,012.64	600,185.56
State Affairs	-	23,567.47	23,567.47	-	156,410.19	156,410.19	-	172,020.44	172,020.44
Supply Chain	675,622.55	127,384.23	803,006.78	26,589.30	243,452.23	270,041.53	58,471.32	267,634.90	326,106.22
SVP & Chief Financial Officer	-	41,090.52	41,090.52	-	73,872.77	73,872.77	-	81,293.42	81,293.42
Transmission, Distribution Support	21,755,020.55	11,263,221.33	33,018,241.88	2,633,279.43	7,251,817.36	9,885,096.79	3,173,044.89	8,503,452.44	11,676,497.33
Treasury	-	71,310.82	71,310.82	-	195,309.53	195,309.53	-	222,977.00	222,977.00
Utility Operations	-	221,561.42	221,561.42	33,720.19	481,426.61	515,146.80	33,720.19	529,458.32	563,178.51
TOTAL	\$ 28,222,059.23	\$ 22,721,891.38	\$ 50,943,950.61	\$ 13,496,096.69	\$ 36,399,242.77	\$ 49,895,339.46	\$ 14,473,027.99	\$ 40,854,161.06	\$ 55,327,189.05