

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____



Commission File Number	Registrant; State of Incorporation; Address; and Telephone Number	I.R.S. Employer Identification No.
333-282554	FIRSTENERGY TRANSMISSION, LLC (A Delaware Limited Liability Company) 5001 NASA Boulevard Fairmont WV 26554 Telephone (800) 736-3402	20-5763884

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

None.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer
Accelerated Filer
Non-accelerated Filer
Smaller Reporting Company
Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Not applicable.

FirstEnergy Transmission, LLC Website

FirstEnergy Transmission, LLC's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, amendments to those reports, and all other documents filed with or furnished to the SEC pursuant to Section 13(a) of the Exchange Act are made available free of charge on or through the "Investors" page of FirstEnergy's website at www.firstenergycorp.com. These documents are also available to the public from commercial document retrieval services and the website maintained by the SEC at www.sec.gov.

These SEC filings are posted on the website as soon as reasonably practicable after they are electronically filed with or furnished to the SEC.

TABLE OF CONTENTS

	Page
Glossary of Terms	ii
Forward-Looking Statements	v
Part I. Financial Information	
Item 1. Financial Statements	
Consolidated Statements of Income	1
Consolidated Balance Sheets	2
Consolidated Statements of Members' Equity	3
Consolidated Statements of Cash Flows	4
Notes To Consolidated Financial Statements	5
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	16
Item 3. Quantitative and Qualitative Disclosures About Market Risk	29
Item 4. Controls and Procedures	29
Part II. Other Information	
Item 1. Legal Proceedings	29
Item 1A. Risk Factors	30
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	30
Item 3. Defaults Upon Senior Securities	30
Item 4. Mine Safety Disclosures	30
Item 5. Other Information	30
Item 6. Exhibits	30

GLOSSARY OF TERMS

The following abbreviations and acronyms may be used in these financial statements to identify FirstEnergy Transmission, LLC and its current and former subsidiaries and affiliated companies:

ATSI	American Transmission Systems, Incorporated, a transmission subsidiary of FET
Brookfield	North American Transmission Company II L.P., 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
CEI	The Cleveland Electric Illuminating Company, an Ohio electric power company subsidiary of FE
Electric Companies	OE, CEI, TE, FE PA, JCP&L, MP and PE
FE	FirstEnergy Corp., a public electric power holding company
FE PA	FirstEnergy Pennsylvania Electric Company, a Pennsylvania electric utility subsidiary of FirstEnergy Pennsylvania Holding Company LLC, a wholly owned subsidiary of FE
FESC	FirstEnergy Service Company, which provides legal, financial and other corporate support services
FET	FirstEnergy Transmission, LLC, a consolidated VIE of FE and the parent company of ATSI, MAIT and TrAIL, and having a joint venture in PATH and Valley Link
FET Subsidiaries	ATSI, MAIT and TrAIL
FirstEnergy	FirstEnergy Corp., together with its consolidated subsidiaries, including FET
JCP&L	Jersey Central Power & Light Company, a New Jersey electric utility subsidiary of FE
MAIT	Mid-Atlantic Interstate Transmission, LLC, a transmission subsidiary of FET
ME	Metropolitan Edison Company, a former Pennsylvania electric power company subsidiary of FE, which merged with and into FE PA on January 1, 2024
MP	Monongahela Power Company, a West Virginia electric power company subsidiary of FE
OE	Ohio Edison Company, an Ohio electric power company 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 power company subsidiary of FE
PN	Pennsylvania Electric Company, a former Pennsylvania electric power company subsidiary of FE, which merged with and into FE PA on January 1, 2024
TE	The Toledo Edison Company, an Ohio electric power company subsidiary of FE
TrAIL	Trans-Allegheny Interstate Line Company, a transmission subsidiary of FET
Valley Link	Valley Link Transmission Company, LLC, a holding company formed by FET, Dominion High Voltage MidAtlantic, Inc., and Transource Energy, LLC, on November 24, 2024
Valley Link Subsidiaries	The five subsidiaries of Valley Link that will develop, construct, own, operate and maintain the transmission projects awarded by PJM

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

A&R FET LLC Agreement	Fourth Amended and Restated Limited Liability Company Operating Agreement of FET
AEP	American Electric Power Company, Inc.
AFUDC	Allowance for Funds Used During Construction
AMT	Alternative Minimum Tax
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
CODM	Chief Operating Decision Maker
Credit Facilities	Collectively, the FET Revolving Facility and the ATSI, MAIT and TrAIL revolving facilities as amended through October 20, 2023
CWIP	Construction work in progress
Dominion HV	Dominion High Voltage MidAtlantic, Inc., an affiliate of Virginia Electric and Power Company
EEL	The Edison Electric Institute
Energize365	FirstEnergy's Transmission and Distribution Infrastructure Investment Program.
ERO	Electric Reliability Organization
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FET Board	The Board of Directors of FET
FET Equity Interest Sale	Sale of an additional 30% membership interest of FET, such that Brookfield owns 49.9% of FET, as of March 25, 2024
FET P&SA II	Purchase and Sale Agreement entered into on February 2, 2023, by and between FE, FET, Brookfield, and the Brookfield Guarantors
FET Revolving Facility	FET's five-year syndicated revolving credit facility, dated as of October 20, 2023
Fitch	Fitch Ratings Service
FPA	Federal Power Act
GAAP	Accounting Principles Generally Accepted in the U.S.
HB 6	House Bill 6, as passed by Ohio's 133rd General Assembly
IRA	Inflation Reduction Act of 2022
IRS	Internal Revenue Service
kV	Kilovolt
LOC	Letter of Credit
MDPSC	Maryland Public Service Commission
MISO	Midcontinent Independent System Operator, Inc.
Moody's	Moody's Investors Service, Inc.
NERC	North American Electric Reliability Corporation
OBBA	One Big Beautiful Bill Act, as signed into law on July 4, 2025
OCC	Ohio Consumers' Counsel
OPEB	Other Postemployment Benefits
PJM	PJM Interconnection, LLC
PJM Region	Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia
PJM Tariff	PJM Open Access Transmission Tariff
PPUC	Pennsylvania Public Utility Commission
PUCO	Public Utilities Commission of Ohio
RTEP	Regional Transmission Expansion Plan
RFC	ReliabilityFirst Corporation
ROE	Return on Equity
RTO	Regional Transmission Organization
S&P	Standard & Poor's Ratings Service
SEC	U.S. Securities and Exchange Commission

SOFR	Secured Overnight Financing Rate
TCJA	Tax Cuts and Jobs Act adopted December 22, 2017
Transource	Transource Energy, LLC, an affiliate of American Electric Power Company, Inc.
U.S.	United States
Valley Link LLCA	Amended and Restated Operating Agreement of Valley Link
VEPCO	Virginia Electric and Power Company, a subsidiary of Dominion Energy, Inc.
VIE	Variable Interest Entity
VSCC	Virginia State Corporation Commission
WVPSC	Public Service Commission of West Virginia

Forward-Looking Statements: This Form 10-Q includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 based on information currently available to management. Such statements are subject to certain risks and uncertainties and readers are cautioned not to place undue reliance on these forward-looking statements. These statements include declarations regarding management's intents, beliefs and current expectations. These statements typically contain, but are not limited to, the terms "anticipate," "potential," "expect," "forecast," "target," "will," "intend," "believe," "project," "estimate," "plan" and similar words. Forward-looking statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements, which may include the following (see Glossary of Terms for definitions of capitalized terms):

- the ability to experience growth in our business at the FET Subsidiaries;
- the accomplishment of the FET Subsidiaries' regulatory and operational goals in connection with their transmission plan;
- changes in assumptions regarding factors such as economic conditions within the FET Subsidiaries' territories, assessments of the reliability of the FET Subsidiaries' transmission systems, or the availability of capital or other resources supporting identified transmission investment opportunities;
- the reliability of the transmission grid;
- the ability of the FET Subsidiaries to accomplish or realize anticipated benefits through establishing a culture of continuous improvement and our other strategic and financial goals, including, but not limited to, executing Energize365, executing on the FET Subsidiaries' rate strategy, controlling costs, improving credit metrics, maintaining investment grade ratings, and growing earnings;
- costs being higher than anticipated and the success of our policies to control costs at the FET Subsidiaries;
- the risks and uncertainties associated with government investigations and audits regarding HB 6 and related matters, including potential adverse impacts on federal or state regulatory matters, including, but not limited to, matters relating to rates;
- the risks and uncertainties associated with litigation, arbitration, mediation and similar proceedings, particularly regarding FE's HB 6 and related matters;
- variations in weather conditions, such as mild seasonal weather variations and severe weather (including events caused, or exacerbated, by climate change, such as wildfires, hurricanes, floodings, droughts, high wind events and extreme heat events) and other natural disasters, which may result in increased restoration expenses or material liability and negatively affect future operating results;
- the potential liabilities and increased costs arising from regulatory actions or outcomes in response to severe weather conditions and other natural disasters;
- changes in national and regional economic conditions, including recession, volatile interest rates, inflationary pressure, supply chain disruptions, higher fuel costs and workforce impacts, affecting the FET Subsidiaries and other counterparties with which they do business;
- the ability to access the public securities and other capital and credit markets in accordance with our announced financial plans, the cost of such capital and overall condition of the capital and credit markets affecting us and the FET Subsidiaries, including the increasing number of financial institutions evaluating the impact of climate change on their investment decisions;
- the risks associated with physical attacks, such as acts of war, terrorism, sabotage or other acts of violence, cyber-attacks and other disruptions to our information technology system, which may compromise the FET Subsidiaries' transmission services, and data security breaches of sensitive data, intellectual property and proprietary or personally identifiable information regarding our business, employees, shareholders, customers, suppliers, business partners and other individuals in our data centers and on our networks;
- the FET Subsidiaries' ability to comply with applicable federal reliability standards;
- changes to environmental laws and regulations, including, but not limited to, federal and state related to climate change, and potential changes to such laws and regulations;
- legislative and regulatory developments, including, but not limited to, matters related to rates, transmission planning, compliance and enforcement activity, cybersecurity, climate change, and equity and inclusion;
- changes in the FET Subsidiaries' customers' demand for power, including, but not limited to, economic conditions, the impact of climate change, and emerging technology, particularly with respect to data centers, electrification, energy storage and distributed sources of generation;
- the impact of changes to significant accounting policies;
- the impact of any changes in tax laws or regulations, including, but not limited to, the IRA, the OBBBA, or adverse tax audit results or rulings and potential changes to such laws and regulations;
- future actions that may be taken by credit rating agencies that could negatively affect either our access to or terms of financing or our financial condition and liquidity;
- issues concerning the stability of domestic and foreign financial institutions and counterparties with which we do business;
- our dependence on FE and its affiliates, including FESC, for employees and key personnel; and
- the risks and other factors discussed in this Form 10-Q and in our financial statements and other similar factors.

These forward-looking statements are also qualified by, and should be read together with, the risk factors included in (a) Item 1A. Risk Factors in our Annual Report on Form 10-K, filed with the SEC on February 27, 2025, (b) Item 2. Management's Discussion

and Analysis of Financial Condition and Results of Operations herein, and (c) other factors discussed herein and in FET's other filings with the SEC. The foregoing review of factors also should not be construed as exhaustive. New factors emerge from time to time, and it is not possible for management to predict all such factors, or assess the impact of any such factor on our business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements. We expressly disclaim any obligation to update or revise, except as required by law, any forward-looking statements contained herein or in the information incorporated by reference as a result of new information, future events or otherwise.

PART I. FINANCIAL INFORMATION

ITEM I. Financial Statements

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(In millions)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
REVENUES:				
Revenues from non-affiliates	\$ 430	\$ 440	\$ 894	\$ 854
Revenues from affiliates	5	5	9	9
Total revenues	<u>435</u>	<u>445</u>	<u>903</u>	<u>863</u>
OPERATING EXPENSES:				
Other operating expenses ⁽¹⁾	67	82	158	154
Provision for depreciation	87	80	174	157
Amortization of regulatory assets, net	2	2	3	3
General taxes	74	70	147	139
Total operating expenses	<u>230</u>	<u>234</u>	<u>482</u>	<u>453</u>
OPERATING INCOME	<u>205</u>	<u>211</u>	<u>421</u>	<u>410</u>
OTHER INCOME (EXPENSE):				
Interest income from affiliates	7	2	9	3
Miscellaneous income, net	—	3	2	1
Interest expense - other	(76)	(66)	(146)	(124)
Interest expense - affiliate	(1)	(2)	(2)	(7)
Capitalized financing costs	18	14	34	26
Total other expense	<u>(52)</u>	<u>(49)</u>	<u>(103)</u>	<u>(101)</u>
INCOME BEFORE INCOME TAXES	<u>153</u>	<u>162</u>	<u>318</u>	<u>309</u>
INCOME TAXES	<u>35</u>	<u>39</u>	<u>72</u>	<u>96</u>
NET INCOME	<u>\$ 118</u>	<u>\$ 123</u>	<u>\$ 246</u>	<u>\$ 213</u>
Income attributable to noncontrolling interest	18	17	37	35
EARNINGS ATTRIBUTABLE TO FIRSTENERGY TRANSMISSION, LLC	<u>\$ 100</u>	<u>\$ 106</u>	<u>\$ 209</u>	<u>\$ 178</u>

⁽¹⁾ Includes affiliated operating expenses of \$45 million and \$46 million for the three months ended June 30, 2025 and 2024, respectively, and \$97 million and \$91 million for the six months ended June 30, 2025 and 2024, respectively.

See Notes to Consolidated Financial Statements.

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(In millions)</i>	June 30, 2025	December 31, 2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 91	\$ 8
Receivables-		
Affiliated companies	2	23
Other	93	94
Notes receivable from affiliated companies	337	197
Prepaid taxes and other	30	22
	553	344
PROPERTY, PLANT AND EQUIPMENT:		
In service	13,228	12,894
Less — Accumulated provision for depreciation	2,710	2,596
	10,518	10,298
Construction work in progress	1,262	914
	11,780	11,212
INVESTMENTS AND OTHER NONCURRENT ASSETS:		
Goodwill	224	224
Investments	19	19
Regulatory assets	7	18
Property taxes	140	289
Operating lease right-of-use asset ⁽¹⁾	412	412
Other	35	47
	837	1,009
TOTAL ASSETS	\$ 13,170	\$ 12,565
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 75	\$ 625
Short-term borrowings-		
Affiliated companies	2	2
Other	400	300
Accounts payable - Affiliated companies	145	142
Accrued taxes	299	306
Accrued interest	79	68
Other	14	15
	1,014	1,458
NONCURRENT LIABILITIES:		
Long-term debt and other long-term obligations	6,184	5,239
Accumulated deferred income taxes	1,458	1,412
Property taxes	140	289
Regulatory liabilities	504	442
Noncurrent operating lease obligation ⁽²⁾	405	406
Other	9	9
	8,700	7,797
TOTAL LIABILITIES	9,714	9,255
MEMBERS' EQUITY:		
Members' equity	2,250	2,250
Retained earnings	395	286
Total members' equity	2,645	2,536
Noncontrolling interest	811	774
TOTAL EQUITY	3,456	3,310
COMMITMENTS, GUARANTEES AND CONTINGENCIES (NOTE 7)		
TOTAL LIABILITIES AND EQUITY	\$ 13,170	\$ 12,565

⁽¹⁾ Includes \$409 million as of June 30, 2025 and \$410 million as of December 31, 2024 associated with affiliated leases.

⁽²⁾ Includes \$404 million as of June 30, 2025 and December 31, 2024 associated with affiliated leases.

See Notes to Consolidated Financial Statements.

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY
(Unaudited)

For the Six Months Ended June 30, 2025

<i>(In millions)</i>	Members' Equity	Retained Earnings	Total Members' Equity	Noncontrolling Interest	Total Equity
Balance, January 1, 2025	\$ 2,250	\$ 286	\$ 2,536	\$ 774	\$ 3,310
Net income	—	109	109	19	128
Cash distribution declared	—	(50)	(50)	—	(50)
Balance, March 31, 2025	<u>\$ 2,250</u>	<u>\$ 345</u>	<u>\$ 2,595</u>	<u>\$ 793</u>	<u>\$ 3,388</u>
Net income	—	100	100	18	118
Cash distribution declared	—	(50)	(50)	—	(50)
Balance, June 30, 2025	<u>\$ 2,250</u>	<u>\$ 395</u>	<u>\$ 2,645</u>	<u>\$ 811</u>	<u>\$ 3,456</u>

For the Six Months Ended June 30, 2024

<i>(In millions)</i>	Members' Equity	Retained Earnings	Total Members' Equity	Noncontrolling Interest	Total Equity
Balance, January 1, 2024	\$ 2,250	\$ 159	\$ 2,409	\$ 766	\$ 3,175
Net income	—	72	72	18	90
Cash distribution declared	—	(45)	(45)	—	(45)
Balance, March 31, 2024	<u>\$ 2,250</u>	<u>\$ 186</u>	<u>\$ 2,436</u>	<u>\$ 784</u>	<u>\$ 3,220</u>
Net income	—	106	106	17	123
Cash distribution declared	—	(30)	(30)	—	(30)
Balance, June 30, 2024	<u>\$ 2,250</u>	<u>\$ 262</u>	<u>\$ 2,512</u>	<u>\$ 801</u>	<u>\$ 3,313</u>

See Notes to Consolidated Financial Statements.

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

<i>(In millions)</i>	For the Six Months Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 246	\$ 213
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation, amortization and impairments	177	158
Deferred income taxes and investment tax credits, net	35	116
Allowance for equity funds used during construction	(26)	(16)
Transmission revenue collections, net	90	51
Changes in current assets and liabilities-		
Receivables	22	(20)
Prepaid taxes and other current assets	(8)	3
Accounts payable	24	5
Accrued taxes	(7)	33
Accrued interest	11	6
Other current liabilities	(1)	(8)
Other	11	—
Net cash provided from operating activities	574	541
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital investments	(692)	(538)
Loans with affiliated companies, net	(140)	(194)
Asset removal costs	(50)	(37)
Other	(2)	—
Net cash used for investing activities	(884)	(769)
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Long-term debt	1,025	400
Short-term borrowings, net	100	215
Redemptions and repayments-		
Long-term debt	(625)	—
Short-term borrowings - affiliated companies, net	—	(377)
Distribution payments	(100)	(75)
Other	(7)	(2)
Net cash provided from financing activities	393	161
Net change in cash and cash equivalents	83	(67)
Cash and cash equivalents, at beginning of period	8	76
Cash and cash equivalents, at end of period	\$ 91	\$ 9
SUPPLEMENTAL CASH FLOW INFORMATION:		
Significant non-cash transactions:		
Accrued capital investments	\$ 111	\$ 82

See Notes to Consolidated Financial Statements.

FIRSTENERGY TRANSMISSION, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

<u>Note Number</u>		<u>Page Number</u>
1	Organization and Basis of Presentation	6
2	Revenue	8
3	Income Taxes	9
4	Fair Value Measurements	10
5	Variable Interest Entities	10
6	Regulatory Matters	11
7	Commitments, Guarantees and Contingencies	13
8	Transactions with Affiliates	14

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. ORGANIZATION AND BASIS OF PRESENTATION

Unless otherwise indicated, defined terms and abbreviations used herein have the meanings set forth in the accompanying Glossary of Terms.

FET, a consolidated VIE of FE, is the parent of the FET Subsidiaries and PATH. In March 2024, PATH completed the process of terminating all of its FERC-jurisdictional rates and facilities, with the result that PATH no longer is a "public utility" or subject to FERC jurisdiction. FET and its non-affiliated joint venture partner are completing the process of terminating the PATH corporate entities. Through its subsidiaries, FET owns high-voltage transmission facilities in PJM, which consist of 12,520 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 Ohio, Pennsylvania, West Virginia, Maryland and Virginia. FET plans, operates, and maintains its transmission system in accordance with NERC reliability standards and other applicable regulatory requirements. In addition, FET and its subsidiaries comply with the regulations, orders, policies and practices prescribed by FERC and the PUCO, PPUC, WVPSC, MDPSC and VSCC.

As of March 25, 2024, FET owns 100% of MAIT's equity interests (Class A and Class B). FET presents FE's ownership of FET's special purpose membership interest net assets and net income as NCI. NCI is included as a component of equity on FET's Consolidated Balance Sheets. So long as FE holds the FET special purpose membership interests, it will receive 100% of any Class B distributions made by MAIT.

On May 31, 2022, Brookfield acquired 19.9% of the issued and outstanding membership interests of FET. On March 25, 2024, Brookfield acquired an additional incremental 30% equity interest in FET. As a result of the closing of the transaction, Brookfield's interest in FET increased from 19.9% to 49.9%, while FE retained the remaining 50.1% ownership interests of FET. FET continues to be consolidated in FirstEnergy's financial statements. Pursuant to the terms of the FET P&SA II, in connection with the closing, Brookfield, FET and FE entered into the A&R FET LLC Agreement, which amended and restated in its entirety the Third Amended and Restated Limited Liability Company Agreement of FET. The A&R FET LLC Agreement, among other things, provides for the governance, exit, capital and distribution, and other arrangements for FET from and following the closing. Under the A&R FET LLC Agreement, as of the closing, the FET Board consists of five directors, two of whom are appointed by Brookfield and three of whom are appointed by FE.

FET and its subsidiaries follow GAAP and comply with the related regulations, orders, policies and practices prescribed by FERC and the PUCO, PPUC, WVPSC, MDPSC and VSCC. The accompanying interim financial statements as of June 30, 2025, and the three and six months ended June 30, 2025 and 2024 are unaudited, but reflect all adjustments, consisting of normal recurring adjustments, that, in the opinion of management, are necessary for a fair statement of the financial statements. The December 31, 2024 Consolidated Balance Sheets were derived from audited financial statements. The preparation of financial statements in conformity with GAAP 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 necessarily indicative of results of operations for any future period.

FET and its subsidiaries have evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued. These interim financial statements have been prepared pursuant to the rules and regulations of the SEC for Quarterly Reports on Form 10-Q. Certain information and disclosures normally included in financial statements and notes prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. These interim financial statements should be read in conjunction with the financial statements and notes included in the Annual Report on Form 10-K for the year ended December 31, 2024.

FET and its subsidiaries consolidate all majority-owned subsidiaries over which they exercise control and, when applicable, entities for which they have a controlling financial interest. Intercompany transactions and balances are eliminated in consolidation as appropriate and permitted pursuant to GAAP. FET and its subsidiaries consolidate a VIE (MAIT) when it is determined to be a primary beneficiary. Investments in affiliates over which FET and its subsidiaries have the ability to exercise significant influence, but do not have a controlling financial interest, follow the equity method of accounting. Under the equity method, the interest in the entity is reported as an investment in the Consolidated Balance Sheets and the percentage of FET's ownership share of the entity's earnings is reported in the Consolidated Statements of Income.

Certain prior year amounts have been reclassified to conform to the current year presentation.

Economic Conditions

While supply lead times have not fully returned to pre-pandemic levels, FET and its subsidiaries continue to monitor the situation in light of demand increases across the industry, including due to data center usage, and uncertainty around the imposition of tariffs by the U.S. government and retaliatory tariffs that have been, and may be, imposed in response. FET and its subsidiaries continue to implement mitigation strategies to address supply constraints and do not expect any corresponding service disruptions or any material impact on its capital investment plan. However, the situation remains fluid and a prolonged continuation or further increase in demand, or the continuation of uncertain or adverse macroeconomic conditions, including

inflationary pressures and new or increased existing tariffs, could lead to an increase in supply chain disruptions that could, in turn, have an adverse effect on FET's consolidated results of operations, cash flow and financial condition.

The U.S. presidential administration has announced the imposition of widespread and substantial tariffs on imports, with additional tariffs to potentially be adopted in the future. The imposition of these or any other new or increased tariffs or resultant trade wars could have an adverse effect on FET's cash flow and financial condition.

Capitalized Financing Costs

For the three months ended June 30, 2025 and 2024, capitalized financing costs on FET's Consolidated Statements of Income include \$14 million and \$9 million, respectively, of allowance for equity funds used during construction and \$4 million and \$5 million, respectively, of capitalized interest.

For the six months ended June 30, 2025 and 2024, capitalized financing costs on FET's Consolidated Statements of Income include \$26 million and \$17 million, respectively, of allowance for equity funds used during construction and \$8 million and \$9 million, respectively, of capitalized interest.

Investments

Valley Link - On November 25, 2024, FET, Dominion High Voltage MidAtlantic, Inc., an affiliate of VEPCO, and Transource Energy, LLC, formed Valley Link, which is the holding company responsible for managing and executing any projects awarded by PJM, and entered into a limited liability agreement. On February 21, 2025, FET, Dominion HV and Transource entered into the Valley Link LLCA, which amended and restated a provisional operating agreement among the members entered into in November 2024. The Valley Link LLCA establishes the general framework for managing Valley Link, which was formed by FET, Dominion HV, and Transource to accept, design, develop, construct, own, operate and finance the transmission projects awarded by PJM to Valley Link on February 26, 2025, in response to the PJM 2024 Regional Transmission Expansion Plan Long-Term Proposal Window #1. This general framework includes the relationship among the members, confers governance rights to its members so long as certain ownership percentages are maintained, as described below, and defines the list of projects that Valley Link will have the right to develop. Valley Link is the owner of the Valley Link Subsidiaries, which are organized in various states. The Valley Link Subsidiaries comprise the entities that are expected to develop, construct, own, operate and maintain the transmission projects awarded by PJM. As of February 21, 2025, the relative ownership interests of the members are FET (34%), Dominion HV (30%), and Transource (36%), and Valley Link will not be consolidated with FET for financial or tax reporting purposes and expects to be accounted for under equity method accounting. As of June 30, 2025, and December 31, 2024, there were no investment balances recorded on FET's Consolidated Balance Sheets.

On February 26, 2025, PJM awarded two electric transmission projects to Valley Link, including the construction of (i) approximately 260 miles of 765-kV transmission line and two substations between Putnam County, West Virginia and Frederick County, Maryland; (ii) approximately 155 miles of 765-kV transmission line and a substation between Campbell County, Virginia and Fauquier County, Virginia; and (iii) a new substation in Caroline County, Virginia. The total cost of these projects is estimated to be approximately \$3.0 billion with FET's estimated share will be approximately \$1.02 billion.

PATH WV - PATH, a proposed transmission line from West Virginia through Virginia into Maryland, which PJM cancelled in 2012, is a series limited liability company that is comprised of multiple series, each of which has separate rights, powers and duties regarding specified property and the series profits and losses associated with such property. A subsidiary of FE owns 100% of the Allegheny Series (PATH-Allegheny) and 50% of the West Virginia Series (PATH-WV), which is a joint venture with a subsidiary of AEP. FET is not the primary beneficiary of PATH-WV, as it does not have control over the significant activities affecting the economics of PATH-WV. FET's ownership interest in PATH-WV is subject to the equity method of accounting. As of June 30, 2025 and December 31, 2024, the carrying value of the equity method investment was \$17 million, which is expected to be recovered through a distribution.

In March 2024, PATH completed the process of terminating all of its FERC-jurisdictional rates and facilities, with the result that PATH no longer is a "public utility" and no longer is subject to FERC jurisdiction. FET and its non-affiliated joint venture partner are completing the process of terminating the PATH corporate entities.

Segment Information

FET has one operating segment, which is the entire entity. FET's Consolidated Statements of Income are consistent with the internal financial reports used by FET's President, its CODM. FET's CODM uses earnings attributable to FET to assess performance and considers budget versus actual results on a monthly basis when making decisions about allocating resources. FET considers Other operating expenses, Provision for depreciation, General taxes, Interest expense and Income taxes to be significant expenses. See the Consolidated Statements of Income.

New Accounting Pronouncements

Recently Issued Pronouncements - The following new authoritative accounting guidance issued by the FASB has not yet been adopted. Unless otherwise indicated, FET and its subsidiaries are currently assessing the impact such guidance may have on its

financial statements and disclosures, as well as the potential to early adopt where applicable. FET and its subsidiaries have assessed other FASB issuances of new standards not described below based upon the current expectation that such new standards will not significantly impact FET and its subsidiaries' financial reporting.

ASU 2023-09, "Income taxes (Topic 280): Improvements to Income Tax Disclosures " (Issued in December 2023): ASU 2023-09 enhances disclosures primarily related to existing rate reconciliation and income taxes paid information to help investors better assess how a company's operations and related tax risks and tax planning and operational opportunities affect the tax rate and prospects for future cash flows. Disclosure requirements include a tabular reconciliation using both percentages and amounts, separated out into specific categories with certain reconciling items at or above 5% of the statutory tax as well as by nature and/or jurisdiction. In addition, entities will be required to disclose income taxes paid (net of refunds received), broken out between federal, state/local and foreign, and amounts paid to an individual jurisdiction when 5% or more of the total income taxes are paid to such jurisdiction. For public companies, the guidance will be effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The amendments within ASU 2023-09 are to be applied on a prospective basis, with retrospective application permitted.

ASU 2024-03, "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)" (Issued in November 2024 and subsequently updated within ASU 2025-01): ASU 2024-03 requires disaggregated disclosure of income statement expenses for public business entities. The ASU does not change the expense captions an entity presents on the face of the income statement; rather, it requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. ASU 2024-03 is effective for public companies for the first annual reporting period beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The guidance is permitted to be applied prospectively, and comparative disclosures are not required for reporting periods beginning before the effective date. Entities can elect to apply the new standard retrospectively to any or all prior periods presented in the financial statements.

2. REVENUE

FET and its subsidiaries account for revenue 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.

The following table represents a disaggregation of revenue from contracts with regulated transmission customers for the three and six months ended June 30, 2025 and 2024, by transmission owner:

Revenues from Contracts with Customers by Transmission Asset Owner	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
	(In millions)			
ATSI	\$ 256	\$ 262	\$ 519	\$ 504
TrAIL	61	71	131	138
MAIT	113	110	244	214
PATH	—	(2)	—	(2)
Total Revenue from Contracts with Customers	430	441	894	854
Other revenue unrelated to contracts with customers	5	4	9	9
Total revenues	\$ 435	\$ 445	\$ 903	\$ 863

3. INCOME TAXES

FET and its subsidiaries' interim effective income tax rates reflect the estimated annual effective income tax rates for 2025 and 2024. These tax rates are affected by estimated annual permanent items, such as AFUDC equity and other flow-through items, as well as certain discrete items. The following table reconciles the effective income tax rate to the federal income tax statutory rate for the six months ended June 30, 2025 and 2024:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
	<i>(In millions)</i>			
Income before income taxes	\$ 153	\$ 162	\$ 318	\$ 309
Federal income tax expense at the 21% statutory rate	\$ 32	\$ 34	\$ 67	\$ 65
Increases (reductions) in tax expense resulting from:				
State income taxes, net of federal tax benefit	7	7	14	14
AFUDC equity and other flow-through	(4)	(3)	(6)	(6)
Taxes related to the FET Equity Interest Sale, net	—	—	—	23
Excess deferred tax amortization	(1)	(1)	(2)	(1)
Other, net	1	2	(1)	1
Total income taxes	\$ 35	\$ 39	\$ 72	\$ 96
Effective income tax rate	22.9 %	24.1 %	22.6 %	31.1 %

In the first quarter of 2024, FET recognized an income tax charge of approximately \$23 million relating to the FET Equity Interest Sale.

In May 2022, FET elected corporate status for federal income tax purposes, whereas previously it had been treated as a disregarded entity. FET and its subsidiaries' consolidated financial statements include its allocated amount of current and deferred tax expense for all years presented. FET and its subsidiaries are parties to an intercompany income tax allocation agreement with FirstEnergy that provides for the allocation of consolidated tax liabilities. For periods subsequent to the closing of the FET Equity Interest Sale, FET and its subsidiaries no longer are members of the FirstEnergy consolidated group for federal income tax purposes and, instead, will file their own consolidated federal income tax return and have their own income tax allocation agreement.

On July 4, 2025, President Trump signed into law the OBBBA, which, among other things, makes permanent certain corporate tax incentives that were set to expire in the TCJA and terminates tax credits for most wind and solar projects placed in service after 2027. Because many of the provisions of the TCJA will be continued under the OBBBA, and as FET is not materially impacted by tax incentives associated with wind and solar projects, FET does not expect to be materially impacted by the OBBBA.

The OBBBA does not significantly change corporate AMT requirements previously enacted in the IRA and, therefore, FET continues to believe that it is more likely than not that it will be subject to corporate AMT; however, the future issuance of the U.S. Treasury's final AMT regulations as well as additional future federal tax legislation or presidential executive orders could significantly change FET's AMT estimates or its conclusions as to whether it is an AMT payer. Any adverse developments concerning corporate AMT liability, including guidance from the U.S. Treasury and/or the IRS or unfavorable regulatory treatment by FERC and/or applicable state regulatory authorities, could negatively impact FET's cash flows, results of operations and financial condition.

4. FAIR VALUE MEASUREMENTS

LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

All borrowings with initial maturities of less than one year are defined as short-term financial instruments under GAAP and are reported as "Short-term borrowings" on the Consolidated Balance Sheets at cost. Since these borrowings are short-term in nature, FET believes that their costs approximate their fair market value. The following table provides the approximate fair value and related carrying amounts of long-term debt, which excludes net unamortized debt issuance costs, premiums and discounts as of June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024	
	<i>(In millions)</i>		
Carrying value	\$ 6,300	\$	5,900
Fair value	\$ 6,055	\$	5,522

The fair value of long-term debt reflects the present value of the cash outflows relating to those securities based on the current call price, the yield to maturity or the yield to call, as deemed appropriate at the end of each respective period. The yields assumed were based on securities with similar characteristics offered by corporations with credit ratings similar to those of FET and the FET Subsidiaries. FET and the FET Subsidiaries classified short-term borrowings and long-term debt as Level 2 in the fair value hierarchy as of June 30, 2025, and December 31, 2024.

FET had the following issuances and redemptions during the six months ended June 30, 2025:

Company	Type	Redemption / Issuance Date	Interest Rate	Maturity	Amount (In millions)	Description
Redemptions						
TrAIL	Unsecured Notes	May, 2025	3.76%	2025	\$75	TrAIL redeemed unsecured notes that became due.
TrAIL	Unsecured Notes	June, 2025	3.85%	2025	\$550	TrAIL redeemed unsecured notes that became due.
Issuances						
TrAIL	Senior Unsecured	April, 2025	5.00%	2031	\$600	Proceeds were used to redeem senior notes that became due in 2025, to refinance existing debt, for working capital, and for other general corporate purposes.
ATSI	Senior Unsecured	May, 2025	5.00%	2030	\$225	Proceeds were used to refinance existing debt, to finance capital expenditures, for working capital, and for other general corporate purposes.
MAIT	Senior Unsecured	June, 2025	5.00%	2031	\$200	Proceeds were used to refinance existing debt, to finance capital expenditures, for working capital, and for other general corporate purposes.

5. VARIABLE INTEREST ENTITIES

FET and its subsidiaries perform qualitative analyses based on control and economics to determine whether a variable interest classifies FET or its subsidiaries as the primary beneficiary (a controlling financial interest) of a VIE. An enterprise has a controlling financial interest if it has both power and economic control, such that an entity has: (i) the power to direct the activities of a VIE that most significantly impact the entity's economic performance; and (ii) the obligation to absorb losses of the entity that could potentially be significant to the VIE or the right to receive benefits from the entity that could potentially be significant to the VIE. FET consolidates a VIE when it is determined that it is the primary beneficiary.

At its inception, MAIT issued Class A membership interests to FET and Class B membership interests to FE PA predecessors (PN and ME). The Class A interests represent the functional equivalent of managing interests, providing FET with the power to direct the activities that most significantly impact MAIT's performance. The Class B interests represent the functional equivalent of economic interest conveying no kick-out or participating rights over the Class A membership interests. Management concluded that MAIT is a VIE and that FET is the primary beneficiary because FET has exposure to the economics of MAIT and the power to direct the significant activities of MAIT through its ownership of the Class A membership interests. On January 1, 2024, FE PA, as successor-in-interest to PN and ME, transferred their respective Class B equity interests of MAIT to FE. FE ultimately contributed the MAIT Class B equity interests to FET in exchange for a special purpose membership interest in FET. The transfer of the Class B membership interests to FET during the first quarter of 2024 had no impact on MAIT's classification as a VIE.

The following shows the carrying amounts and classification of the MAIT assets and liabilities included in the consolidated financial statements as of June 30, 2025, and December 31, 2024. Amounts exclude intercompany balances which were eliminated in consolidation. FET has not provided any guarantees or other credit support for the benefit of MAIT or MAIT's creditors.

Assets	June 30, 2025		December 31, 2024	
	<i>(In millions)</i>			
Receivables	\$	33	\$	32
Notes receivable from affiliated companies		22		5
Prepaid taxes and other current assets		1		2
Total current assets		56		39
Property, plant and equipment, net		3,874		3,558
Goodwill		224		224
Regulatory assets		7		18
Operating lease right-of-use asset		1		1
Other noncurrent assets		7		14
Total noncurrent assets		4,113		3,815
TOTAL ASSETS	\$	4,169	\$	3,854

Liabilities	June 30, 2025		December 31, 2024	
	<i>(In millions)</i>			
Accounts payable	\$	78	\$	90
Accrued interest		11		11
Accrued taxes		4		7
Other current liabilities		8		8
Total current liabilities		101		116
Long-term debt and other long-term obligations		1,476		1,276
Accumulated deferred income taxes		396		366
Other noncurrent liabilities		2		2
Total noncurrent liabilities		1,874		1,644
TOTAL LIABILITIES	\$	1,975	\$	1,760

6. REGULATORY MATTERS

FERC REGULATORY MATTERS

With respect to their transmission services and rates, the FET Subsidiaries are subject to regulation by FERC. Under the FPA, FERC regulates rates for transmission of electric power, accounting and other matters. FERC regulations require the FET Subsidiaries to provide open access transmission service at FERC-approved rates, terms and conditions. Transmission facilities of the FET Subsidiaries are subject to functional control by PJM, and transmission service using the FET Subsidiaries transmission facilities is provided by PJM under the PJM Tariff.

Federally enforceable mandatory reliability standards apply to the bulk electric system and impose certain operating, record-keeping and reporting requirements on the FET Subsidiaries. NERC is the ERO 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 the FET Subsidiaries operate are located within RFC's footprint. FET actively participates in the NERC and RFC stakeholder processes, and otherwise monitors and manages its companies, including the FET Subsidiaries, in response to the ongoing development, implementation and enforcement of the reliability standards implemented and enforced by RFC.

FET and the FET Subsidiaries believe that they are in material compliance with all currently-effective and enforceable reliability standards. Nevertheless, in the course of operating its extensive electric utility systems and facilities FET and/or the FET Subsidiaries occasionally learns of isolated facts or circumstances that could be interpreted as excursions from the reliability standards. If and when such occurrences are found, FET and the FET Subsidiaries 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 FET's and/or the FET Subsidiaries' 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 FET's and/or the FET Subsidiaries' 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 that FirstEnergy has accepted. The audit report included a finding and related recommendation on FirstEnergy's methodology for allocation of certain corporate support costs to regulatory capital accounts under certain FERC regulations and reporting. Effective in the first quarter of 2022 and in response to the finding, FirstEnergy implemented a new methodology for the allocation of these corporate support costs to regulatory capital accounts for its regulated distribution and transmission companies on a prospective basis. With the assistance of an independent outside firm, FirstEnergy completed an analysis during the third quarter of 2022 of these costs and how it impacted certain FERC-jurisdictional wholesale transmission customer rates for the audit period of 2015 through 2021. As a result of this analysis, FET reclassified certain transmission capital assets to operating expenses for the audit period. FET fully recovered approximately \$91 million of the above costs reclassified to operating expenses in its transmission formula rate revenue requirements as of December 31, 2024.

On December 8, 2023, FERC audit staff issued a letter advising that two unresolved audit matters, primarily related to FirstEnergy's plan to recover the reclassified operating expenses in formula transmission rates, were being referred to other offices within FERC for further review. On July 5, 2024 and September 26, 2024, the FERC Office of Enforcement issued additional data requests related to the 2022 reclassification of operating expenses, to which FirstEnergy replied. On September 10, 2024 and January 13, 2025, the FERC Office of Enforcement issued further data requests related to a matter unrelated to FET, to which FirstEnergy responded. If the FERC Office of Energy Market Regulation and the FERC Office of Enforcement were to successfully challenge the recovery of the 2022 reclassified operating expenses and formula transmission rates it could have a material adverse effect on the FET Subsidiaries' financial conditions, result of operations, and cash flows.

Transmission ROE Incentive

On February 24, 2022, the OCC filed a complaint with FERC against ATSI, AEP's Ohio affiliate and American Electric Power Service Corporation, and Duke Energy Ohio, Inc. asserting that FERC should reduce the ROE utilized in the utilities' transmission formula rates by eliminating the 50 basis point adder associated with RTO membership, effective February 24, 2022. The OCC contends that this result is required because Ohio law mandates that transmission owning utilities join an RTO and that the 50 basis point adder is applicable only where RTO membership is voluntary. On December 15, 2022, FERC denied the complaint as to ATSI and Duke Energy Ohio, Inc., but granted it as to AEP's Ohio affiliate. AEP's Ohio affiliate and OCC appealed FERC's orders to the Sixth Circuit. On January 17, 2025, the Sixth Circuit ruled that the 50 basis point adder is available only where RTO membership is voluntary, that Ohio law requires Ohio's transmission utilities to be members of an RTO, and that it was unlawful for FERC to excise the adder from AEP's Ohio affiliate rates, but not from the Duke Energy Ohio, Inc. and ATSI rates. During 2024, as a result of the ruling, ATSI recognized a \$46 million pre-tax charge, with interest, of which \$42 million is reported in "Transmission Revenues" and \$4 million is reported in "Miscellaneous income, net" on the Consolidated Statements of Income to reflect the expected refund owed to transmission customers back to February 24, 2022. On March 3, 2025, FirstEnergy filed for rehearing en banc, and Duke Energy Ohio, Inc. and AEP's Ohio affiliate also filed for rehearing, which was denied by the Sixth Circuit on March 26, 2025. On April 16, 2025, the Sixth Circuit agreed to hold the case pending further appeal to the Supreme Court of the U.S. On June 20, 2025 and June 24, 2025, ATSI and AEP's Ohio affiliate, respectively, applied for the Supreme Court of the U.S. to review the Sixth Circuit's decision. On July 17, 2025, Duke Energy Ohio, Inc. filed a brief in support of ATSI's application for review with the Supreme Court of the U.S.

Transmission ROE Methodology

A proposed rulemaking proceeding concerning transmission rate incentives provisions of Section 219 of the 2005 Energy Policy Act was initiated in March of 2020 and remains pending before FERC. Among other things, the rulemaking explored whether utilities should collect an "RTO membership" ROE incentive adder for more than three years. FirstEnergy is a member of PJM, and its transmission subsidiaries could be affected by the proposed rulemaking. FirstEnergy participated in comments on the supplemental rulemaking that were submitted by a group of PJM transmission owners and by various industry trade groups. If there were to be any changes to the FET Subsidiaries' transmission incentive ROE, such changes will be applied on a prospective basis; provided however, due to the Sixth Circuit's ruling in the "Transmission ROE Incentive" matter described above, ATSI is collecting the ROE incentive adder subject to refund.

Transmission Planning Supplemental Projects

On September 27, 2023, the OCC filed a complaint against ATSI, PJM and other transmission utilities in Ohio alleging that the PJM Tariff and operating agreement are unjust, unreasonable, and unduly discriminatory because they include no provisions to ensure PJM's review and approval for the planning, need, prudence and cost-effectiveness of the PJM Tariff Attachment M-3 "Supplemental Projects." Supplemental Projects are projects that are planned and constructed to address local needs on the transmission system. The OCC demands that FERC: (i) require PJM to review supplemental projects for need, prudence and cost-effectiveness; (ii) appoint an independent transmission monitor to assist PJM in such review; and (iii) require that

Supplemental Projects go into rate base only through a “stated rate” procedure whereby prior FERC approval would be needed for projects with costs that exceed an established threshold. Subsequently, intervenors expanded the scope of this proceeding to all of the transmission utilities in PJM. The FET Subsidiaries and the other transmission utilities in Ohio and PJM filed comments.

Local Transmission Planning Complaint

On December 19, 2024, the Industrial Energy Consumers of America, a group representing large industrial customers, and state consumer advocates filed a complaint at FERC that asserts that transmission owners are overbuilding “local transmission facilities” with corresponding unjustified increases in transmission rates. The complaint demands that FERC: (i) prohibit transmission owners from planning “local transmission facilities” that are rated at 100kV or higher, (ii) appoint “independent transmission monitors” to conduct such planning, and (iii) condition construction of local transmission facilities on the facility having been planned by the “independent transmission monitor.” FirstEnergy is participating in this matter through a consortium of PJM transmission owners and through certain trade groups, including EEI. FirstEnergy together with the PJM transmission owners filed a motion to dismiss the complaint on March 20, 2025, which is pending before FERC. FET is unable to predict the outcome or estimate the impact that this complaint may have on the FET Subsidiaries, however, whether this lawsuit moves forward could have a material impact on FET’s transmission capital investment strategy.

Valley Link Formula Transmission Rate

Valley Link is a joint venture between FET, AEP and Dominion, and was formed to submit applications to construct transmission solutions to identified transmission reliability issues. In 2024, Valley Link submitted a portfolio of transmission solutions to the reliability issues that were the subject of the PJM 2024 RTEP Window 1 planning process. On February 26, 2025, PJM selected approximately \$3.0 billion of the transmission solutions proposed by Valley Link for construction through PJM’s “baseline” RTEP process. On March 14, 2025, the Valley Link joint venture filed an application for forward-looking formula transmission rates to provide for cost recovery for the portfolio of selected projects. Among other things, the transmission rate application provides for a capital structure of 40% debt and 60% equity, and a base ROE of 10.9% with associated templates and protocols, as well as transmission rate incentives, including the abandonment rate incentive, the CWIP rate incentive, the RTO participation adder incentive, the hypothetical capital structure incentive, and the precommercial regulatory asset incentive. On April 4, 2025, certain parties filed protests of certain elements of the proposed formula rate and requested transmission incentives, to which Valley Link responded on April 21, 2025. On April 8, 2025, PJM also sought to intervene in the matter. On May 14, 2025, FERC issued an initial order that, among other things, accepted the requested abandonment rate incentive, CWIP rate incentive, RTO participation adder incentive, and precommercial regulatory asset rate incentive, and allowed the formula rate to go into effect on May 14, 2025, as requested, subject to refund, pending further settlement and hearing proceedings. An initial settlement conference was held on June 26, 2025, and a procedural schedule for the initial phase of the settlement process was agreed upon. The capital structure incentive and open rate design matters are being addressed in confidential settlement negotiations.

Abandonment Transmission Rate Incentive

On February 26, 2025, PJM completed its 2024 Regional Transmission Expansion Plan Open Window 1 process and, among other actions, designated each of ATSI and PE to construct certain transmission projects. On July 11, 2025, ATSI and PE filed a joint application for the abandonment incentive with FERC, which, if approved as submitted, would make ATSI and PE each eligible to recover 50% of the project costs incurred prior to the requested effective date, and 100% of the project costs incurred thereafter for any projects subsequently cancelled for reasons beyond the control of utility management. No interventions or protests have been filed with FERC. ATSI and PE expect that FERC will rule on the application by the requested September 10, 2025, effective date.

7. COMMITMENTS, GUARANTEES AND CONTINGENCIES

GUARANTEES AND OTHER ASSURANCES

FET has various financial and performance guarantees and indemnifications, which can be issued in the normal course of business. These contracts include stand-by LOCs and surety bonds. FET enters into these arrangements to facilitate commercial transactions with third parties by enhancing the value of the transaction to the third party. The maximum potential amount of future payments FET and the FET Subsidiaries could be required to make under these guarantees as of June 30, 2025 was \$39 million, as summarized below:

Guarantees and Other Assurances	Maximum Exposure
	(In millions)
Surety Bonds ⁽¹⁾	\$ 26
LOCs	13
Total Guarantees and Other Assurances	\$ 39

⁽¹⁾ Surety Bonds are not tied to a credit rating, and their impact assumes maximum contractual obligations, which is ordinarily 100% of the face amount of the surety bond except with respect to \$1 million of surety bond obligations for which the collateral obligation is capped at 60% of the face amount, and typical obligations require 30 days to cure.

COLLATERAL AND CONTINGENT-RELATED FEATURES

In the normal course of business, FET and the FET Subsidiaries may enter into physical or financially settled contracts. Certain agreements contain provisions that require FET or the FET Subsidiaries to post collateral. This collateral may be posted in the form of cash or credit support with thresholds contingent upon FET's or the FET Subsidiaries' credit rating from each of the major credit rating agencies. The collateral and credit support requirements vary by contract and by counterparty. FET has posted \$13 million of collateral, in the form of LOCs, as of June 30, 2025.

ENVIRONMENTAL MATTERS

Various federal, state and local authorities regulate FET with regard to air and water quality, hazardous and solid waste disposal, and other environmental matters. While FET'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. FET 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

There are various lawsuits, claims and proceedings related to FET's normal business operations pending against FET or its subsidiaries. The loss or range of loss in these matters is not expected to be material to FET or its subsidiaries. The other potentially material items not otherwise discussed above are described under Note 6, "Regulatory Matters," of the Notes to Consolidated Financial Statements.

FET 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 FET 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 FET 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 FET's or its subsidiaries' financial condition, results of operations and cash flows.

8. TRANSACTIONS WITH AFFILIATES

In addition to the intercompany income tax allocation and the short-term borrowing arrangement, FET and its subsidiaries have revenues, operating expense and interest expense transactions with affiliated companies, primarily FESC and the Electric Companies. The affiliated company transactions during the three and six months ended June 30, 2025 and 2024, are as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
	(In millions)			
Revenues	\$ 5	\$ 5	\$ 9	\$ 9
Other operating expenses:				
Ground lease expense	6	7	12	13
FESC support services ⁽¹⁾	58	53	123	111
Other affiliate support services ⁽¹⁾	31	26	64	54
Interest income	7	2	9	3
Interest expense	1	2	2	7

⁽¹⁾ Includes amounts capitalized of \$50 million and \$40 million for the three months ended June 30, 2025 and 2024, respectively, and \$102 million and \$87 million for the six months ended June 30, 2025 and 2024, respectively.

FE does not bill directly or allocate any of its costs to any subsidiary company. FESC provides corporate support and other services, including executive administration, accounting and finance, risk management, human resources, corporate affairs, communications, information technology, legal services and other similar services at cost, in accordance with its cost allocation manual, to affiliated FirstEnergy companies under FESC agreements. 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.

As FET and its subsidiaries do not have employees, employees from the Electric Companies perform maintenance and project work in support of FET and its subsidiaries. Labor and overhead costs associated with these activities are charged by the affiliates to FET's subsidiaries at cost.

As regulated money pool participants, the FET Subsidiaries have the ability to borrow from each other, regulated affiliates and the FE holding company to meet their short-term working capital requirements. FET had a similar but separate arrangement with FE's unregulated money pool participants. As of June 1, 2024, FET is no longer participating in the unregulated money pool. Affiliated company notes receivables and payables related to the money pool are reported as "Notes receivable from affiliated companies" or "Short-term borrowings - affiliated companies" on the Consolidated Balance Sheets. Affiliate accounts receivable and accounts payable balances relate to intercompany transactions that have not yet settled through the money pool.

FET and its subsidiaries are parties to an intercompany income tax allocation agreement with FirstEnergy that provides for the allocation of consolidated tax liabilities. For periods subsequent to the closing of the FET Equity Interest Sale, FET and its subsidiaries no longer are members of the FirstEnergy consolidated group for federal income tax purposes and, instead, will file their own consolidated federal income tax return and have their own income tax allocation agreement. See Note 3, "Income Taxes," of the Notes to Consolidated Financial Statements for additional information.

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. FET's subsidiaries are allocated a portion of net periodic benefit costs from affiliates. These amounts are expected to be refunded or recovered through formula transmission rates. Additionally, other pension and OPEB net periodic costs (credits) allocated to FET's subsidiaries from affiliates were approximately \$6 million and \$5 million for the six months ended June 30, 2025 and 2024, respectively.

FET presents FE's ownership of FET's special purpose membership interest net assets and net income as NCI, which is included as a component of equity on FET's Consolidated Balance Sheets.

ATSI has a ground lease with the Ohio Companies and FE PA under an operating lease agreement. Land use is rented to ATSI under the terms and conditions of a ground lease. ATSI, the Ohio Companies and FE PA 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 companies. ATSI purchases directly any new property acquired for transmission use. ATSI makes fixed quarterly lease payments for the ground lease through December 31, 2049, unless terminated prior to maturity, or extended by ATSI for up to 10 additional successive periods of 50 years each.

MAIT has a ground lease with FE PA under an operating lease agreement. FE PA 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 require 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.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

FIRSTENERGY TRANSMISSION, LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FET was organized as a limited liability company under the laws of the State of Delaware in 2006. On May 31, 2022, Brookfield acquired 19.9% of the membership interests of FET. On March 25, 2024, Brookfield acquired an additional 30% of the outstanding membership interests of FET. As a result, Brookfield's equity interest in FET increased to 49.9%, while FE retained the remaining 50.1% equity interest in FET. FET is a consolidated VIE of FE. On January 1, 2024, PN and ME contributed their respective Class B equity interests of MAIT to FE, which were ultimately contributed to FET in exchange for a special purpose membership interest in FET. So long as FE holds the FET special purpose membership interests, it will receive 100% of any Class B distributions made by MAIT.

FET is the holding company for the FET Subsidiaries and PATH. Through its subsidiaries, FET owns and operates high-voltage transmission facilities within the PJM region, which consist of 12,520 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 Ohio, Pennsylvania, West Virginia, Maryland and Virginia. FET has a single operating segment. FET's revenues are derived primarily from the FET Subsidiaries. The FET Subsidiaries, in turn, derive nearly all of their revenues from providing network transmission service, point-to-point transmission service, and scheduling, control and dispatch service over their respective systems. The FET Subsidiaries are subject to regulation by FERC and applicable state regulatory authorities. The FET Subsidiaries' rate base was \$8.5 billion as of December 31, 2024.

The FET Subsidiaries' transmission facilities are connected to generation resources, distribution facilities and neighboring transmission systems. The transmission facilities currently transmit electricity in PJM from generating stations to local electricity distribution facilities located, in the case of ATSI, primarily in Ohio and Pennsylvania, in the case of MAIT, primarily in Pennsylvania, and in the case of TrAIL, primarily in Pennsylvania, West Virginia and northern Virginia.

As transmission-only companies, the FET Subsidiaries function as conduits, moving power from affiliated and unaffiliated generators to local distribution facilities or to interconnected transmission systems either entirely through their own systems or in conjunction with neighboring transmission systems. Affiliated and unaffiliated entities then distribute power through these local distribution facilities to end-use customers. The transmission of electricity by the FET Subsidiaries is a central function to the provision of electricity to residential, commercial and industrial end-use customers. PJM, on behalf of the FET Subsidiaries, charges rates established by the FET Subsidiaries using a forward-looking cost-of-service formula rate template on file with FERC.

On February 21, 2025, FET, Dominion HV and Transource entered into the Valley Link LLCA, which amended and restated a provisional operating agreement among the members entered into in November 2024. The Valley Link LLCA establishes the general framework for managing Valley Link, which was formed by FET, Dominion HV, and Transource to accept, design, develop, construct, own, operate and finance the transmission projects awarded by PJM to Valley Link on February 26, 2025, in response to the PJM 2024 Regional Transmission Expansion Plan Long-Term Proposal Window #1. This general framework includes the relationship among the members, confers governance rights to its members so long as certain ownership percentages are maintained, as described below, and defines the list of projects that Valley Link will have the right to develop. Valley Link is the owner of the Valley Link Subsidiaries, which are organized in various states. The Valley Link Subsidiaries comprise the entities that are expected to develop, construct, own, operate and maintain the transmission projects awarded by PJM. On February 26, 2025, PJM awarded two electric transmission projects to Valley Link, including the construction of (i) approximately 260 miles of 765-kilovolt (kV) transmission line and two substations between Putnam County, West Virginia and Frederick County, Maryland; (ii) approximately 155 miles of 765-kV transmission line and a substation between Campbell County, Virginia and Fauquier County, Virginia; and (iii) a new substation in Caroline County, Virginia.

The FET Subsidiaries, together with PJM, plan, operate and maintain their transmission systems in accordance with the reliability standards developed by NERC and approved by FERC to ensure reliable service to customers. The business strategy for the FET Subsidiaries' transmission systems is to operate, maintain and invest in transmission infrastructure to continue to ensure system integrity and reliability and to prudently manage expenses, capital expenditures and regulatory compliance.

Energize365

A robust plan for customer-focused growth, Energize365, FET's transmission investment plan, is the centerpiece of its regulated transmission capital investment strategy that aims to utilize all investments to support its strategic priorities including clean energy, improving grid reliability and resiliency and supporting the clean energy transition. Through the Energize365 program, FET expects to spend approximately \$8.6 billion in system-wide capital investments from 2025 through 2029. FET believes there is a continued long-term pipeline of investment opportunities for its existing transmission infrastructure beyond those identified through 2029.

RESULTS OF OPERATIONS

Summary of Results of Operations — Second Quarter 2025 Compared with Second Quarter 2024

FET financial results for the second quarter of 2025 and 2024 were as follows:

<i>(In millions)</i>	For the Three Months Ended June 30,		
	2025	2024	Change
Revenues:			
Revenue from non-affiliates	\$ 430	\$ 440	\$ (10)
Revenue from affiliates	5	5	—
Total Revenues	<u>435</u>	<u>445</u>	<u>(10)</u>
Operating Expenses:			
Other operating expenses	67	82	(15)
Provision for depreciation	87	80	7
Amortization of regulatory assets, net	2	2	—
General taxes	74	70	4
Total Operating Expenses	<u>230</u>	<u>234</u>	<u>(4)</u>
Other Income (Expense):			
Interest income from affiliates	7	2	5
Miscellaneous income, net	—	3	(3)
Interest expense - other	(76)	(66)	(10)
Interest expense - affiliates	(1)	(2)	1
Capitalized financing costs	18	14	4
Total Other Expense	<u>(52)</u>	<u>(49)</u>	<u>(3)</u>
Income taxes	35	39	(4)
Income attributable to noncontrolling interest	18	17	1
Earnings Attributable to FirstEnergy Transmission, LLC	<u>\$ 100</u>	<u>\$ 106</u>	<u>\$ (6)</u>

Results of Operations— Second Quarter of 2025 Compared with Second Quarter of 2024

Earnings attributable to FET decreased by \$6 million in the second quarter of 2025, as compared to the same period of 2024, primarily due to true-up adjustments from the annual forward looking transmission rate filings and the expected elimination of the 50 basis point ROE adder associated with ATSI's RTO membership as a result of the Sixth Circuit ruling in January 2025, partially offset by higher revenues from regulated capital investments that increased rate base.

Revenues

Total revenues decreased by \$10 million in the second quarter of 2025, as compared to the same period of 2024, primarily due to true-up adjustments from the annual forward looking transmission rate filings and the expected elimination of the 50 basis point ROE adder associated with ATSI's RTO membership as a result of the Sixth Circuit ruling in January 2025, partially offset by a higher rate base.

Revenues by transmission asset owner are shown in the following table:

Revenues by Transmission Asset Owner	For the Three Months Ended June 30,		
	2025	2024	Change
		(<i>In millions</i>)	
ATSI	\$ 261	\$ 266	\$ (5)
TrAIL	62	72	(10)
MAIT	114	111	3
Other	—	(2)	2
Intercompany Eliminations	(2)	(2)	—
Total Consolidated Revenues	\$ 435	\$ 445	\$ (10)

Operating Expenses

Total operating expenses decreased by \$4 million in the second quarter of 2025, as compared to the same period of 2024, primarily due to increased construction support and lower maintenance work, partially offset by higher depreciation and property tax expenses from a higher asset base. Nearly all operating expenses are recovered through formula rates, resulting in no material impact on current period earnings.

Other Expenses

Total other expenses increased by \$3 million in the second quarter of 2025, as compared to the same period of 2024, primarily due to interest expenses from debt issuances since the second quarter of 2024, partially offset by higher capitalized financing costs.

Income Taxes

FET's effective tax rate for the three months ended June 30, 2025 and 2024, was 22.9% and 24.1%, respectively. The decrease in the effective tax rate is primarily due to an increase in the tax benefit from AFUDC equity flow-through.

Summary of Results of Operations — First Six Months of 2025 Compared with First Six Months of 2024

FET financial results for the first six months of 2025 and 2024 were as follows:

	For the Six Months Ended June 30,		
<i>(In millions)</i>	2025	2024	Change
Revenues:			
Revenue from non-affiliates	\$ 894	\$ 854	\$ 40
Revenue from affiliates	9	9	—
Total Revenues	<u>903</u>	<u>863</u>	<u>40</u>
Operating Expenses:			
Other operating expenses	158	154	4
Provision for depreciation	174	157	17
Amortization of regulatory assets, net	3	3	—
General taxes	147	139	8
Total Operating Expenses	<u>482</u>	<u>453</u>	<u>29</u>
Other Income (Expense):			
Interest income from affiliates	9	3	6
Miscellaneous income, net	2	1	1
Interest expense - other	(146)	(124)	(22)
Interest expense - affiliates	(2)	(7)	5
Capitalized financing costs	34	26	8
Total Other Expense	<u>(103)</u>	<u>(101)</u>	<u>(2)</u>
Income taxes	72	96	(24)
Income attributable to noncontrolling interest	37	35	2
Earnings Attributable to FirstEnergy Transmission, LLC	<u>\$ 209</u>	<u>\$ 178</u>	<u>\$ 31</u>

Results of Operations— First Six Months of 2025 Compared with First Six Months of 2024

Earnings attributable to FET increased by \$31 million in the first six months of 2025, as compared to the same period of 2024, primarily due to higher revenues from regulated capital investments that increased rate base and the absence of a discrete tax charge related to the FET Equity Interest Sale in the first quarter of 2024, partially offset by the expected elimination of the 50 basis point adder associated with ATSI's RTO membership as a result of the Sixth Circuit ruling in January 2025 and true-up adjustments from the annual forward looking transmission rate filings.

Revenues

Total revenues increased by \$40 million in the first six months of 2025, as compared to the same period of 2024, primarily due to a higher rate base and recovery of higher transmission operating expenses, partially offset by the expected elimination of the 50 basis point adder associated with ATSI's RTO membership as a result of the Sixth Circuit ruling in January 2025 and true-up adjustments from the annual forward looking transmission rate filings.

Revenues by transmission asset owner are shown in the following table:

Revenues by Transmission Asset Owner	For the Six Months Ended June 30,		
	2025	2024	Change
		(In millions)	
ATSI	\$ 529	\$ 514	\$ 15
TrAIL	133	140	(7)
MAIT	246	216	30
Other	—	(2)	2
Intercompany Eliminations	(5)	(5)	—
Total Consolidated Revenues	\$ 903	\$ 863	\$ 40

Operating Expenses

Total operating expenses increased by \$29 million in the first six months of 2025, as compared to the same period of 2024, primarily due to higher depreciation and property tax expenses from a higher asset base, as well as higher material and contractor spend, partially offset by increased construction support and lower maintenance work. Nearly all operating expenses are recovered through formula rates, resulting in no material impact on current period earnings.

Other Expenses

Total other expenses increased by \$2 million in the first six months of 2025, as compared to the same period of 2024, primarily due to higher interest expenses from debt issuances since the second quarter of 2024, partially offset by higher capitalized financing costs and the absence of a prior year non-recoverable charge recorded in the first quarter of 2024.

Income Taxes

FET's effective tax rate for the six months ended June 30, 2025 and 2024, was 22.6% and 31.1% respectively. The decrease in the effective tax rate is primarily due to the absence of a discrete tax charge related to the FET Equity Interest Sale in the first quarter of 2024.

REGULATORY ASSETS AND LIABILITIES

Regulatory assets represent incurred costs that have been deferred because of their probable future recovery from customers through regulated rates. Regulatory liabilities represent amounts that are expected to be credited to customers through future regulated rates or amounts collected from customers for costs not yet incurred. The FET Subsidiaries net their regulatory assets and liabilities based on federal jurisdictions.

Management assesses 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 relate to changes in the regulatory environment, issuance of a regulatory commission order or passage of new legislation. Upon material changes to these factors, where applicable, FET will record new regulatory assets and liabilities and will assess whether it is probable that currently recorded regulatory assets and liabilities will be recovered or settled in future rates.

The following table provides information about the composition of net regulatory assets and liabilities as of June 30, 2025, and December 31, 2024, and the changes during the six months ended June 30, 2025:

Net Regulatory Assets (Liabilities) by Source	June 30, 2025	December 31, 2024	Change
	<i>(In millions)</i>		
Customer payables for future income taxes	\$ (571)	\$ (582)	\$ 11
Asset removal costs	19	9	10
Deferred transmission costs	27	117	(90)
MISO exit fee ⁽¹⁾	23	26	(3)
Vegetation management costs ⁽¹⁾	5	6	(1)
Net Regulatory Liabilities included on the Consolidated Balance Sheets	<u>\$ (497)</u>	<u>\$ (424)</u>	<u>\$ (73)</u>

⁽¹⁾ These regulatory assets do not earn a current return, but they are currently being recovered by rates.

The following is a description of the regulatory assets and liabilities described above:

Customer payables for future income taxes - Reflects amounts to be recovered or refunded through future rates to pay income taxes that become payable when rate revenue is provided to recover items such as AFUDC-equity and depreciation of property, plant and equipment for which deferred income taxes were not recognized for ratemaking purposes, including amounts attributable to federal and state tax rate changes such as the TCJA and Pennsylvania House Bill 1342. These amounts are being amortized over the period in which the related deferred tax assets reverse, which is generally over the expected life of the underlying asset.

Asset removal costs - Reflects amounts to be recovered or refunded through future rates to pay for the cost of activities to remove assets that are expected to be incurred at the time of retirement.

Deferred transmission costs - Reflects differences between revenues earned based on actual costs for the FET Subsidiaries' formula transmission rates and the amounts billed, which amounts are recorded as a regulatory asset or liability and recovered or refunded, respectively, in subsequent periods.

MISO exit fee - Relates to the recovery of certain costs from the transfer of control of ATSI's transmission assets from MISO to PJM (amortized through 2030).

Vegetation management costs - Relates to regulatory assets associated with the recovery of certain transmission vegetation management costs at ATSI (amortized through 2030).

CAPITAL RESOURCES AND LIQUIDITY

FET expects its existing sources of liquidity to remain sufficient to meet its anticipated obligations. FET and the FET Subsidiaries' business is capital intensive, requiring significant resources to fund operating expenses, construction expenditures, scheduled debt maturities and interest and distribution payments.

The payment of distributions is reviewed by FET's senior management on an ongoing basis. They review earnings, cash, capital structures, restrictions and expected ongoing cash and earnings prior to a distribution recommendation being made for consideration and authorization by the FET Board. Additionally, so long as FE holds the FET special purpose membership interests in MAIT, it will receive 100% of any Class B distributions made by MAIT.

In addition to internal sources to fund liquidity and capital requirements for 2025 and beyond, FET and the FET Subsidiaries expect to rely on external sources of funds. Short-term cash requirements not met by cash provided from operations are generally satisfied through affiliated and non-affiliated short-term borrowings. Long-term cash needs may be met through the issuance of long-term debt or equity contributions from FE and/or Brookfield. FET and the FET Subsidiaries expect that borrowing capacity under the Credit Facilities will continue to be available to manage working capital requirements along with continued access to long-term capital markets.

Any financing plans by FET and the FET Subsidiaries including, but not limited to, the raising of equity and issuance of debt, and the refinancing of short-term and maturing long-term debt are subject to market conditions and other factors. No assurance can be given that any such issuances, financing or refinancing, as the case may be, will be completed as anticipated or at all. Any delay in the completion of financing plans could require FET and the FET Subsidiaries to utilize short-term borrowing capacity, which could impact available liquidity. In addition, FET and the FET Subsidiaries expect to continually evaluate any planned financings, which may result in changes from time to time.

While supply lead times have not fully returned to pre-pandemic levels, FET and its subsidiaries continue to monitor the situation in light of demand increases across the industry, including due to data center usage, and uncertainty around the imposition of

tariffs by the U.S. government and retaliatory tariffs that have been, and may be, imposed in response. FET and its subsidiaries continue to implement mitigation strategies to address supply constraints and do not expect any corresponding service disruptions or any material impact on its capital investment plan. However, the situation remains fluid and a prolonged continuation or further increase in demand, or the continuation of uncertain or adverse macroeconomic conditions, including inflationary pressures and new or increased existing tariffs, could lead to an increase in supply chain disruptions that could, in turn, have an adverse effect on FET's consolidated results of operations, cash flow and financial condition. For example, in April 2025, the U.S. government began imposing tariffs intended to address trade deficits and inconsistent economic treatment of importation between the United States and other countries. In response, China, among others, has announced retaliatory tariffs against certain imports from the United States. The imposition of these or any other new or increased tariffs or resultant trade wars could have an adverse effect on FET's cash flow and financial condition.

As of June 30, 2025, FET's net deficit in working capital (current assets less current liabilities) was primarily due to current portion of long-term debt, short-term borrowings, accounts payable and accrued interest and taxes. FET believes its cash from operations and available liquidity will be sufficient to meet its current working capital needs.

Short-Term Borrowings / Revolving Credit Facilities

On October 24, 2024, FET and the FET Subsidiaries, entered into the following amendments to each of the Credit Facilities to, among other things, extend the maturity date of the Credit Facilities for an additional one-year period, from October 20, 2028, to October 20, 2029, at FET and from October 18, 2027, to October 18, 2028, for the FET Subsidiaries.

The Credit Facilities are as follows:

- FET \$1.0 billion revolving credit facility;
- ATSI, MAIT and TrAIL \$850 million revolving credit facility.

Borrowings under the Credit Facilities may be used for working capital and other general corporate purposes. Generally, borrowings under the Credit Facilities are available to each borrower separately and mature on the earlier of 364 days from the date of borrowing or the commitment termination date, as the same may be extended. The Credit Facilities contain financial covenants requiring each borrower to maintain a consolidated debt-to-total-capitalization ratio (as defined under the Credit Facilities) of no more than 65%, and 75% for FET, measured at the end of each fiscal quarter.

The Credit Facilities bear interest at fluctuating interest rates, primarily based on SOFR, including term SOFR and daily simple SOFR. FET has not hedged its interest rate exposure with respect to its floating rate debt. Accordingly, FET's interest expense for any particular period will fluctuate based on SOFR and other variable interest rates. Restricted access to capital markets and/or increased borrowing costs could have an adverse effect on FET's results of operations, cash flows, financial condition and liquidity.

FET had \$402 million and \$302 million of outstanding short-term borrowings as of June 30, 2025 and December 31, 2024, respectively. FET's available liquidity from external sources as of July 28, 2025, was as follows:

Revolving Credit Facility	Maturity	Commitment	Available Liquidity
<i>(In millions)</i>			
FET	October 2029	\$ 1,000	\$ 575
ATSI, MAIT and TrAIL	October 2028	850	837
	Subtotal	\$ 1,850	\$ 1,412
	Cash and cash equivalents	—	8
	Total	<u>\$ 1,850</u>	<u>\$ 1,420</u>

The following table summarizes the limitations on short-term indebtedness applicable to each borrower under current regulatory approvals and applicable statutory and/or charter limitations as of June 30, 2025:

Individual Borrower	Regulatory Debt Limitations	Credit Facility Commitment	Debt-to-Total-Capitalization Ratio
	<i>(In millions)</i>		
ATSI ⁽¹⁾	\$ 500	\$ 350	41.2 %
FET	N/A	1,000	65.9 %
MAIT ⁽¹⁾	400	350	40.3 %
TrAIL ⁽¹⁾	400	150	38.4 %

⁽¹⁾ Regulatory debt limitations include amounts which may be borrowed under the regulated companies' money pool.

Subject to each borrower's sublimit, the amounts noted below are available for the issuance of LOCs (subject to borrowings drawn under the Credit Facilities) expiring up to one year from the date of issuance. The stated amount of outstanding LOCs will count against total commitments available under the Credit Facilities and against the borrowers' borrowing sublimit. As of June 30, 2025, FET and the FET Subsidiaries had \$13 million in outstanding LOCs.

Revolving Credit Facility	LOC Availability as of June 30, 2025	LOC Utilized as of June 30, 2025
	<i>(In millions)</i>	
FET	\$ 100	\$ —
ATSI, MAIT and TrAIL	200	13

The Credit Facilities do not contain provisions that restrict the ability to borrow or accelerate payment of outstanding advances in the event of any change in credit ratings of the borrowers. Pricing is defined in "pricing grids," whereby the cost of funds borrowed under the Credit Facilities are related to the credit ratings of the company borrowing the funds. Additionally, borrowings under the Credit Facilities are subject to the usual and customary provisions for acceleration upon the occurrence of events of default, including a cross-default for other indebtedness in excess of \$100 million.

As of June 30, 2025, FET and the FET Subsidiaries were in compliance with the applicable debt-to-total-capitalization ratio covenants in each case as defined under the Credit Facilities. FET, ATSI, MAIT, and TrAIL could issue debt of approximately \$3.7 billion, \$3.3 billion, \$2.6 billion, and \$1.2 billion, respectively, or incur a reduction of equity of approximately \$1.2 billion, \$1.8 billion, \$1.4 billion, and \$633 million, respectively, and would remain within the limitations of the financial covenant requirements as defined under the Credit Facilities.

FirstEnergy Money Pools

As regulated money pool participants, the FET Subsidiaries have the ability to borrow from each other, regulated affiliates and FE to meet their short-term working capital requirements. As of March 31, 2024, FET had a similar but separate arrangement with FE's unregulated money pool participants, however, effective June 1, 2024, FET is no longer participating in the unregulated money pool.

FESC administers these money pools and tracks surplus funds of FE and the respective regulated and unregulated subsidiaries, as the case may be, as well as proceeds available from bank borrowings. Companies receiving a loan under the money pool agreements must repay the principal amount of the loan, together with accrued interest, within 364 days of borrowing the funds. The rate of interest is the same for each company receiving a loan from their respective pool and is based on the average cost of funds available through the pool.

Average Interest Rates	Regulated Companies' Money Pool		Unregulated Companies' Money Pool
	2025	2024	2024
For the Three Months Ended June 30,	4.72%	6.21%	6.69%
For the Six Months Ended June 30,	4.83%	6.26%	6.89%

Long-Term Debt Capacity

FET's and the FET Subsidiaries' access to capital markets and costs of financing are influenced by the credit ratings of their securities. The following table displays FET's and the FET Subsidiaries' credit ratings as of July 28, 2025:

Issuer	Corporate Credit Rating			Senior Secured			Senior Unsecured			Outlook/Credit/Watch ⁽¹⁾		
	S&P	Moody's	Fitch	S&P	Moody's	Fitch	S&P	Moody's	Fitch	S&P	Moody's	Fitch
FET	A-	Baa2	BBB+	—	—	—	BBB+	Baa2	BBB+	P	S	S
ATSI	A-	A3	A	—	—	—	A-	A3	A+	P	S	S
MAIT	A-	A3	A	—	—	—	A-	A3	A+	P	S	S
TrAIL	A-	A3	A	—	—	—	A-	A3	A+	P	S	S

⁽¹⁾ S = Stable, P = Positive

The applicable undrawn and drawn margin on the Credit Facilities are subject to ratings-based pricing grids. The applicable fee paid on the undrawn commitments under the Credit Facilities are based on each borrower's senior unsecured non-credit enhanced debt ratings as determined by S&P and Moody's. The fees paid on actual borrowings are determined based on each borrower's senior unsecured non-credit enhanced debt ratings as determined by S&P and Moody's.

Cash Requirements and Commitments

FET has certain obligations and commitments to make future payments under contracts. For an in-depth discussion of FET's cash requirements and commitments, see "Capital Resources and Liquidity - Cash Requirements and Commitments" in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" within FET's Form 10-K for the year ended December 31, 2024 (filed on February 27, 2025).

Changes in Cash Position

As of June 30, 2025, FET had \$91 million of cash and cash equivalents as compared to \$8 million of cash and cash equivalents as of December 31, 2024, on the Consolidated Balance Sheets.

The following table summarizes the major classes of cash flow items:

(In millions)	For the Six Months Ended June 30,		
	2025	2024	Change
Net cash provided from operating activities	\$ 574	\$ 541	\$ 33
Net cash used for investing activities	(884)	(769)	(115)
Net cash provided from financing activities	393	161	232
Net change in cash and cash equivalents	83	(67)	150
Cash and cash equivalents, at beginning of period	8	76	(68)
Cash and cash equivalents, at end of period	\$ 91	\$ 9	\$ 82

Cash Flows From Operating Activities

FET's most significant sources of cash are derived from providing network transmission service, point-to-point transmission service, and scheduling, controlling and dispatching service over their respective systems. The most significant use of cash from operating activities is transmitting electricity to serve customers, collecting or returning transmission revenue collections from PJM and paying tax authorities, lenders and other FirstEnergy affiliated companies, including FESC, for a wide range of materials and services.

Net cash provided from operating activities was \$574 million and \$541 million in the first six months of 2025 and 2024, respectively. The increase in cash provided from operating activities in 2025, compared to the same period of 2024, is primarily due to increased revenue due to higher rate base and higher net transmission revenue collections based on the timing of formula rate collections.

Cash Flows From Investing Activities

Cash used for investing activities in the first six months of 2025 principally represented cash used for capital investments. The following table summarizes investing activities for the first six months of 2025 and 2024:

Investing Activities	For the Six Months Ended June 30,		
	2025	2024	Change
	(In millions)		
Capital investments	\$ 692	\$ 538	\$ 154
Loans with affiliated companies, net	140	194	(54)
Asset removal costs	50	37	13
Other	2	—	2
Net cash used for investing activities	<u>\$ 884</u>	<u>\$ 769</u>	<u>\$ 115</u>

Net cash used for investing activities for the first six months of 2025 increased \$115 million, compared to the same period of 2024, primarily due to capital investments.

Cash Flows From Financing Activities

In the first six months of 2025 and 2024, net cash provided from financing activities was \$393 million and \$161 million, respectively. The following table summarizes financing activities for the first six months of 2025 and 2024:

Financing Activities	For the Six Months Ended June 30,		
	2025	2024	Change
	(In millions)		
New financing-			
Long-term debt	\$ 1,025	\$ 400	\$ 625
Short-term borrowings, net	100	215	(115)
Redemptions and repayments-			
Long-term debt	(625)	—	(625)
Short-term borrowings - affiliated companies, net	—	(377)	377
Distribution payments	(100)	(75)	(25)
Other	(7)	(2)	(5)
Net cash provided from financing activities	<u>\$ 393</u>	<u>\$ 161</u>	<u>\$ 232</u>

FET had the following issuances and redemptions during the six months ended June 30, 2025:

Company	Type	Redemption / Issuance Date	Interest Rate	Maturity	Amount (In millions)	Description
Redemptions						
TrAIL	Unsecured Notes	May, 2025	3.76%	2025	\$75	TrAIL redeemed unsecured notes that became due.
TrAIL	Unsecured Notes	June, 2025	3.85%	2025	\$550	TrAIL redeemed unsecured notes that became due.
Issuances						
TrAIL	Senior Unsecured	April, 2025	5.00%	2031	\$600	Proceeds were used to redeem senior notes that became due in 2025, to refinance existing debt, for working capital, and for other general corporate purposes.
ATSI	Senior Unsecured	May, 2025	5.00%	2030	\$225	Proceeds were used to refinance existing debt, to finance capital expenditures, for working capital, and for other general corporate purposes.
MAIT	Senior Unsecured	June, 2025	5.00%	2031	\$200	Proceeds were used to refinance existing debt, to finance capital expenditures, for working capital, and for other general corporate purposes.

FET and the FET Subsidiaries may from time to time, seek to retire or purchase outstanding debt through open-market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will be upon such terms and at such prices as FET or the FET Subsidiaries may determine, and will depend on prevailing market conditions, liquidity requirements, contractual restrictions and other factors.

GUARANTEES AND OTHER ASSURANCES

FET has various financial and performance guarantees and indemnifications, which can be issued in the normal course of business. These contracts include stand-by LOCs and surety bonds. FET enters into these arrangements to facilitate commercial transactions with third parties by enhancing the value of the transaction to the third party. The maximum potential amount of future payments FET and the FET Subsidiaries could be required to make under these guarantees as of June 30, 2025 was \$39 million. See Note 7, "Commitments, guarantees and contingencies," of the Notes to Consolidated Financial Statements for more information.

Collateral and Contingent-Related Features

In the normal course of business, FET and the FET Subsidiaries may enter into physical or financially settled contracts. Certain agreements contain provisions that require FET or the FET Subsidiaries to post collateral. This collateral may be posted in the form of cash or credit support with thresholds contingent upon FET's or the FET Subsidiaries' credit rating from each of the major credit rating agencies. The collateral and credit support requirements vary by contract and by counterparty. FET has posted \$13 million of collateral, in the form of LOCs, as of June 30, 2025.

MARKET RISK INFORMATION

FET and the FET Subsidiaries' exposure to fluctuations in market interest rates is reduced since all long-term debt has fixed interest rates. FET and the FET Subsidiaries are subject to the inherent interest rate risks related to refinancing maturing debt by issuing new debt securities.

Economic Conditions

While supply lead times have not fully returned to pre-pandemic levels, FET and its subsidiaries continue to monitor the situation in light of demand increases across the industry, including due to data center usage, and uncertainty around the imposition of tariffs by the U.S. government and retaliatory tariffs that have been, and may be, imposed in response. FET and its subsidiaries continue to implement mitigation strategies to address supply constraints and do not expect any corresponding service disruptions or any material impact on its capital investment plan. However, the situation remains fluid and a prolonged continuation or further increase in demand, or the continuation of uncertain or adverse macroeconomic conditions, including inflationary pressures and new or increased existing tariffs, could lead to an increase in supply chain disruptions that could, in turn, have an adverse effect on FET's consolidated results of operations, cash flow and financial condition. For example, in April 2025, the U.S. government began imposing tariffs intended to address trade deficits and inconsistent economic treatment of importation between the United States and other countries. In response, China, among others, has announced retaliatory tariffs against certain imports from the United States. The imposition of these or any other new or increased tariffs or resultant trade wars could have an adverse effect on FET's cash flow and financial condition.

CREDIT RISK

Credit risk is the risk that FET would incur a loss as a result of nonperformance by counterparties of their contractual obligations. FET maintains risk policies and procedures with respect to counterparty credit (including requirements that counterparties maintain specified credit ratings) and require other assurances in the form of credit support or collateral in certain circumstances in order to limit counterparty credit risk. FET has concentrations of suppliers and counterparties. These concentrations may impact FET's overall exposure to credit risk, positively or negatively, as counterparties may be similarly affected by changes in economic, regulatory or other conditions.

OUTLOOK

INCOME TAXES

On July 4, 2025, President Trump signed into law the OBBBA, which, among other things, makes permanent certain corporate tax incentives that were set to expire in the TCJA and terminates tax credits for most wind and solar projects placed in service after 2027. Because many of the provisions of the TCJA will be continued under the OBBBA, and as FET is not materially impacted by tax incentives associated with wind and solar projects, FET does not expect to be materially impacted by the OBBBA.

The OBBBA does not significantly change corporate AMT requirements previously enacted in the IRA and, therefore, FET continues to believe that it is more likely than not that it will be subject to corporate AMT; however, the future issuance of the U.S. Treasury's final AMT regulations as well as additional future federal tax legislation or presidential executive orders could significantly change FET's AMT estimates or its conclusions as to whether it is an AMT payer. Any adverse developments

concerning corporate AMT liability, including guidance from the U.S. Treasury and/or the IRS or unfavorable regulatory treatment by FERC and/or applicable state regulatory authorities, could negatively impact FET's cash flows, results of operations and financial condition.

FERC REGULATORY MATTERS

With respect to their transmission services and rates, the FET Subsidiaries are subject to regulation by FERC. Under the FPA, FERC regulates rates for transmission of electric power, accounting and other matters. FERC regulations require the FET Subsidiaries to provide open access transmission service at FERC-approved rates, terms and conditions. Transmission facilities of the FET Subsidiaries are subject to functional control by PJM, and transmission service using the FET Subsidiaries transmission facilities is provided by PJM under the PJM Tariff.

Federally enforceable mandatory reliability standards apply to the bulk electric system and impose certain operating, record-keeping and reporting requirements on the FET Subsidiaries. NERC is the ERO 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 the FET Subsidiaries operate are located within RFC's footprint. FET actively participates in the NERC and RFC stakeholder processes, and otherwise monitors and manages its companies, including the FET Subsidiaries, in response to the ongoing development, implementation and enforcement of the reliability standards implemented and enforced by RFC.

FET and the FET Subsidiaries believe that they are in material compliance with all currently-effective and enforceable reliability standards. Nevertheless, in the course of operating its extensive electric utility systems and facilities FET and/or the FET Subsidiaries occasionally learns of isolated facts or circumstances that could be interpreted as excursions from the reliability standards. If and when such occurrences are found, FET and the FET Subsidiaries 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 FET's and/or the FET Subsidiaries' 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 FET's and/or the FET Subsidiaries' 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 that FirstEnergy has accepted. The audit report included a finding and related recommendation on FirstEnergy's methodology for allocation of certain corporate support costs to regulatory capital accounts under certain FERC regulations and reporting. Effective in the first quarter of 2022 and in response to the finding, FirstEnergy implemented a new methodology for the allocation of these corporate support costs to regulatory capital accounts for its regulated distribution and transmission companies on a prospective basis. With the assistance of an independent outside firm, FirstEnergy completed an analysis during the third quarter of 2022 of these costs and how it impacted certain FERC-jurisdictional wholesale transmission customer rates for the audit period of 2015 through 2021. As a result of this analysis, FET reclassified certain transmission capital assets to operating expenses for the audit period. FET fully recovered approximately \$91 million of the above costs reclassified to operating expenses in its transmission formula rate revenue requirements as of December 31, 2024.

On December 8, 2023, FERC audit staff issued a letter advising that two unresolved audit matters, primarily related to FirstEnergy's plan to recover the reclassified operating expenses in formula transmission rates, were being referred to other offices within FERC for further review. On July 5, 2024 and September 26, 2024, the FERC Office of Enforcement issued additional data requests related to the 2022 reclassification of operating expenses, to which FirstEnergy replied. On September 10, 2024 and January 13, 2025, the FERC Office of Enforcement issued further data requests related to a matter unrelated to FET, to which FirstEnergy responded. If the FERC Office of Energy Market Regulation and the FERC Office of Enforcement were to successfully challenge the recovery of the 2022 reclassified operating expenses and formula transmission rates it could have a material adverse effect on the FET Subsidiaries' financial conditions, result of operations, and cash flows.

Transmission ROE Incentive

On February 24, 2022, the OCC filed a complaint with FERC against ATSI, AEP's Ohio affiliate and American Electric Power Service Corporation, and Duke Energy Ohio, Inc. asserting that FERC should reduce the ROE utilized in the utilities' transmission formula rates by eliminating the 50 basis point adder associated with RTO membership, effective February 24, 2022. The OCC contends that this result is required because Ohio law mandates that transmission owning utilities join an RTO and that the 50 basis point adder is applicable only where RTO membership is voluntary. On December 15, 2022, FERC denied the complaint as to ATSI and Duke Energy Ohio, Inc., but granted it as to AEP's Ohio affiliate. AEP's Ohio affiliate and OCC appealed FERC's orders to the Sixth Circuit. On January 17, 2025, the Sixth Circuit ruled that the 50 basis point adder is

available only where RTO membership is voluntary, that Ohio law requires Ohio's transmission utilities to be members of an RTO, and that it was unlawful for FERC to excise the adder from AEP's Ohio affiliate rates, but not from the Duke Energy Ohio, Inc. and ATSI rates. During 2024, as a result of the ruling, ATSI recognized a \$46 million pre-tax charge, with interest, of which \$42 million is reported in "Transmission Revenues" and \$4 million is reported in "Miscellaneous income, net" on the Consolidated Statements of Income to reflect the expected refund owed to transmission customers back to February 24, 2022. On March 3, 2025, FirstEnergy filed for rehearing en banc, and Duke Energy Ohio, Inc. and AEP's Ohio affiliate also filed for rehearing, which was denied by the Sixth Circuit on March 26, 2025. On April 16, 2025, the Sixth Circuit agreed to hold the case pending further appeal to the Supreme Court of the U.S. On June 20, 2025 and June 24, 2025, ATSI and AEP's Ohio affiliate, respectively, applied for the Supreme Court of the U.S. to review the Sixth Circuit's decision. On July 17, 2025, Duke Energy Ohio, Inc. filed a brief in support of ATSI's application for review with the Supreme Court of the U.S.

Transmission ROE Methodology

A proposed rulemaking proceeding concerning transmission rate incentives provisions of Section 219 of the 2005 Energy Policy Act was initiated in March of 2020 and remains pending before FERC. Among other things, the rulemaking explored whether utilities should collect an "RTO membership" ROE incentive adder for more than three years. FirstEnergy is a member of PJM, and its transmission subsidiaries could be affected by the proposed rulemaking. FirstEnergy participated in comments on the supplemental rulemaking that were submitted by a group of PJM transmission owners and by various industry trade groups. If there were to be any changes to the FET Subsidiaries' transmission incentive ROE, such changes will be applied on a prospective basis; provided however, due to the Sixth Circuit's ruling in the "Transmission ROE Incentive" matter described above, ATSI is collecting the ROE incentive adder subject to refund.

Transmission Planning Supplemental Projects

On September 27, 2023, the OCC filed a complaint against ATSI, PJM and other transmission utilities in Ohio alleging that the PJM Tariff and operating agreement are unjust, unreasonable, and unduly discriminatory because they include no provisions to ensure PJM's review and approval for the planning, need, prudence and cost-effectiveness of the PJM Tariff Attachment M-3 "Supplemental Projects." Supplemental Projects are projects that are planned and constructed to address local needs on the transmission system. The OCC demands that FERC: (i) require PJM to review supplemental projects for need, prudence and cost-effectiveness; (ii) appoint an independent transmission monitor to assist PJM in such review; and (iii) require that Supplemental Projects go into rate base only through a "stated rate" procedure whereby prior FERC approval would be needed for projects with costs that exceed an established threshold. Subsequently, intervenors expanded the scope of this proceeding to all of the transmission utilities in PJM. The FET Subsidiaries and the other transmission utilities in Ohio and PJM filed comments.

Local Transmission Planning Complaint

On December 19, 2024, the Industrial Energy Consumers of America, a group representing large industrial customers, and state consumer advocates filed a complaint at FERC that asserts that transmission owners are overbuilding "local transmission facilities" with corresponding unjustified increases in transmission rates. The complaint demands that FERC: (i) prohibit transmission owners from planning "local transmission facilities" that are rated at 100kV or higher, (ii) appoint "independent transmission monitors" to conduct such planning, and (iii) condition construction of local transmission facilities on the facility having been planned by the "independent transmission monitor." FirstEnergy is participating in this matter through a consortium of PJM transmission owners and through certain trade groups, including EEL. FirstEnergy together with the PJM transmission owners filed a motion to dismiss the complaint on March 20, 2025, which is pending before FERC. FET is unable to predict the outcome or estimate the impact that this complaint may have on the FET Subsidiaries, however, whether this lawsuit moves forward could have a material impact on FET's transmission capital investment strategy.

Valley Link Formula Transmission Rate

Valley Link is a joint venture between FET, AEP and Dominion, and was formed to submit applications to construct transmission solutions to identified transmission reliability issues. In 2024, Valley Link submitted a portfolio of transmission solutions to the reliability issues that were the subject of the PJM 2024 RTEP Window 1 planning process. On February 26, 2025, PJM selected approximately \$3.0 billion of the transmission solutions proposed by Valley Link for construction through PJM's "baseline" RTEP process. On March 14, 2025, the Valley Link joint venture filed an application for forward-looking formula transmission rates to provide for cost recovery for the portfolio of selected projects. Among other things, the transmission rate application provides for a capital structure of 40% debt and 60% equity, and a base ROE of 10.9% with associated templates and protocols, as well as transmission rate incentives, including the abandonment rate incentive, the CWIP rate incentive, the RTO participation adder incentive, the hypothetical capital structure incentive, and the precommercial regulatory asset incentive. On April 4, 2025, certain parties filed protests of certain elements of the proposed formula rate and requested transmission incentives, to which Valley Link responded on April 21, 2025. On April 8, 2025, PJM also sought to intervene in the matter. On May 14, 2025, FERC issued an initial order that, among other things, accepted the requested abandonment rate incentive, CWIP rate incentive, RTO participation adder incentive, and precommercial regulatory asset rate incentive, and allowed the formula rate to go into effect on May 14, 2025, as requested, subject to refund, pending further settlement and hearing proceedings. An initial settlement conference was held on June 26, 2025, and a procedural schedule for the initial phase of the settlement process was agreed upon. The capital structure incentive and open rate design matters are being addressed in confidential settlement negotiations.

Abandonment Transmission Rate Incentive

On February 26, 2025, PJM completed its 2024 Regional Transmission Expansion Plan Open Window 1 process and, among other actions, designated each of ATSI and PE to construct certain transmission projects. On July 11, 2025, ATSI and PE filed a joint application for the abandonment incentive with FERC, which, if approved as submitted, would make ATSI and PE each eligible to recover 50% of the project costs incurred prior to the requested effective date, and 100% of the project costs incurred thereafter for any projects subsequently cancelled for reasons beyond the control of utility management. No interventions or protests have been filed with FERC. ATSI and PE expect that FERC will rule on the application by the requested September 10, 2025, effective date.

ENVIRONMENTAL MATTERS

Various federal, state and local authorities regulate FET with regard to air and water quality, hazardous and solid waste disposal, and other environmental matters. While FET'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. FET 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

There are various lawsuits, claims and proceedings related to FET's normal business operations pending against FET or its subsidiaries. The loss or range of loss in these matters is not expected to be material to FET or its subsidiaries. The other potentially material items not otherwise discussed above are described under Note 6, "Regulatory Matters," of the Notes to Consolidated Financial Statements.

FET 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 FET 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 FET 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 FET's or its subsidiaries' financial condition, results of operations and cash flows.

NEW ACCOUNTING PRONOUNCEMENTS

See Note 1, "Organization and Basis of Presentation," of the Notes to Consolidated Financial Statements for a discussion of new accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See "FirstEnergy Transmission, LLC Management's Discussion and Analysis of Financial Condition and Results of Operations — Market Risk Information" in Item 2 above.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

The management of FET, with the participation of the principal executive officer and principal financial officer, has evaluated the effectiveness of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of June 30, 2025. Based on that evaluation, the principal executive officer and principal financial officer of FET have concluded that its disclosure controls and procedures were effective as of June 30, 2025.

(b) Changes in Internal Control over Financial Reporting

During the quarter ended June 30, 2025, there were no changes in internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, FET's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information required for Part II, Item 1 is incorporated by reference to the discussions in Note 6, "Regulatory Matters," and Note 7, "Commitments, Guarantees and Contingencies," of the Notes to Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q.

ITEM 1A. RISK FACTORS

You should carefully consider the risk factors discussed in "Item 1A. Risk Factors" in FET's Annual Report on Form 10-K for the year ended December 31, 2024, which could materially affect FET's business, financial condition or future results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION*Trading Arrangements*

Not Applicable.

ITEM 6. EXHIBITS**Exhibit Number Description**

(A)	31.1	Certification of principal executive officer, as adopted pursuant to Rule 13a-14(a)
(A)	31.2	Certification of principal financial officer, as adopted pursuant to Rule 13a-14(a)
(A)	32	Certification of principal executive officer and principal financial officer, pursuant to 18 U.S.C. Section 1350
	101	The following materials from the Quarterly Report on Form 10-Q of FirstEnergy Transmission, LLC for the period ended June 30, 2025, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) Consolidated Statements of Income, (ii) Consolidated Balance Sheets, (iii) Consolidated Statements of Members Equity, (iv) Consolidated Statements of Cash Flows, (v) related notes to these financial statements and (vi) document and entity information.
	104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the Inline XBRL document contained in Exhibit 101)

(A) Provided herein in electronic format as an exhibit.

Pursuant to paragraph (b)(4)(iii)(A) of Item 601 of Regulation S-K, FET has not filed as an exhibit to this Form 10-Q any instrument with respect to long-term debt if the respective total amount of securities authorized thereunder does not exceed 10% of its respective total assets, but hereby agrees to furnish to the SEC on request any such documents.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

August 8, 2025

FIRSTENERGY TRANSMISSION, LLC

Registrant

/s/ Jason J. Lisowski

Jason J. Lisowski

Vice President, Controller and Director
(Principal Financial Officer and Principal Accounting Officer)

Certification

I, Mark D. Mroczynski, certify that:

1. I have reviewed this report on Form 10-Q of FirstEnergy Transmission LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2025

/s/ Mark D. Mroczynski
Mark D. Mroczynski
President
(Principal Executive Officer)

Certification

I, Jason J. Lisowski, certify that:

1. I have reviewed this report on Form 10-Q of FirstEnergy Transmission LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2025

/s/ Jason J. Lisowski

Jason J. Lisowski
Vice President, Controller and Director
(Principal Financial Officer and Principal Accounting Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350**

In connection with the Report of FirstEnergy Transmission LLC ("Company") on Form 10-Q for the period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each undersigned officer of the Company does hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mark D. Mroczynski

Mark D. Mroczynski
President
(Principal Executive Officer)

/s/ Jason J. Lisowski

Jason J. Lisowski
Vice President, Controller and Director
(Principal Financial Officer and Principal Accounting Officer)

Date: August 8, 2025