

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY AND SUBSIDIARIES
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

<i>(In millions)</i>	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	2023	2022
REVENUES:				
Electric sales	\$ 258	\$ 264	\$ 873	\$ 696
Excise and gross receipts tax collections	17	18	47	49
Total revenues	275	282	920	745
OPERATING EXPENSES:				
Purchased power	50	44	257	92
Other operating expenses	124	107	346	321
Provision for depreciation	33	32	99	95
Amortization (deferral) of regulatory assets, net	(28)	1	(33)	(17)
General taxes	55	54	158	156
Total operating expenses	234	238	827	647
OPERATING INCOME	41	44	93	98
OTHER INCOME (EXPENSE):				
Miscellaneous income, net	—	4	3	11
Pension and OPEB mark-to-market adjustment	—	—	5	—
Interest expense	(22)	(19)	(63)	(58)
Capitalized financing costs	1	1	2	3
Total other expense	(21)	(14)	(53)	(44)
INCOME BEFORE INCOME TAXES	20	30	40	54
INCOME TAXES	3	2	4	4
NET INCOME	\$ 17	\$ 28	\$ 36	\$ 50
STATEMENTS OF COMPREHENSIVE INCOME				
NET INCOME	\$ 17	\$ 28	\$ 36	\$ 50
OTHER COMPREHENSIVE INCOME:				
Pension and OPEB prior service costs	1	—	1	—
Other comprehensive income	1	—	1	—
Income taxes on other comprehensive income	—	—	—	—
Other comprehensive income, net of tax	1	—	1	—
COMPREHENSIVE INCOME	\$ 18	\$ 28	\$ 37	\$ 50

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

<i>(In millions, except share amounts)</i>	September 30, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS:		
Restricted cash	\$ 3	\$ 5
Receivables-		
Customers	120	147
Less — Allowance for uncollectible customer receivables	10	18
	110	129
Affiliated companies	54	42
Other, net of allowance for uncollectible accounts of \$3 in 2023	17	23
Prepaid taxes and other	11	11
	195	210
PROPERTY, PLANT AND EQUIPMENT:		
In service	3,850	3,777
Less — Accumulated provision for depreciation	1,562	1,513
	2,288	2,264
Construction work in progress	66	61
	2,354	2,325
DEFERRED CHARGES AND OTHER ASSETS:		
Goodwill	1,689	1,689
Property taxes	36	152
Other	35	39
	1,760	1,880
TOTAL ASSETS	\$ 4,309	\$ 4,415
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 306	\$ 6
Short-term borrowings- affiliated companies	180	77
Accounts payable-		
Affiliated companies	52	47
Other	10	41
Accrued taxes	149	146
Accrued interest	19	14
Collateral	1	38
Other	51	44
	768	413
NONCURRENT LIABILITIES:		
Long-term debt and other long-term obligations	1,103	1,410
Accumulated deferred income taxes, net	325	321
Retirement benefits	90	93
Regulatory liabilities	120	152
Property taxes	—	152
Other	209	219
	1,847	2,347
TOTAL LIABILITIES	2,615	2,760
EQUITY:		
Common stockholder's equity-		
Common stock, without par value, authorized 105,000,000 shares - 67,930,743 shares outstanding	1,261	1,259
Accumulated other comprehensive loss	(3)	(4)
Retained earnings	436	400
TOTAL EQUITY	1,694	1,655
TOTAL LIABILITIES AND EQUITY	\$ 4,309	\$ 4,415

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<i>(In millions)</i>	For the Nine Months Ended September 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 36	\$ 50
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation, amortization and impairments	67	80
Deferred income taxes and investment tax credits, net	(4)	5
Retirement benefits, net of payments	(3)	(12)
Pension and OPEB mark-to-market adjustment	(5)	—
Change in current assets and liabilities-		
Receivables	13	(12)
Prepaid taxes and other current assets	—	(1)
Accounts payable	(26)	9
Accrued taxes	(33)	(26)
Accrued interest	5	3
Other current liabilities	5	(4)
Collateral, net	(36)	34
Other	(2)	(5)
Net cash provided from operating activities	17	121
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital investments	(104)	(133)
Loans to affiliated companies, net	—	95
Asset removal costs	(13)	(13)
Net cash used for investing activities	(117)	(51)
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Short-term borrowings, net	103	83
Redemptions and repayments-		
Long-term debt	(5)	(155)
Other	—	(1)
Net cash provided from (used for) financing activities	98	(73)
Net change in cash, cash equivalents, and restricted cash	(2)	(3)
Cash, cash equivalents, and restricted cash at beginning of period	5	6
Cash, cash equivalents, and restricted cash at end of period	\$ 3	\$ 3
SUPPLEMENTAL CASH FLOW INFORMATION:		
Significant non-cash transactions:		
Accrued capital investments	\$ 1	\$ 2