

TRANS-ALLEGHENY INTERSTATE LINE COMPANY
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

TRANS-ALLEGHENY INTERSTATE LINE COMPANY
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	\$ 72	\$ 78	\$ 202	\$ 209
OPERATING EXPENSES:				
Other operating expenses	8	31	21	43
Provision for depreciation	14	12	42	39
General taxes	4	3	11	10
Total operating expenses	26	46	74	92
OPERATING INCOME	46	32	128	117
OTHER INCOME (EXPENSE):				
Miscellaneous income, net	2	2	4	2
Pension and OPEB mark-to-market adjustment	—	—	1	—
Interest expense	(6)	(6)	(19)	(19)
Capitalized financing costs	—	1	1	1
Total other expense	(4)	(3)	(13)	(16)
INCOME BEFORE INCOME TAXES	42	29	115	101
INCOME TAXES	11	9	31	29
NET INCOME	\$ 31	\$ 20	\$ 84	\$ 72

TRANS-ALLEGHENY INTERSTATE LINE COMPANY
BALANCE SHEETS
(UNAUDITED)

<i>(In millions)</i>	September 30, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS:		
Receivables - Other	\$ 24	\$ 19
Notes receivable from affiliated companies	23	40
Prepaid taxes and other	17	14
	<u>64</u>	<u>73</u>
PROPERTY, PLANT AND EQUIPMENT:		
In service	2,356	2,350
Less — Accumulated provision for depreciation	403	371
	<u>1,953</u>	<u>1,979</u>
Construction work in progress	35	19
	<u>1,988</u>	<u>1,998</u>
DEFERRED CHARGES AND OTHER ASSETS:		
Property taxes	6	7
Other	8	8
	<u>14</u>	<u>15</u>
TOTAL ASSETS	<u><u>\$ 2,066</u></u>	<u><u>\$ 2,086</u></u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable - affiliated companies	\$ 1	\$ 1
Accrued taxes	19	48
Accrued interest	8	2
	<u>28</u>	<u>51</u>
NONCURRENT LIABILITIES:		
Long-term debt and other long-term obligations	624	623
Accumulated deferred income taxes, net	303	306
Regulatory liabilities	144	142
Property taxes	6	7
Other	1	1
	<u>1,078</u>	<u>1,079</u>
TOTAL LIABILITIES	<u>1,106</u>	<u>1,130</u>
EQUITY:		
Common stockholder's equity-		
Common stock and other paid-in capital, \$1 par value, authorized 5,000 share - 1,000 shares outstanding	943	943
Retained earnings	17	13
TOTAL EQUITY	<u>960</u>	<u>956</u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$ 2,066</u></u>	<u><u>\$ 2,086</u></u>

TRANS-ALLEGHENY INTERSTATE LINE COMPANY
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	\$ 84	\$ 72
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation, amortization and impairments	37	39
Deferred income taxes and investment tax credits, net	2	23
Transmission revenue collections, net	(5)	(5)
Pension and OPEB mark-to-market adjustment	(1)	—
Changes in current assets and liabilities-		
Receivables	(5)	34
Prepaid taxes and other current assets	(3)	3
Accounts payable - affiliated companies	—	(20)
Accrued taxes	(29)	—
Accrued interest	6	6
Other	1	2
Net cash provided from operating activities	87	154
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital investments	(23)	(27)
Loans to affiliated companies, net	17	(44)
Other	(1)	—
Net cash used for investing activities	(7)	(71)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Redemptions and repayments-		
Short-term borrowings - affiliated companies, net	—	(8)
Common stock dividend payments	(80)	(75)
Net cash used for financing activities	(80)	(83)
Net change in cash and cash equivalents	—	—
Cash and cash equivalents at beginning of period	—	—
Cash and cash equivalents at end of period	\$ —	\$ —
SUPPLEMENTAL CASH FLOW INFORMATION:		
Significant non-cash transactions:		
Accrued capital investments	\$ 4	\$ 1