# AMERICAN TRANSMISSION SYSTEMS, INCORPORATED

## UNAUDITED INTERIM FINANCIAL STATEMENTS

## FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

**AMERICAN TRANSMISSION SYSTEMS, INCORPORATED**
**STATEMENTS OF INCOME**
**UNAUDITED**

| *(In millions)* | For the Three Months Ended March 31, 2025 | 2024 |
|---|---|---|
| **REVENUES** | $ 268 | $ 248 |
| **OPERATING EXPENSES:** | | |
| Other operating expenses | 46 | 42 |
| Provision for depreciation | 49 | 44 |
| Amortization of regulatory assets, net | 1 | 1 |
| General taxes | 70 | 65 |
| Total operating expenses | 166 | 152 |
| **OPERATING INCOME** | 102 | 96 |
| **OTHER INCOME (EXPENSE):** | | |
| Miscellaneous income, net | 1 | 2 |
| Interest expense | (19) | (19) |
| Capitalized financing costs | 7 | 7 |
| Total other expense | (11) | (10) |
| **INCOME BEFORE INCOME TAXES** | 91 | 86 |
| **INCOME TAXES** | 18 | 18 |
| **NET INCOME** | $ 73 | $ 68 |

**AMERICAN TRANSMISSION SYSTEMS, INCORPORATED**
**BALANCE SHEETS**
**UNAUDITED**

| *(In millions, except share amounts)* | March 31, 2025 | December 31, 2024 |
|---|---|---|
| **ASSETS** | | |
| **CURRENT ASSETS:** | | |
| Receivables - | | |
| Affiliated companies | $ — | $ 9 |
| Other | 41 | 42 |
| Notes receivable from affiliated companies | 77 | 119 |
| Prepaid taxes and other | 3 | 5 |
| | 121 | 175 |
| **PROPERTY, PLANT AND EQUIPMENT:** | | |
| In service | 6,921 | 6,881 |
| Less — Accumulated provision for depreciation | 1,666 | 1,630 |
| | 5,255 | 5,251 |
| Construction work in progress | 488 | 408 |
| | 5,743 | 5,659 |
| **DEFERRED CHARGES AND OTHER ASSETS:** | | |
| Property taxes | 210 | 283 |
| Operating lease right-of-use asset | 411 | 411 |
| Other | 22 | 19 |
| | 643 | 713 |
| **TOTAL ASSETS** | $ 6,507 | $ 6,547 |
| | | |
| **LIABILITIES AND EQUITY** | | |
| **CURRENT LIABILITIES:** | | |
| Accounts payable - affiliated companies | $ 50 | $ 48 |
| Accrued taxes | 286 | 275 |
| Accrued interest | 16 | 23 |
| Other current liabilities | 7 | 6 |
| | 359 | 352 |
| **NONCURRENT LIABILITIES:** | | |
| Long-term debt and other long-term obligations | 1,787 | 1,786 |
| Accumulated deferred income taxes, net | 706 | 698 |
| Property taxes | 140 | 283 |
| Regulatory liabilities | 290 | 275 |
| Noncurrent operating lease obligation | 405 | 406 |
| Other | 7 | 7 |
| | 3,335 | 3,455 |
| **TOTAL LIABILITIES** | 3,694 | 3,807 |
| | | |
| **EQUITY:** | | |
| Common stockholder's equity- | | |
| Common stock, no par value, 850 shares authorized - 1 share outstanding | 1,555 | 1,555 |
| Retained earnings | 1,258 | 1,185 |
| **TOTAL EQUITY** | 2,813 | 2,740 |
| | | |
| **TOTAL LIABILITIES AND EQUITY** | $ 6,507 | $ 6,547 |

## AMERICAN TRANSMISSION SYSTEMS, INCORPORATED
## STATEMENTS OF CASH FLOWS
## UNAUDITED

| *(In millions)* | For the Three Months Ended March 31, 2025 | 2024 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | |
| Net income | $ 73 | $ 68 |
| Adjustments to reconcile net income to net cash from operating activities- | | |
| Depreciation and amortization | 50 | 45 |
| Deferred income taxes and investment tax credits, net | 5 | 18 |
| Transmission revenue collections, net | 23 | 27 |
| Allowance for funds used during construction - equity | (5) | (5) |
| Changes in current assets and liabilities- | | |
| Receivables | 10 | (19) |
| Prepaid taxes and other current assets | 2 | — |
| Accounts payable - affiliated companies | 15 | (15) |
| Accrued taxes | (59) | (51) |
| Accrued interest | (7) | (4) |
| Other | — | (2) |
| Net cash provided from operating activities | 107 | 62 |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| Capital investments | (136) | (109) |
| Loans to affiliated companies, net | 42 | (16) |
| Asset removal costs | (13) | (7) |
| Net cash used for investing activities | (107) | (132) |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | | |
| New financing- | | |
| Long-term debt | — | 150 |
| Redemptions and repayments- | | |
| Short-term borrowings - affiliated companies, net | — | (79) |
| Other | — | (1) |
| Net cash provided from financing activities | — | 70 |
| 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 | $ 35 | $ 33 |