# FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY AND SUBSIDIARIES

## UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

# FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY AND SUBSIDIARIES
## CONSOLIDATED STATEMENTS OF INCOME
## UNAUDITED

| *(In millions)* | For the Three Months Ended March 31, 2025 | 2024 |
|---|---|---|
| **REVENUES:** | | |
| Electric sales | $ 1,077 | $ 992 |
| Excise tax collections | 67 | 61 |
| Total revenues | 1,144 | 1,053 |
| **OPERATING EXPENSES:** | | |
| Purchased power | 494 | 497 |
| Other operating expenses | 258 | 245 |
| Provision for depreciation | 79 | 80 |
| Amortization (deferral) of regulatory assets, net | 1 | (9) |
| General taxes | 75 | 66 |
| Total operating expenses | 907 | 879 |
| **OPERATING INCOME** | 237 | 174 |
| **OTHER INCOME (EXPENSE):** | | |
| Miscellaneous income, net | 19 | 36 |
| Interest expense | (53) | (65) |
| Capitalized financing costs | 3 | 3 |
| Total other expense | (31) | (26) |
| **INCOME BEFORE INCOME TAXES** | 206 | 148 |
| **INCOME TAXES** | 49 | 32 |
| **NET INCOME** | $ 157 | $ 116 |
| **COMPREHENSIVE INCOME** | $ 157 | $ 116 |

**FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY AND SUBSIDIARIES**
**CONSOLIDATED BALANCE SHEETS**
**UNAUDITED**

| *(In millions, except share amounts)* | March 31, 2025 | December 31, 2024 |
|---|---|---|
| **ASSETS** | | |
| **CURRENT ASSETS:** | | |
| Cash and cash equivalents | $ 70 | $ — |
| Receivables - | | |
| Customers | 679 | 629 |
| Less — Allowance for uncollectible customer receivables | 27 | 28 |
| | 652 | 601 |
| Affiliated companies | 290 | 217 |
| Other, net of allowance for uncollectible accounts of $1 in 2025 and 2024 | 55 | 59 |
| Notes receivable from affiliated companies | — | 5 |
| Prepaid taxes and other | 158 | 15 |
| | 1,225 | 897 |
| **PROPERTY, PLANT AND EQUIPMENT:** | | |
| In service | 11,319 | 11,167 |
| Less — Accumulated provision for depreciation | 3,214 | 3,171 |
| | 8,105 | 7,996 |
| Construction work in progress | 272 | 294 |
| | 8,377 | 8,290 |
| **DEFERRED CHARGES AND OTHER ASSETS:** | | |
| Goodwill | 962 | 962 |
| Regulatory assets | 43 | 34 |
| Investments | 13 | 13 |
| Prepaid pension and OPEB costs | 68 | 61 |
| Other | 131 | 118 |
| | 1,217 | 1,188 |
| **TOTAL ASSETS** | $ 10,819 | $ 10,375 |
| **LIABILITIES AND EQUITY** | | |
| **CURRENT LIABILITIES:** | | |
| Currently payable long-term debt | $ 300 | $ — |
| Short-term borrowings | | |
| Affiliated companies | 187 | — |
| Other | 200 | — |
| Accounts payable - | | |
| Affiliated companies | — | 58 |
| Other | 267 | 279 |
| Accrued taxes | 36 | 18 |
| Accrued interest | 45 | 44 |
| Customer deposits | 122 | 119 |
| Other | 106 | 101 |
| | 1,263 | 619 |
| **NONCURRENT LIABILITIES:** | | |
| Long-term debt and other long-term obligations | 3,431 | 3,730 |
| Accumulated deferred income taxes, net | 1,563 | 1,536 |
| Retirement benefits | 9 | 9 |
| Other | 301 | 302 |
| | 5,304 | 5,577 |
| **TOTAL LIABILITIES** | 6,567 | 6,196 |
| **EQUITY:** | | |
| Common stockholder's equity- | | |
| Common stock and other paid-in capital, $25 subscription price, 1,000 shares authorized, 1,000 shares outstanding | 2,628 | 2,627 |
| Accumulated other comprehensive loss | (7) | (7) |
| Retained earnings | 1,631 | 1,559 |
| **TOTAL EQUITY** | 4,252 | 4,179 |
| **TOTAL LIABILITIES AND EQUITY** | $ 10,819 | $ 10,375 |

## FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY AND SUBSIDIARIES
## CONSOLIDATED STATEMENTS OF CASH FLOWS
## UNAUDITED

| *(In millions)* | For the Three Months Ended March 31, 2025 | 2024 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | |
| Net income | $ 157 | $ 116 |
| Adjustments to reconcile net income to net cash from operating activities- | | |
| Depreciation, amortization and impairments | 80 | 72 |
| Deferred income taxes and investment tax credits, net | 18 | 2 |
| Employee benefit costs, net | (7) | (7) |
| Change in current assets and liabilities - | | |
| Receivables | (120) | (51) |
| Prepaid taxes and other current assets | (143) | (148) |
| Accounts payable | (66) | (7) |
| Accrued taxes | 18 | (26) |
| Accrued interest | 1 | 13 |
| Customer deposits | 3 | 3 |
| Other current liabilities | (12) | (10) |
| Collateral, net | 12 | (6) |
| Employee benefit plan funding and related payments | (2) | (2) |
| Other | (6) | 1 |
| Net cash used for operating activities | (67) | (50) |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| Capital investments | (153) | (128) |
| Loans to affiliated companies, net | 5 | 441 |
| Asset removal costs | (17) | (14) |
| Other | — | 1 |
| Net cash provided from (used for) investing activities | (165) | 300 |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | | |
| New financing- | | |
| Short-term borrowings, net | 387 | — |
| Common stock dividend payments | (85) | (150) |
| Net cash provided from (used for) financing activities | 302 | (150) |
| Net change in cash, cash equivalents, and restricted cash | 70 | 100 |
| Cash, cash equivalents, and restricted cash at beginning of period | — | — |
| Cash, cash equivalents, and restricted cash at end of period | $ 70 | $ 100 |
| **SUPPLEMENTAL CASH FLOW INFORMATION:** | | |
| Significant non-cash transactions: | | |
| Accrued capital investments | $ 31 | $ 18 |