# KEYSTONE APPALACHIAN TRANSMISSION COMPANY

## UNAUDITED INTERIM FINANCIAL STATEMENTS

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

## KEYSTONE APPALACHIAN TRANSMISSION COMPANY
## STATEMENTS OF INCOME
## UNAUDITED

| *(In thousands)* | For the Three Months Ended March 31, 2025 | 2024 |
|---|---|---|
| **REVENUES** | $ 22,766 | $ 20,196 |
| **OPERATING EXPENSES:** | | |
| Other operating expenses | 7,218 | 5,875 |
| Provision for depreciation | 4,247 | 3,535 |
| Amortization of regulatory assets, net | 98 | 98 |
| Total operating expenses | 11,563 | 9,508 |
| **OPERATING INCOME** | 11,203 | 10,688 |
| **OTHER INCOME (EXPENSE):** | | |
| Miscellaneous income (expense), net | 1,143 | (144) |
| Interest expense | (2,707) | (189) |
| Capitalized financing costs | 1,218 | 742 |
| Total other income (expense) | (346) | 409 |
| **INCOME BEFORE INCOME TAXES** | 10,857 | 11,097 |
| **INCOME TAXES** | 2,555 | 2,956 |
| **NET INCOME** | $ 8,302 | $ 8,141 |

**KEYSTONE APPALACHIAN TRANSMISSION COMPANY**
**BALANCE SHEETS**
**UNAUDITED**

| *(In thousands, except share amounts)* | March 31, 2025 | December 31, 2024 |
|---|---|---|
| **ASSETS** | | |
| **CURRENT ASSETS:** | | |
| Receivables - | | |
| Affiliated companies | $ 3,540 | $ 10,005 |
| Other | 3,005 | 3,438 |
| Notes receivable from affiliated companies | 100,878 | 108,175 |
| Prepaid taxes and other | 1,565 | 1,575 |
| | 108,988 | 123,193 |
| **PROPERTY, PLANT AND EQUIPMENT:** | | |
| In service | 622,344 | 608,951 |
| Less — Accumulated provision for depreciation | 66,882 | 62,860 |
| | 555,462 | 546,091 |
| Construction work in progress | 89,059 | 72,327 |
| | 644,521 | 618,418 |
| | | |
| Deferred charges and other assets | 2,591 | 2,395 |
| | | |
| **TOTAL ASSETS** | $ 756,100 | $ 744,006 |
| | | |
| **LIABILITIES AND EQUITY** | | |
| **CURRENT LIABILITIES:** | | |
| Accounts payable - affiliated companies | $ 6,615 | $ 7,926 |
| Accrued taxes | 832 | — |
| Accrued interest | 3,763 | 1,178 |
| Other current liabilities | 116 | 114 |
| | 11,326 | 9,218 |
| **NONCURRENT LIABILITIES:** | | |
| Long-term debt and other long-term obligations | 198,950 | 198,928 |
| Accumulated deferred income taxes, net | 65,604 | 63,634 |
| Regulatory liabilities | 19,276 | 19,584 |
| | 283,830 | 282,146 |
| **TOTAL LIABILITIES** | 295,156 | 291,364 |
| | | |
| **EQUITY:** | | |
| Common stockholder's equity- | | |
| Class A Common stock, $1 par value, authorized 1,000 shares, 1,000 shares outstanding | 1 | 1 |
| Other paid-in capital | 451,380 | 451,380 |
| Retained earnings | 9,563 | 1,261 |
| **TOTAL EQUITY** | 460,944 | 452,642 |
| | | |
| **TOTAL LIABILITIES AND EQUITY** | $ 756,100 | $ 744,006 |

**KEYSTONE APPALACHIAN TRANSMISSION COMPANY**
**STATEMENTS OF CASH FLOWS**
**UNAUDITED**

| | For the Three Months Ended March 31, | |
|---|---|---|
| *(In thousands)* | **2025** | **2024** |
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | |
| Net income | $ 8,302 | $ 8,141 |
| Adjustments to reconcile net income to net cash from operating activities- | | |
| Depreciation and amortization | 4,345 | 3,633 |
| Deferred income taxes, net | 1,472 | 2,568 |
| Transmission revenues collections, net | 615 | 555 |
| Allowance for funds used during construction - equity | (996) | (677) |
| Changes in current assets and liabilities- | | |
| Receivables | 6,898 | (12,393) |
| Prepaid taxes and other current assets | 10 | (108) |
| Accounts payable - affiliated companies | (2,794) | 21,492 |
| Accrued taxes | 832 | 276 |
| Accrued interest | 2,585 | — |
| Other current liabilities | 2 | 104 |
| Other | (100) | (579) |
| Net cash provided from operating activities | 21,171 | 23,012 |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| Capital investments | (28,488) | (22,032) |
| Loans to affiliated companies, net | 7,297 | — |
| Asset removal costs | (682) | (869) |
| Other | 724 | (111) |
| Net cash used for investing activities | (21,149) | (23,012) |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | | |
| Other | (22) | — |
| Net cash used for financing activities | (22) | — |
| 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 | $ 10,036 | $ 8,612 |
| Common Stock issued to acquire certain transmission net assets from West Penn Power Company | $ — | $ 451,356 |