

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

GLOSSARY OF TERMS

The following abbreviations and acronyms may be used in this report to identify Monongahela Power Company and its current and former subsidiaries and affiliated companies:

AE Supply	Allegheny Energy Supply Company, LLC, a wholly owned unregulated generation subsidiary of FE
AGC	Allegheny Generating Company, a wholly owned generation subsidiary of MP
ATSI	American Transmission Systems, Incorporated, a wholly owned transmission subsidiary of FET
CEI	The Cleveland Electric Illuminating Company, a wholly owned Ohio electric power company subsidiary of FE
Electric Companies	OE, CEI, TE, FE PA, JCP&L, MP and PE
FE	FirstEnergy Corp., a public electric power holding company
FE PA	FirstEnergy Pennsylvania Electric Company, a wholly owned Pennsylvania electric power company subsidiary of FirstEnergy Pennsylvania Holding Company LLC, a wholly owned subsidiary of FE
FESC	FirstEnergy Service Company, which provides legal, financial, and other corporate support services
FET	FirstEnergy Transmission, LLC a consolidated VIE of FE, and the parent company of ATSI, MAIT and TrAIL, and having a joint venture in PATH and Valley Link
FirstEnergy	FirstEnergy Corp., together with its consolidated subsidiaries
JCP&L	Jersey Central Power & Light Company, a wholly owned New Jersey electric power company subsidiary of FE
KATCo	Keystone Appalachian Transmission Company, a wholly owned transmission subsidiary of FE
MAIT	Mid-Atlantic Interstate Transmission, LLC, a wholly owned transmission subsidiary of FET
ME	Metropolitan Edison Company, a former wholly owned Pennsylvania electric power company subsidiary of FE, which merged with and into FE PA on January 1, 2024
MP	Monongahela Power Company, a wholly owned West Virginia electric power company subsidiary of FE
OE	Ohio Edison Company, a wholly owned Ohio electric power company subsidiary of FE
Ohio Companies	CEI, OE and TE
PATH	Potomac-Appalachian Transmission Highline, LLC, a joint venture between FE and a subsidiary of AEP
PE	The Potomac Edison Company, a wholly owned Maryland and West Virginia electric power company subsidiary of FE
Penn	Pennsylvania Power Company, a former wholly owned Pennsylvania electric power company subsidiary of OE, which merged with and into FE PA on January 1, 2024
Pennsylvania Companies	ME, PN, Penn and WP, each of which merged with and into FE PA on January 1, 2024
PN	Pennsylvania Electric Company, a former wholly owned Pennsylvania electric power company subsidiary of FE, which merged with and into FE PA on January 1, 2024
TE	The Toledo Edison Company, a wholly owned Ohio electric power company subsidiary of FE
TrAIL	Trans-Allegheny Interstate Line Company, a wholly owned transmission subsidiary of FET
Transmission Companies	ATSI, MAIT, TrAIL and KATCo
Utilities	OE, CEI, TE, Penn, JCP&L, ME, PN, MP, PE and WP
Valley Link	Valley Link Transmission Company, LLC, a holding company formed by FET, DominionHV and Transource on November 24, 2024
WP	West Penn Power Company, a former wholly owned Pennsylvania electric power company subsidiary of FE, which merged with and into FE PA on January 1, 2024

The following abbreviations and acronyms may be used to identify frequently used terms in this report:

A&R FET LLC Agreement	Fourth Amended and Restated Limited Liability Company Operating Agreement of FET
AEP	American Electric Power Company, Inc.
AFSI	Adjusted Financial Statement Income
AFUDC	Allowance for Funds Used During Construction
AMI	Advanced Metering Infrastructure
AMT	Alternative Minimum Tax
AOCI	Accumulated Other Comprehensive Income (Loss)
ARO	Asset Retirement Obligation
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
BRA	Base Residual Auction

Brookfield	North American Transmission Company II L.P., a controlled investment vehicle entity of Brookfield Infrastructure Partners
CAA	Clean Air Act
CCR	Coal Combustion Residual
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act of 1980
CO ₂	Carbon Dioxide
COVID-19	Coronavirus disease
DCR	Delivery Capital Recovery
DMR	Distribution Modernization Rider
DominionHV	Dominion High Voltage Mid-Atlantic, Inc., an affiliate of VEPCO
DPA	Deferred Prosecution Agreement entered into on July 21, 2021 between FE and the U.S. Attorney's Office for the S.D. Ohio
EEI	The Edison Electric Institute
EmPOWER Maryland	EmPOWER Maryland Energy Efficiency Act
ENEC	Expanded Net Energy Cost
EPA	U.S. Environmental Protection Agency
ERO	Electric Reliability Organization
ESP	Electric Security Plan
Exchange Act	Securities and Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FET Board	FET Board of Directors
FET LLC Agreement	Third Amended and Restated Limited Liability Company Operating Agreement of FET
FET P&SA II	Purchase and Sale Agreement entered into on February 2, 2023, by and between FE, FET, Brookfield, and the Brookfield Guarantors
FMB	First Mortgage Bond
FPA	Federal Power Act
GAAP	Generally Accepted Accounting Principles in the United States
GHG	Greenhouse Gas
HB 6	House Bill 6, as passed by Ohio's 133rd General Assembly
IRS	Internal Revenue Service
kV	Kilovolt
LOC	Letter of Credit
LTIIIP	Long-Term Infrastructure Improvement Plan
MDPSC	Maryland Public Service Commission
Moody's	Moody's Investors Service, Inc.
MW	Megawatt
NERC	North American Electric Reliability Corporation
NOL	Net Operating Loss
NUG	Non-Utility Generation
OBBA	One Big Beautiful Bill Act of 2025, as signed into law on July 4, 2025
OCC	Ohio Consumers' Counsel
ODSA	Ohio Development Service Agency
OPEB	Other Postemployment Benefits
OVEC	Ohio Valley Electric Corporation
PJM	PJM Interconnection, LLC, an RTO serving the PJM Region
PJM Tariff	PJM Open Access Transmission Tariff
PP&E	Property, Plant and Equipment
PPUC	Pennsylvania Public Utility Commission
PUCO	Public Utilities Commission of Ohio

RFC	ReliabilityFirst Corporation
ROE	Return on Equity
RTO	Regional Transmission Organization
SOFR	Secured Overnight Financing Rate
SOS	Standard Offer Service
SPE	Special Purpose Entity
TCJA	Tax Cuts and Jobs Act adopted December 22, 2017
U.S.	United States
VEPCO	Virginia Electric and Power Company, a subsidiary of Dominion Energy, Inc.
VIE	Variable Interest Entity
VSCC	Virginia State Corporation Commission
WVPSC	Public Service Commission of West Virginia

Report of Independent Auditors

To Management and the Board of Directors of Monongahela Power Company

Opinion

We have audited the accompanying consolidated financial statements of Monongahela Power Company and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of income, of common stockholder's equity and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ PricewaterhouseCoopers LLP
Cleveland, Ohio
April 9, 2026

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

<i>(In millions)</i>	For the Years Ended December 31,		
	2025	2024	2023
REVENUES:			
Revenues - non-affiliates	\$ 1,818	\$ 1,491	\$ 1,381
Revenues - affiliates	248	220	202
Total revenues ⁽¹⁾	2,066	1,711	1,583
OPERATING EXPENSES:			
Fuel	652	462	537
Purchased power	311	194	173
Other operating expenses ⁽²⁾	523	460	413
Provision for depreciation	222	201	167
Amortization of regulatory assets, net	29	3	38
General taxes	63	66	56
Total operating expenses	1,800	1,386	1,384
OPERATING INCOME	266	325	199
OTHER INCOME (EXPENSE):			
Interest Income - affiliates	1	1	5
Miscellaneous income, net	16	14	13
Pension and OPEB mark-to-market adjustment	24	1	(14)
Interest expense - non-affiliates	(89)	(94)	(90)
Interest expense - affiliates	(11)	(8)	(4)
Capitalized financing costs	12	13	10
Total other expense	(47)	(73)	(80)
INCOME BEFORE INCOME TAXES	219	252	119
INCOME TAXES	47	42	3
NET INCOME	\$ 172	\$ 210	\$ 116

⁽¹⁾ Includes excise and gross receipts tax collections of \$10 million, \$9 million and \$8 million in 2025, 2024 and 2023, respectively.

⁽²⁾ Includes affiliated operating expenses of \$70 million, \$61 million and \$80 million in 2025, 2024 and 2023, respectively.

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

<i>(In millions, except share amounts)</i>	December 31, 2025	December 31, 2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 20	\$ —
Restricted cash	21	20
Receivables -		
Customers	166	178
Less — Allowance for uncollectible customer receivables	3	2
	163	176
Affiliated companies	36	135
Other	14	15
Notes receivable from affiliated companies	—	16
Materials and supplies, at average cost	181	182
Prepaid taxes and other	60	40
	495	584
PROPERTY, PLANT AND EQUIPMENT:		
In service	6,249	5,763
Less — Accumulated provision for depreciation	1,206	1,062
	5,043	4,701
Construction work in progress	181	278
	5,224	4,979
DEFERRED CHARGES AND OTHER ASSETS:		
Intangible assets	47	53
Other	92	71
	139	124
TOTAL ASSETS ⁽¹⁾	\$ 5,858	\$ 5,687
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 26	\$ 25
Short-term borrowings - affiliated companies	283	276
Accounts payable -		
Affiliated companies	29	82
Other	100	71
Accrued taxes	55	43
Accrued interest	16	17
Other	45	43
	554	557
NONCURRENT LIABILITIES:		
Long-term debt and other long-term obligations	1,786	1,813
Accumulated deferred income taxes, net	766	728
Regulatory liabilities	321	299
Retirement benefits	4	5
Asset retirement obligations	138	122
Affiliated purchased power liability	39	41
Other	192	209
	3,246	3,217
TOTAL LIABILITIES ⁽¹⁾	3,800	3,774
COMMON STOCKHOLDER'S EQUITY:		
Common stock, \$50 par value, 7,000,000 shares authorized and 5,891,000 shares outstanding	295	295
Other paid-in capital	1,274	1,271
Retained earnings	489	347
TOTAL COMMON STOCKHOLDER'S EQUITY	2,058	1,913
COMMITMENTS, GUARANTEES AND CONTINGENCIES (Note 13.)		
TOTAL LIABILITIES AND COMMON STOCKHOLDER'S EQUITY	\$ 5,858	\$ 5,687

⁽¹⁾ As of December 31, 2025 and 2024, the assets of MP's VIE included restricted cash of \$20 million and \$19 million, respectively, that can only be used to settle obligations of the VIE. The consolidated liabilities as of December 31, 2025 and 2024, include \$117 million and \$141 million,

respectively, of liabilities of the VIE whose creditors have no recourse to MP. As of December 31, 2025 and 2024, these liabilities include, respectively: Currently payable long-term debt of \$26 million and \$24 million, Accrued interest of \$3 million in 2025 and 2024, Long-term debt and other long-term obligations of \$91 million and \$117 million, and included in MP's Regulatory liabilities are \$3 million of regulatory assets in 2025 and 2024.

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMMON STOCKHOLDER'S EQUITY

<i>(In millions, except share amounts)</i>	Common Stock			Retained Earnings	Total Stockholder's Equity
	Number of Shares	Carrying Value	Other Paid-in Capital		
Balance, January 1, 2023	5,891,000	\$ 295	\$ 1,064	\$ 261	\$ 1,620
Net income				116	116
Stock-based compensation ⁽¹⁾			3		3
Cash dividends declared on common stock				(40)	(40)
Balance, December 31, 2023	<u>5,891,000</u>	<u>\$ 295</u>	<u>\$ 1,067</u>	<u>\$ 337</u>	<u>\$ 1,699</u>
Net income				210	210
Stock-based compensation ⁽¹⁾			4		4
Equity contribution from parent			200		200
Cash dividends declared on common stock				(200)	(200)
Balance, December 31, 2024	<u>5,891,000</u>	<u>\$ 295</u>	<u>\$ 1,271</u>	<u>\$ 347</u>	<u>\$ 1,913</u>
Net income				172	172
Stock-based compensation ⁽¹⁾			3		3
Cash dividends declared on common stock				(30)	(30)
Balance, December 31, 2025	<u><u>5,891,000</u></u>	<u><u>\$ 295</u></u>	<u><u>\$ 1,274</u></u>	<u><u>\$ 489</u></u>	<u><u>\$ 2,058</u></u>

⁽¹⁾ In the form of FE common equity granted to certain MP employees primarily related to the 401(k) Savings Plan.

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(In millions)</i>	For the Years Ended December 31,		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 172	\$ 210	\$ 116
Adjustments to reconcile net income to net cash from operating activities-			
Depreciation and amortization	250	197	205
Deferred income taxes and investment tax credits, net	23	93	(9)
Transmission revenue collections, net	(3)	(21)	—
Employee benefit costs, net	(5)	(4)	(7)
Pension and OPEB mark-to-market adjustment	(24)	(1)	14
Change in current assets and liabilities-			
Receivables	113	(147)	22
Materials and supplies	1	14	(9)
Prepaid taxes and other current assets	(6)	(3)	2
Accounts payable	(22)	47	(68)
Accrued taxes	12	5	5
Accrued interest	(1)	(2)	7
Other current liabilities	(10)	(4)	(36)
Employee benefit plan funding and related payments	(1)	(1)	(1)
Other	13	12	1
Net cash provided from operating activities	512	395	242
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital investments	(423)	(402)	(336)
Loans to affiliated companies, net	16	161	(177)
Asset removal costs	(34)	(27)	(20)
Other	(2)	—	(1)
Net cash used for investing activities	(443)	(268)	(534)
CASH FLOWS FROM FINANCING ACTIVITIES:			
New financing-			
Long-term debt	—	—	400
Short-term borrowings - affiliated companies, net	7	275	—
Redemptions and repayments-			
Long-term debt	(24)	(422)	(22)
Short-term borrowings - affiliated companies, net	—	—	(42)
Equity contribution from parent	—	200	—
Common stock dividend payments	(30)	(200)	(40)
Other	(1)	—	(4)
Net cash provided from (used for) financing activities	(48)	(147)	292
Net change in cash, cash equivalents, and restricted cash	21	(20)	—
Cash, cash equivalents, and restricted cash at beginning of period	20	40	40
Cash, cash equivalents, and restricted cash at end of period	\$ 41	\$ 20	\$ 40
SUPPLEMENTAL CASH FLOW INFORMATION:			
Cash paid (received) during the year:			
Interest (net of amounts capitalized)	\$ 91	\$ 94	\$ 83
Income taxes, net of refunds	\$ 7	\$ (36)	\$ (1)
Significant non-cash transactions:			
Accrued capital investments	\$ 27	\$ 31	\$ 18

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

<u>Note Number</u>		<u>Page Number</u>
1.	Organization and Basis of Presentation	7
2.	Revenue	13
3.	Pension and Other Postemployment Benefits	15
4.	Taxes	16
5.	Leases	19
6.	Intangible Assets	21
7.	Fair Value Measurements	22
8.	Variable Interest Entity	23
9.	Capitalization	24
10.	Short-Term Borrowings and Bank Lines of Credit	25
11.	Asset Retirement Obligations	26
12.	Regulatory Matters	26
13.	Commitments, Guarantees and Contingencies	29
14.	Transactions with Affiliated Companies	34

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND BASIS OF PRESENTATION

Unless otherwise indicated, defined terms and abbreviations used herein have the meanings set forth in the accompanying Glossary of Terms.

MP, together with its consolidated subsidiaries, is a wholly owned subsidiary of FE and is incorporated in Ohio. MP owns property and does business as an electric public utility in West Virginia, providing distribution services to approximately 0.4 million customers, as well as generation and transmission services in northern West Virginia. MP has 968 employees and serves an area with a population of approximately 0.8 million. MP is contractually obligated to provide power to PE to meet its load obligations in West Virginia. MP owns or contractually controls 3,610 MWs of net maximum generation capacity that is supplied to its electric utility business, including 30 MWs of Solar generation and 487 MWs of pumped-storage hydroelectric generation from its 16.25% undivided interest in the Bath County facility in Virginia through its wholly owned subsidiary AGC. MP plans, operates, and maintains its transmission system in accordance with NERC reliability standards, and other applicable regulatory requirements. In addition, MP complies with the regulations, orders, policies and practices prescribed by FERC and the WVPS.

The preparation of financial statements in conformity with GAAP requires management to make periodic estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. Actual results could differ from these estimates. The reported results of operations are not necessarily indicative of results of operations for any future period. MP has evaluated events and transactions for potential recognition or disclosure through April 9, 2026, the date the financial statements were issued.

Certain prior year amounts have been reclassified to conform to the current year presentation.

Economic Conditions

While supply lead times have not fully returned to levels prior to the COVID-19 pandemic, MP continues to monitor the situation in light of demand increases across the industry, including due to data center usage, and the imposition of tariffs and retaliatory tariffs that have been, and may be, imposed by the U.S. government in response. MP continues to implement mitigation strategies to address supply constraints and does not expect any corresponding service disruptions or any material impact on its capital investment plan. However, the situation remains fluid, and a prolonged continuation or further increase in demand, or the continuation of uncertain or adverse macroeconomic conditions, including inflationary pressures and new or increased existing tariffs, could lead to an increase in supply chain disruptions that could, in turn, have an adverse effect on MP's results of operations, cash flow and financial condition.

The U.S. presidential administration has imposed widespread and substantial tariffs on imports, with additional tariffs to potentially be adopted in the future. The imposition of these or any other new or increased tariffs or resultant trade wars, and uncertainties associated with the same, could have an adverse effect on MP's results of operations, cash flow and financial condition.

Revision of Previously Issued Financial Statements

MP has revised previously issued financial statements for errors identified in 2023 and 2024 primarily related to 1) the exclusion of approximately \$11.5 million of vegetation management costs from the revenue requirement calculation resulting in an understatement of revenue related to 2023, and 2) the correction of a \$9 million valuation allowance on state NOL carryforwards related to 2022. MP evaluated the errors, and the specific impact on each affected prior periods and determined the errors were not material. In connection with the revision of previously issued statements, MP also corrected certain other previously identified immaterial errors.

As discussed above, the identified errors impacted MP's previously issued 2023 and 2024 annual financial statements. As such, MP has revised the previously issued Consolidated Statements of Income, Consolidated Statement of Cash Flows and Consolidated Statements of Common Stockholder's Equity for the annual periods ended December 31, 2024 and 2023 as well as the Consolidated Balance Sheets as of December 31, 2024 and any applicable footnote disclosures.

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Consolidated Statements of Income

<i>(In millions)</i>	For the Year Ended December 31, 2024			For the Year Ended December 31, 2023		
	As Reported	Adjustment	As Revised	As Reported	Adjustment	As Revised
Total revenues	\$ 1,722	\$ (11)	\$ 1,711	\$ 1,572	\$ 11	\$ 1,583
Other operating expenses	461	(1)	460	414	(1)	413
Total operating expenses	1,387	(1)	1,386	1,385	(1)	1,384
Operating income	335	(10)	325	187	12	199
Income before income taxes (benefits)	262	(10)	252	107	12	119
Income taxes (benefits)	45	(3)	42	(9)	12	3
Net income	217	(7)	210	116	—	116

Consolidated Balance Sheets

<i>(In millions)</i>	As of December 31, 2024		
	As Reported	Adjustment	As Revised
PP&E - In service	\$ 5,761	\$ 2	\$ 5,763
PP&E Excluding CWIP	4,699	2	4,701
Total PP&E	4,977	2	4,979
Total assets	5,685	2	5,687
Retained earnings	345	2	347
Total common stockholder's equity	1,911	2	1,913

Consolidated Statements of Common Stockholder's Equity

<i>(In millions)</i>	For the Years Ended December 31, 2024 and 2023		
	As Reported	Adjustment	As Revised
Balance, January 1, 2023	\$ 1,611	\$ 9	\$ 1,620
Net income	116	—	116
Balance, December 31, 2023	1,690	9	1,699
Net income	217	(7)	210
Balance, December 31, 2024	1,911	2	1,913

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Consolidated Statements of Cash Flows

<i>(In millions)</i>	For the Year Ended December 31, 2024			For the Year Ended December 31, 2023		
	As Reported	Adjustment	As Revised	As Reported	Adjustment	As Revised
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net income	\$ 217	\$ (7)	\$ 210	\$ 116	\$ —	\$ 116
Adjustments to reconcile net income to net cash from operating activities-						
Deferred income taxes and investment tax credits, net	96	(3)	93	(21)	12	(9)
Transmission revenue collections, net	(32)	11	(21)	11	(11)	—
Net cash provided from operating activities	394	1	395	241	1	242
CASH FLOWS FROM INVESTING ACTIVITIES:						
Capital investments	\$ (401)	\$ (1)	\$ (402)	\$ (335)	\$ (1)	\$ (336)
Net cash used for investing activities	(267)	(1)	(268)	(533)	(1)	(534)
Net change in cash, cash equivalents, and restricted cash	\$ (20)	\$ —	\$ (20)	\$ —	\$ —	\$ —

DERIVATIVES

MP may use various market risk sensitive instruments, including derivative contracts, primarily to manage the risk of price and interest rate fluctuations. FirstEnergy's Enterprise Risk Management Committee, comprised of members of senior management, provides general oversight for risk management activities of MP, including market risk.

MP accounts for derivative instruments on its Consolidated Balance Sheets at fair value unless they meet the normal purchases and normal sales criteria. Derivative instruments meeting the normal purchases and normal sales criteria are accounted for under the accrual method of accounting with their effects included in earnings at the time of contract performance.

INVENTORY

Materials and supplies inventory includes emission allowances of \$2 million, fuel inventory of \$137 million and distribution, transmission and electric generation facility materials including reagents of \$42 million as of December 31, 2025. Materials charged to inventory are at weighted average cost when purchased and expensed or capitalized, as appropriate, when used or installed. Fuel inventory is accounted for at weighted average cost when purchased and recorded to fuel expense when consumed.

Emission allowances are accounted for as inventory at cost when purchased. MP's emission allowance compliance obligation, principally associated with MP's electric generation facility operations, is accrued to fuel expense at a weighted average cost based on each month's emissions. When emission allowances are submitted to the EPA, inventory and the compliance obligation are reduced. Due to the ENEC, fuel, emission allowances and other fuel-related expenses have no material impact on current period earnings.

MP has coal contracts with various terms to purchase approximately seven tons of coal for the year 2026, which, along with its 2025 year-end inventory levels, accounts for all of its forecasted 2026 coal requirements. MP has the ability to acquire additional tonnage through options available in its current contracts, as well as purchases through the spot market. The contracts expire at various times through 2030. This contracted coal is produced primarily from mines located in Pennsylvania and West Virginia. In order to meet emission requirements, MP holds contracts for a variety of reagents expiring at various times through 2031, as well as the ability to purchase additional reagents through the spot market. Additionally, MP is granted emission allowances by the EPA and purchases additional allowances as needed to meet emission requirements.

ACCOUNTING FOR THE EFFECTS OF REGULATION

MP is subject to regulation that sets the prices (rates) that it is permitted to charge customers based on costs that the regulatory agencies determine are permitted to be recovered. At times, regulatory agencies permit the future recovery of costs that would be currently charged to expense by an unregulated company. The ratemaking process results in the recording of regulatory assets and liabilities based on anticipated future cash inflows and outflows.

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

MP reviews the probability of recovery of regulatory assets, and settlement of regulatory liabilities, at each balance sheet date and whenever new events occur. Factors that may affect probability include changes in the regulatory environment, issuance of a regulatory commission order, or passage of new legislation. Upon material changes to these factors, where applicable, MP will record new regulatory assets or liabilities and will assess whether it is probable that currently recorded regulatory assets and liabilities will be recovered or settled in future rates. If recovery of a regulatory asset is no longer probable, MP will write off that regulatory asset as a charge against earnings. MP considers the entire regulatory asset balance as the unit of account for the purposes of balance sheet classification rather than the next years recovery and as such net regulatory assets and liabilities are presented in the noncurrent section on MP's Consolidated Balance Sheets. See Note 12., "Regulatory Matters," of the Notes to Consolidated Financial Statements for additional information.

The following table provides information about the composition of net regulatory assets and liabilities as of December 31, 2025 and December 31, 2024, and the changes during the year ended December 31, 2025:

Net Regulatory Assets (Liabilities) by Source	As of December 31,		Change
	2025	2024	
	<i>(In millions)</i>		
Asset removal costs	\$ (221)	\$ (226)	\$ 5
Customer payables for future income taxes	(242)	(262)	20
Energy contract fair value	(47)	(53)	6
Deferred transmission costs	8	6	2
Deferred generation costs	21	85	(64)
Storm-related costs	40	38	2
Reclassified corporate support costs	39	41	(2)
Vegetation management costs	114	89	25
Other	(33)	(17)	(16)
Net Regulatory Liabilities included on MP's Consolidated Balance Sheets	<u>\$ (321)</u>	<u>\$ (299)</u>	<u>\$ (22)</u>

The following is a description of the regulatory assets and liabilities described above:

Asset removal costs - Reflects amounts to be recovered or refunded through future rates to pay for the cost of activities to remove assets, including obligations for which an ARO has been recognized, that are expected to be incurred at the time of retirement.

Customer payables for future income taxes - Reflects amounts to be recovered or refunded through future rates to pay income taxes that become payable when rate revenue is provided to recover items such as AFUDC-equity and depreciation of PP&E for which deferred income taxes were not recognized for ratemaking purposes, including amounts attributable to federal and state tax rate changes such as the TCJA. These amounts are being amortized over the period in which the related deferred tax assets reverse, which is generally over the expected life of the underlying asset.

Energy contract fair value - Reflects the purchase accounting adjustment for certain contracts recorded during the merger of FirstEnergy and Allegheny Energy, which is amortized over the life of the respective contract.

Deferred transmission costs - Reflects differences between revenues earned based on actual costs for MP's formula transmission rate and the amounts billed, which amounts are recorded as a regulatory asset or liability and recovered or refunded, respectively, in subsequent periods.

Deferred generation costs - Relates to the ENEC at MP. MP recovers net power supply costs, including fuel costs, purchased power costs and related expenses, net of related market sales revenue through the ENEC. Generally, the ENEC rate is updated annually.

Storm-related costs - Relates to the recovery of storm costs, of which, \$24 million and \$31 million is currently being recovered through rates as of December 31, 2025 and 2024, respectively.

Reclassified corporate support costs - Relates to certain corporate overhead costs that were reclassified from capital accounts and are currently being recovered through rates as a regulatory asset due to the FERC audit described below.

Vegetation management costs - Relates to regulatory assets associated with the recovery of certain distribution and transmission vegetation management costs in West Virginia.

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The following table provides information about the composition of net regulatory assets that do not earn a current return as of December 31, 2025 and 2024, of which approximately \$63 million and \$59 million, respectively, are currently being recovered through rates over varying periods depending on the nature of the deferral:

Regulatory Assets by Source Not Earning a Current Return	As of December 31,		Change
	2025	2024	
	<i>(In millions)</i>		
Storm-related costs	\$ 40	\$ 38	\$ 2
Reclassified corporate support costs	39	41	(2)
Vegetation management costs	3	6	(3)
Other	2	3	(1)
Regulatory Assets Not Earning a Current Return ⁽¹⁾	<u>\$ 84</u>	<u>\$ 88</u>	<u>\$ (4)</u>

⁽¹⁾ Amounts have been corrected to include \$6 million of regulatory assets that do not earn a current return as December 31, 2024 that were not previously disclosed. The correction was not material to the previously issued financial statements.

PROPERTY, PLANT AND EQUIPMENT

PP&E reflects original cost (net of any impairments recognized), including payroll and related costs such as taxes, employee benefits, administrative and general costs, and financing costs incurred to place the assets in service. The costs of normal maintenance, repairs and minor replacements are expensed as incurred. Liabilities for planned major maintenance projects are recognized as they are incurred.

PP&E balances as of December 31, 2025 and 2024, were as follows:

	In Service	Accumulated Depreciation	Net Plant	CWIP	Total	Useful Service Life
	<i>(In millions)</i>					
	<i>(years)</i>					
December 31, 2025	\$ 6,249	\$ 1,206	\$ 5,043	\$ 181	\$ 5,224	5 - 80
December 31, 2024 ⁽¹⁾	\$ 5,763	\$ 1,062	\$ 4,701	\$ 278	\$ 4,979	5 - 80

⁽¹⁾ Previously issued amounts have been revised due to the correction of immaterial errors as discussed in Note 1., "Organization and Basis of Presentation," of the Notes to Consolidated Financial Statements.

MP provides for depreciation on a straight-line basis at various rates over the estimated lives of property included in plant in service. Depreciation expense was approximately 2.8%, 2.7%, 2.4% of average depreciable property in 2025, 2024 and 2023, respectively.

For the years ended December 31, 2025, 2024 and 2023, capitalized financing costs on MP's Consolidated Statements of Income include \$2 million, \$2 million and \$4 million, respectively, of allowance for equity funds used during construction and \$10 million, \$11 million and \$6 million, respectively, of capitalized interest.

Long-lived assets classified as held and used are evaluated for impairment when events or changes in circumstances indicate that the carrying value of the long-lived assets may not be recoverable. First, the estimated undiscounted future cash flows attributable to the assets is compared with the carrying value of the assets. If the carrying value is greater than the undiscounted future cash flows, an impairment charge is recognized equal to the amount the carrying value of the assets exceeds its estimated fair value.

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As of December 31, 2025, MP controlled approximately 3,610 MWs of generation capacity as shown in the following table:

Electric Generation Facilities	Type	Generation Capacity (MWs)	Net Generation (Thousand MWhs)⁽³⁾
Harrison Power Station (Haywood, WV)	Coal	1,984	10,755
Fort Martin Power Station (Maidsville, WV)	Coal	1,098	6,131
OVEC (Cheshire, OH) (Madison, IN) ⁽¹⁾	Coal	11	55
Bath County Pumped Storage Station (Warm Springs, VA) ⁽²⁾	Pumped Storage Hydro	487	710
Fort Martin Solar (Maidsville, WV)	Solar	19	25
Rivesville Solar (Rivesville, WV)	Solar	5	8
Marlowe Solar (Marlowe, WV)	Solar	6	8
		3,610	17,692

⁽¹⁾ Represents MP's 0.49% entitlement based on its participation in OVEC.

⁽²⁾ Represents AGC's 16.25% undivided interest in Bath County. The station is operated by VEPCO.

⁽³⁾ Each facility is net of station use, except for Bath County, which is shown gross of pumping usage.

MP and PE are constructing 50 MWs of solar generation at five sites in West Virginia. The WVPSC approved the construction of three of the five solar sites. Two of the five solar generation sites, Rivesville Solar and Fort Martin Solar, went into service in 2024, and the third, Marlowe Solar, went into service in April 2025, representing a total of 30 MWs of generation capacity.

On October 1, 2025, MP and PE filed their integrated resource plan with the WVPSC, which contemplated the addition of 70 MWs of solar generation by 2028, and 1,200 MWs of natural gas combined cycle generation by 2031 and on February 13, 2026, MP and PE filed a request for a CPCN with the WVPSC to construct and operate the same. See Note 12., "Regulatory Matters," for additional information.

JOINTLY-OWNED GENERATION FACILITY

As noted above, AGC owns an undivided 16.25% interest (487 MWs) in a 3,003 MW pumped storage, hydroelectric station in Bath County, Virginia, operated by the 60% owner, VEPCO, a non-affiliated utility. Property, plant and equipment includes \$142 million, representing AGC's share in this facility as of December 31, 2025. AGC is obligated to pay its share of the costs of this jointly-owned facility in the same proportion as its ownership interest using its own financing. AGC provides the generation capacity from this facility to its owner, MP.

SECURITIZATION REVENUE

In April 2007 and December 2009, MP Environmental Funding LLC, an indirect subsidiary of MP, and PE Environmental Funding LLC, an indirect subsidiary of PE, issued environmental control bonds. These bonds securitize the right to collect an environmental control surcharge that MP and PE impose on their retail customers in West Virginia. PE contributed its net bond proceeds from its issuances of these bonds to MP as a prepayment for power, with MP recording the receipt of the proceeds as unearned revenue. The carrying amounts of unearned revenue included in "Purchased power liability" on MP's Consolidated Balance Sheets as of December 31, 2025 and 2024, were \$39 million and \$41 million, respectively. Also included on the MP Balance Sheets as of December 31, 2025 and 2024 is \$4 million and \$6 million in other current liabilities. This securitization revenue is recognized to the same extent that MP depreciates the portion of the scrubber fixed assets financed by PE's bonds.

SEGMENT INFORMATION

MP has one operating segment, which is the entire entity. MP's Consolidated Statements of Income are consistent with the internal financial reports used by MP's President, its CODM. MP's CODM uses net income to regularly assess performance and considers actual versus budget variances to make operating decisions and allocate resources. MP considers Other operating expenses, Provision for depreciation, Interest expense and Income taxes to be significant expense.

NEW ACCOUNTING PRONOUNCEMENTS

Recently Adopted Pronouncements - ASU 2023-09, "Income taxes (Topic 280): Improvements to Income Tax Disclosures" (Issued in December 2023): ASU 2023-09 enhances disclosures primarily related to existing rate reconciliation and income taxes paid information to help investors better assess how a company's operations and related tax risks and tax planning and operational opportunities affect the tax rate and prospects for future cash flows. Disclosure requirements include a tabular reconciliation using both percentages and amounts, separated out into specific categories with certain reconciling items at or above 5% of the statutory tax as well as by nature and/or jurisdiction. In addition, entities will be required to disclose income taxes paid (net of refunds received), broken out between federal, state/local and foreign, and amounts paid to an individual jurisdiction when 5% or more of the total income taxes are paid to such jurisdiction. ASU 2023-09 was adopted as of December 31, 2025, see Note 4., "Taxes," of the Notes to Consolidated Financial Statements for the applicable disclosures, which are

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

provided for all periods presented.

Recently Issued Pronouncements - The following new authoritative accounting guidance issued by the FASB has not yet been adopted. Unless otherwise indicated, such guidance is currently being assessed for the impact it may have on the financial statements and disclosures, as well as the potential to early adopt where applicable. Management has assessed other FASB issuances of new standards not described below based upon the current expectation that such new standards will not significantly impact the financial statements.

ASU 2024-03, "*Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)*" (Issued in November 2024 and subsequently updated within ASU 2025-01): ASU 2024-03 requires disaggregated disclosure of income statement expenses for public business entities. The ASU does not change the expense captions an entity presents on the face of the income statement; rather, it requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. ASU 2024-03 is effective for the year ended December 31, 2027, with early adoption permitted. The guidance is permitted to be applied prospectively, and comparative disclosures are not required for reporting periods beginning before the effective date. Entities can elect to apply the new standard retrospectively to any or all prior periods presented in the financial statements.

ASU 2025-06, "*Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*" (Issued in September 2025): ASU 2025-06 amends the existing standard that refers to various stages of a software development project to align better with current software development methods, such as agile programming. Under the new standard, entities will start capitalizing eligible costs when (1) management has authorized and committed to funding the software project, and (2) it is probable that the project will be completed and the software will be used to perform the function intended. In evaluating whether it is probable the project will be completed, an entity is required to consider whether there is significant uncertainty associated with the development activities of the software. ASU 2025-06 is effective beginning with the financials for the first quarter of 2028. The guidance is permitted to be applied using a prospective, retrospective or modified transition approach. Early adoption is permitted.

ASU 2025-10, "*Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities*" (Issued in December 2025): ASU 2025-10 establishes authoritative guidance for the recognition, measurement, presentation, and disclosure of government grants received by business entities. ASU 2025-10 requires that a government grant be recognized when it is probable that the entity will comply with the conditions of the grant and that the grant will be received and permits two approaches for asset related grants: (1) the cost reduction method (reduce the carrying amount of the asset) and (2) deferred income method (recognize income over the useful life of the asset). Income-related grants are recognized systematically in income as the related costs are incurred. ASU 2025-10 is effective beginning with financials for the first quarter of 2029, with early adoption permitted. The guidance is permitted to be applied using a modified prospective, modified retrospective or full retrospective approach.

2. REVENUE

MP accounts for revenues from contracts with customers under ASC 606, Revenue from Contracts with Customers. Revenue from leases, financial instruments, other contractual rights or obligations and other revenues that are not from contracts with customers are outside the scope of the standard and accounted for under other existing GAAP. MP has elected to exclude sales taxes and other similar taxes collected on behalf of third parties from revenue as prescribed in the new standard. As a result, tax collections and remittances within the scope of this election are excluded from recognition in the income statement and instead recorded through the balance sheet. Gross receipts taxes that are assessed on MP are not subject to the election and are included in revenue. MP has elected the optional invoice practical expedient for most of its revenues and utilizes the optional short-term contract exemption for transmission revenues due to the annual establishment of revenue requirements, which eliminates the need to provide certain revenue disclosures regarding unsatisfied performance obligations.

MP's principal business is providing electric service to customers in West Virginia. MP's distribution customers are metered on a cycle basis. An estimate of unbilled revenues is calculated to recognize electric service provided from the last meter reading through the end of the month. This estimate includes many factors, among which are historical customer usage, load profiles, estimated weather impacts, and prices in effect for each class of customer. In each accounting period, MP accrues the estimated unbilled amount as revenue and reverses the related prior period estimate. Customer payments are generally due within 30 days. Retail generation sales relate to generation sales in West Virginia that are regulated by the WVPSC.

MP earns revenue from state-regulated rate tariffs under which it provides distribution services to residential, commercial and industrial customers in its service territory. MP is obligated under the regulated construct to deliver power to customers reliably, as it is needed, which creates an implied monthly contract with the end-use customer. See Note 12., "Regulatory Matters," for additional information on rate recovery mechanisms. Distribution and electric revenues are recognized over time as electricity is distributed and delivered to the customer and the customers consume the electricity immediately as delivery occurs.

Retail generation sales relate to generation sales in West Virginia that are regulated by the WVPSC. Retail generation revenues are recognized over time as electricity is delivered and consumed immediately by the customer.

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Wholesale sales primarily consist of generation and capacity sales into the PJM market. MP may also purchase power from PJM to supply power to its customers. Generally, these power sales from generation and purchases to serve load are netted hourly and reported gross as either revenues or purchased power on the statements of income based on whether the entity was a net seller or buyer each hour. Capacity revenues are recognized ratably over the PJM planning year at prices cleared in the annual PJM Reliability Pricing Model BRA and Incremental Auctions. Capacity purchases and sales through PJM capacity auctions are reported within revenues on the Income Statement. Certain capacity income (bonuses) and charges (penalties) related to the availability of units that have cleared in the auctions are unknown and not recorded in revenue until, and unless, they occur.

MP provides transmission infrastructure owned and operated by MP to transmit electricity from generation sources to distribution facilities. Revenue requirements under forward-looking formula rates are updated annually based on a projected rate base and projected costs, which is subject to an annual true-up based on rate base and actual costs. Revenues and cash receipts for the stand-ready obligation of providing transmission service are recognized ratably over time.

The following tables represents a disaggregation of revenue from contracts with customers for the years ended December 31, 2025, 2024 and 2023 by type of service:

Revenues by Type of Service	For the Years Ended December 31,		
	2025	2024	2023
	<i>(In millions)</i>		
Distribution services and retail generation			
Residential	\$ 518	\$ 487	\$ 418
Commercial	367	348	289
Industrial	429	414	393
Street lighting	5	5	4
Wholesale sales	367	137	196
Transmission ⁽¹⁾	96	71	57
Other	(6)	4	5
Total revenues from contracts with customers	\$ 1,776	\$ 1,466	\$ 1,362
Other revenue unrelated to contracts with customers ⁽²⁾	290	245	221
Total revenues	<u>\$ 2,066</u>	<u>\$ 1,711</u>	<u>\$ 1,583</u>

⁽¹⁾ Previously issued 2024 and 2023 amounts have been revised due to the correction of immaterial errors as discussed in Note 1., "Organization and Basis of Presentation," of the Notes to Consolidated Financial Statements.

⁽²⁾ Includes revenues from derivatives and lease revenues from PE associated with an agreement to provide power required for default service requirements.

RECEIVABLES

Billed and unbilled customer receivables as of December 31, 2025 and 2024, are included below:

Customer Receivables	December 31, 2025	December 31, 2024
	<i>(In millions)</i>	
Billed	\$ 81	\$ 92
Unbilled	85	86
	166	178
Less: Uncollectible Reserve	3	2
Total Customer Receivables	<u>\$ 163</u>	<u>\$ 176</u>

The allowance for uncollectible customer receivables is based on historical loss information comprised of a rolling 36-month average net write-off percentage of revenues, in conjunction with a qualitative assessment of elements that impact the collectability of receivables to determine if allowances for uncollectible customer receivables should be further adjusted in accordance with the accounting guidance for credit losses.

The allowance for uncollectible customer receivables is reviewed utilizing a quantitative and qualitative assessment. Management contemplates available current information such as changes in economic factors, regulatory matters, industry trends, customer credit factors, amount of receivable balances that are past-due, payment options and programs available to customers, and the methods that are able to be utilized to ensure payment.

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Other receivables include PJM receivables resulting from transmission sales. Management believes MP's uncollectible risk on PJM receivables is minimal due to the nature of PJM's settlement process whereby members of PJM legally agree to share the cost of defaults and as a result there is no allowance for doubtful accounts.

Activity in the allowance for uncollectible accounts on receivables for the years ended December 31, 2025, 2024 and 2023 are as follows:

<i>(In millions)</i>	2025	2024	2023
Customer Receivables:			
Beginning of year balance	\$ 2	\$ 2	\$ 9
Charged to income ⁽¹⁾	4	5	(3)
Charged to other accounts ⁽²⁾	2	1	1
Write-offs	(5)	(6)	(5)
End of year balance	<u>\$ 3</u>	<u>\$ 2</u>	<u>\$ 2</u>

⁽¹⁾ Customer receivable amounts charged to income include approximately \$6 million deferred for future refund for the year ended December 31, 2023.

⁽²⁾ Represents recoveries and reinstatements of accounts previously written off for uncollectible accounts.

3. PENSION AND OTHER POSTEMPLOYMENT BENEFITS

FirstEnergy provides qualified benefit plans (the FirstEnergy Master Pension Plan and the FirstEnergy Welfare Plan) that cover substantially all employees and non-qualified defined benefit plans that cover certain employees, including employees of MP. FirstEnergy's pension and OPEB plans are neither multiemployer nor multiple-employer plans.

The pension plans provide defined benefits based on years of service and compensation levels. Under the cash-balance portion of the pension plan (for employees hired on or after January 1, 2014), FirstEnergy credits amounts to eligible employee notional cash-balance accounts based on a pay credit and an interest credit.

In addition, FirstEnergy provides a minimum amount of noncontributory life insurance to retired employees in addition to optional contributory insurance to a closed group of retired employees. Health care benefits, which include certain employee contributions, deductibles and co-payments, are also available upon retirement to certain employees, their dependents and, under certain circumstances, their survivors. FirstEnergy also has obligations to former or inactive employees after employment, but before retirement, for disability-related benefits.

MP recognizes its allocated portion of the expected cost of providing pension and OPEB to employees and their beneficiaries and covered dependents from the time employees are hired until they become eligible to receive those benefits. MP also recognizes its allocated portion of obligations to former or inactive employees after employment, but before retirement, for disability-related benefits.

MP's net periodic benefit costs (credits) for pension and OPEB were as follows:

For the Years Ended December 31,	Pension			OPEB		
	2025	2024	2023	2025	2024	2023
	<i>(In millions)</i>					
MP's share of net periodic benefit credits ⁽¹⁾⁽²⁾	\$ (13)	\$ (1)	\$ —	\$ (3)	\$ (4)	\$ (2)
Allocated net periodic benefit costs from affiliates ⁽¹⁾⁽³⁾	\$ (5)	\$ 8	\$ 23	\$ 1	\$ (1)	\$ 1

⁽¹⁾ Includes amounts capitalized.

⁽²⁾ Includes MP's pension and OPEB mark-to-market adjustment gain of \$14 million, \$4 million and \$2 million for the years ended December 31, 2025, 2024 and 2023, respectively.

⁽³⁾ Included in these net periodic benefit costs/(credits) from its affiliates are \$10 million, \$(3) million and \$(16) million of mark-to-market adjustment gain (loss), for the years ended December 31, 2025, 2024 and 2023, respectively.

Summary of Plan Status

As of December 31, (In millions)	Pension		OPEB	
	2025	2024	2025	2024
MP's share of FirstEnergy funded status ⁽¹⁾	\$ 12	\$ (1)	\$ 13	\$ 10

⁽¹⁾ Excludes \$89 million and \$99 million as of December 31, 2025 and 2024, respectively, of affiliated noncurrent liabilities included within "Other" noncurrent liabilities on MP's Consolidated Balance Sheets related to pension and OPEB mark-to-market costs allocated to MP and amounts associated with a reallocation of OPEB assets among certain FirstEnergy companies in 2022.

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Pension and OPEB costs are affected by employee demographics (including age, compensation levels and employment periods), the level of contributions made to the plans and earnings on plan assets. Pension and OPEB costs may also be affected by changes in key assumptions, including anticipated rates of return on plan assets, the discount rates and health care trend rates used in determining the projected benefit obligations for pension and OPEB costs. FirstEnergy uses a December 31 measurement date for its pension and OPEB plans or whenever a plan is determined to qualify for a remeasurement. The fair value of the plan assets represents the actual market value as of the measurement date.

Net Periodic Benefit Costs (Credits) - In addition to service costs, interest on obligations, expected return on plan assets, and prior service costs, FirstEnergy recognizes in net periodic benefit costs a pension and OPEB mark-to-market adjustment for the change in the fair value of plan assets and net actuarial gains and losses annually in the fourth quarter of each fiscal year and whenever a plan is determined to qualify for a remeasurement. Service costs, net of capitalization, are reported within Other operating expenses. Non-service costs, other than the pension and OPEB mark-to-market adjustment, which is separately shown, are reported within Miscellaneous income, net, within Other Income (Expense).

Discount Rate - In selecting an assumed discount rate, FirstEnergy considers currently available rates of return on high-quality fixed income investments expected to be available during the period to maturity of the pension and OPEB obligations. The assumed rates of return on plan assets consider historical market returns and economic forecasts for the types of investments held by FirstEnergy's pension trusts. The long-term rate of return is developed considering the portfolio's asset allocation strategy. FirstEnergy utilizes a spot rate approach in the estimation of the components of benefit cost by applying specific spot rates along the full yield curve to the relevant projected cash flows. The discount rate for pension obligations was 5.59% and 5.72% as of December 31, 2025 and 2024, respectively. The discount rate for OPEB obligations was 5.37% and 5.60% as of December 31, 2025 and 2024, respectively.

Expected Return on Plan Assets - The expected return on pension and OPEB assets is based on input from investment consultants, including the trusts' asset allocation targets, the historical performance of risk-based and fixed income securities and other factors. The gains or losses generated as a result of the difference between expected and actual returns on plan assets is recognized as a pension and OPEB mark-to-market adjustment in the fourth quarter of each fiscal year and whenever a plan is determined to qualify for remeasurement. The expected return on pension plan assets was 8.50% and 8.00% for 2025 and 2024, respectively. The expected return on OPEB assets was 7.00% in 2025 and 2024.

4. TAXES

MP records income taxes in accordance with the liability method of accounting. Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts recognized for tax purposes. Investment tax credits, which were deferred when utilized, are being amortized over the recovery period of the related property. Deferred income tax liabilities related to temporary tax and accounting basis differences and tax credit carryforward items are recognized at the statutory income tax rates in effect when the liabilities are expected to be paid. Deferred tax assets are recognized based on income tax rates expected to be in effect when they are settled.

MP's consolidated financial statements include its allocated amount of current and deferred tax expense for all years presented. For federal income tax purposes, MP files as a member of the FirstEnergy consolidated group. MP is party to an intercompany income tax allocation agreement with FirstEnergy that provides for the allocation of consolidated tax liabilities.

On July 4, 2025, President Trump signed into law the OBBBA, which, among other things, makes permanent certain corporate tax incentives that were set to expire in the TCJA, and terminates tax credits for most wind and solar projects placed in service after 2027. Many of the provisions of the TCJA will be continued under the OBBBA, which are not expected to materially impact MP, however, MP is evaluating potential impacts the tax credit provisions may have on MP's proposed construction of solar generation facilities, as discussed in Note 12., "Regulatory Matters."

While FirstEnergy continues to believe, more likely than not, it will be subject to corporate AMT, additional IRS guidance issued on February 18, 2026, provides certain tax repair deductions in calculating corporate AMT, which may reduce or otherwise significantly change FirstEnergy's AMT estimates or its conclusions as to whether it is an AMT payer. MP is party to an intercompany income tax allocation agreement with FirstEnergy and, accordingly, may be allocated a share of any corporate AMT paid by the FirstEnergy consolidated tax group. FirstEnergy continues to evaluate this most recent AMT guidance, as well as prior guidance issued by the U.S. Treasury and/or IRS. Any adverse developments concerning corporate AMT liability, including guidance from the U.S. Treasury and/or the IRS or unfavorable regulatory treatment by FERC and/or applicable state regulatory authorities, could negatively impact MP's cash flows, results of operations and financial condition.

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The following table provides the composite of income taxes for the years ended 2025, 2024 and 2023:

INCOME TAXES (BENEFITS):	For the Years Ended December 31,		
	2025	2024 ⁽¹⁾	2023 ⁽¹⁾
	<i>(In millions)</i>		
Currently payable (receivable) -			
Federal	\$ 16	\$ (56)	\$ 7
State	8	5	5
	<u>24</u>	<u>(51)</u>	<u>12</u>
Deferred, net -			
Federal	20	75	19
State	5	20	(27)
	<u>25</u>	<u>95</u>	<u>(8)</u>
Investment tax credit amortization	(2)	(2)	(1)
Total income taxes (benefits)	<u>\$ 47</u>	<u>\$ 42</u>	<u>\$ 3</u>

⁽¹⁾ Previously issued amounts have been revised due to the correction of immaterial errors as discussed in Note 1., "Organization and Basis of Presentation," of the Notes to Consolidated Financial Statements.

MP's tax rates are affected by permanent items, such as AFUDC equity and other flow-through items, as well as discrete items that may occur in any given period but are not consistent from period to period. The following table provides a reconciliation of federal income tax expense at the federal statutory rate to the total income taxes for the years ended December 31, 2025, 2024 and 2023:

<i>(In millions)</i>	For the Years Ended December 31,					
	2025		2024 ⁽⁴⁾		2023 ⁽⁴⁾	
	Amount	%	Amount	%	Amount	%
Income before income taxes	<u>\$ 219</u>		<u>\$ 252</u>		<u>\$ 119</u>	
Federal statutory income tax	\$ 46	21.0 %	\$ 53	21.0 %	\$ 25	21.0 %
Federal:						
Tax credits	(3)	(1.4)%	(2)	(0.8)%	(1)	(0.8)%
Other -						
Excess deferred tax amortization	(9)	(4.1)%	(8)	(3.2)%	(4)	(3.4)%
Remeasurement of excess deferred income taxes	—	— %	(21)	(8.3)%	—	— %
Other	1	0.5 %	(1)	(0.4)%	(2)	(1.7)%
State income taxes, net of federal effect ^{(1) (2)}	12	5.5 %	21	8.3 %	(15)	(12.6)%
Total income taxes ⁽³⁾	<u>\$ 47</u>	<u>21.5 %</u>	<u>\$ 42</u>	<u>16.7 %</u>	<u>\$ 3</u>	<u>2.5 %</u>

⁽¹⁾ Valuation allowances have been established for certain state NOL carryforwards that reduce deferred tax assets to an amount that will be realized on a more-likely-than-not basis. The net change in the total valuation allowance is included in state income taxes, net of federal income tax effect, in the above table.

⁽²⁾ West Virginia makes up the majority of MP's respective domestic state income taxes, net of federal effect.

⁽³⁾ There were no amounts for the years ended December 31, 2025, 2024 or 2023 for MP related to nontaxable and nondeductible items, changes in valuation allowances, cross-border tax laws, changes in laws or rates, foreign tax effects, or changes in unrecognized tax benefits.

⁽⁴⁾ Previously issued amounts have been revised due to the correction of immaterial errors as discussed in Note 1., "Organization and Basis of Presentation," of the Notes to Consolidated Financial Statements.

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Accumulated deferred income taxes as of December 31, 2025 and 2024 were as follows:

<i>(In millions)</i>	As of December 31,	
	2025	2024 ⁽¹⁾
Property basis differences	\$ 755	\$ 717
Regulatory asset/liability	40	43
Purchase accounting adjustments	17	18
Postretirement benefits	(16)	(23)
Loss and credit carryforwards	(67)	(64)
Valuation allowances	38	39
Other	(1)	(2)
Accumulated deferred income tax liabilities, net	<u>\$ 766</u>	<u>\$ 728</u>

⁽¹⁾ Previously issued amounts have been revised due to the correction of immaterial errors as discussed in Note 1., "Organization and Basis of Presentation," of the Notes to Consolidated Financial Statements.

MP records as deferred income tax assets the effect of NOLs and tax credits that will more likely than not be realized through future operations and through the reversal of existing temporary differences. As of December 31, 2025, MP's loss carryforwards primarily consisted of \$35 million (\$7 million, net of tax) of federal NOL carryforwards, none of which have an expiration, but are subject to usage limitations in any single taxable year, and approximately \$1.1 billion (\$59 million, net of tax) of state NOL carryforwards, of which approximately \$401 million (\$21 million, net of tax) is expected to be utilized based on current estimates and assumptions prior to expiration, which will begin in 2029.

The following table summarizes the changes in valuation allowances on state deferred tax assets related to NOL carryforwards discussed above for the years ended December 31, 2025, 2024 and 2023:

<i>FirstEnergy (In millions)</i>	2025	2024	2023 ⁽¹⁾
Beginning of year balance	\$ 39	\$ 31	\$ 51
Charged to income	(1)	8	(20)
Charged to other accounts	—	—	—
Write-offs	—	—	—
End of year balance	<u>\$ 38</u>	<u>\$ 39</u>	<u>\$ 31</u>

⁽¹⁾ Previously issued amounts have been revised due to the correction of immaterial errors as discussed in Note 1., "Organization and Basis of Presentation," of the Notes to Consolidated Financial Statements.

MP accounts for uncertainty in income taxes recognized in its financial statements. A recognition threshold and measurement attribute are utilized for financial statement recognition and measurement of tax positions taken, or expected to be taken, on a company's tax return. As of December 31, 2025 and 2024, MP's total unrecognized income tax benefits were immaterial.

MP recognizes interest expense or income and penalties related to uncertain tax positions by applying the applicable statutory interest rate to the difference between the tax position recognized and the amount previously taken or expected to be taken on the income tax return. MP includes interest expense or income and penalties in the provision for income taxes. During 2025, MP recognized an immaterial amount of interest associated with its unrecognized tax benefits, and its cumulative net interest payable balance as of December 31, 2025, was also not material.

MP is party to the FirstEnergy consolidated group for federal income taxes, and as a result, is included in FirstEnergy's consolidated federal income tax returns, which for years 2022 and forward remain open to potential IRS examination. MP's state income tax returns remain open to potential examinations from 2022 and forward.

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Income taxes paid, net of refunds, for the years ended December 31, 2025, 2024 and 2023, are as follows:

<i>(In millions)</i>	For the Years Ended December 31,		
	2025	2024	2023
Federal payments (receipts) -			
Internal Revenue Service ⁽¹⁾	\$ 7	\$ (40)	\$ 3
Total Federal	7	(40)	3
State payments (receipts) -			
West Virginia	—	4	(4)
Total State & Municipal	—	4	(4)
Total Income Taxes Paid (net of Refunds)	\$ 7	\$ (36)	\$ (1)

⁽¹⁾ MP is party to the FirstEnergy consolidated group for federal income taxes and a related intercompany income tax allocation agreement. As a result, federal income tax payments and refunds are made to, or received from, FirstEnergy affiliates.

General Taxes

Details of general taxes for the years ended 2025, 2024 and 2023 are shown below:

<i>(In millions)</i>	For the Years Ended December 31,		
	2025	2024	2023
Gross receipts	\$ 10	\$ 9	\$ 8
Real and personal property	28	27	27
Business and occupation	15	20	12
Social security and unemployment	10	10	9
Total general taxes	\$ 63	\$ 66	\$ 56

5. LEASES

MP primarily leases vehicles as well as building space, office equipment, and other property and equipment under cancelable and noncancelable leases.

In 2024, MP entered into a lease agreement with its affiliate, AE Supply, for a term of 30 years that will be used for MP's Marlowe solar site, which may be extended for up to two additional successive periods of five years. Lease expense during the years ended December 31, 2025 and 2024 was immaterial.

MP also has an agreement to provide power to PE for its default service requirements. Lease revenue is based upon cost and as such is variable in nature. Revenue associated with this agreement was \$239 million, \$210 million and \$192 million in 2025, 2024 and 2023, respectively.

MP accounts for leases under, "*Leases (Topic 842)*". Leases with an initial term of 12 months or less are recognized as lease expense on a straight-line basis over the lease term and are not recorded on the balance sheet. Most leases include one or more, options to renew, with renewal terms that can extend the lease term from 1 to 40 years, and certain leases include options to terminate. The exercise of lease renewal options is at MP's sole discretion. Renewal options are included within the lease liability if they are reasonably certain based on various factors relative to the contract. Certain leases also include options to purchase the leased property. The depreciable life of leased assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. MP has elected a policy to not separate lease components from non-lease components for all asset classes.

For vehicles leased under certain master lease agreements, the lessor is guaranteed a residual value up to a stated percentage of the equipment cost at the end of the lease term. If the actual fair value of the leased equipment is below the guaranteed residual value at the end of the lease term, MP is committed to pay the difference in the actual fair value and the residual value guarantee. MP does not believe it is probable that it will be required to pay anything pertaining to the residual value guarantee, and the lease liabilities and right-of-use assets are measured accordingly.

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Finance leases for assets used in regulated operations are recognized in MP's Consolidated Statement of Income such that amortization of the right-of-use asset and interest on lease liabilities equals the expense recorded for ratemaking purposes. All operating lease expenses are recognized in Other operating expense. The components of lease expense were as follows:

<i>(In millions)</i>	For the Years Ended December 31,		
	2025	2024	2023
Operating lease costs ⁽¹⁾	\$ 9	\$ 8	\$ 7
Finance lease costs:			
Amortization of right-of-use assets	—	—	—
Total finance lease cost	—	—	—
Total lease cost	\$ 9	\$ 8	\$ 7

⁽¹⁾ Includes short-term lease costs of \$3 million for the years ended December 31, 2025 and 2024 and \$2 million for the year ended December 31, 2023.

Supplemental balance sheet information related to leases was as follows:

<i>(In millions)</i>	Financial Statement Line Item	As of December 31,	
		2025	2024
Assets			
Operating lease assets ⁽¹⁾	Deferred charges and other assets	\$ 20	\$ 21
Finance lease assets ⁽²⁾	Property, plant and equipment	2	1
Total leased assets		\$ 22	\$ 22
Liabilities			
<i>Current:</i>			
Operating	Other current liabilities	\$ 4	\$ 4
<i>Noncurrent:</i>			
Operating	Other noncurrent liabilities	13	15
Finance	Long-term debt and other long-term obligations	1	1
Total leased liabilities		\$ 18	\$ 20

⁽¹⁾ Operating lease assets are recorded net of accumulated amortization of \$22 million and \$18 million as of December 31, 2025 and 2024, respectively.

⁽²⁾ Finance lease assets are recorded net of accumulated amortization of an immaterial amount as of December 31, 2025 and 2024.

Lease terms and discount rates were as follows:

	As of December 31,	
	2025	2024
<i>Weighted-average remaining lease terms (years)</i>		
Operating leases	4.4	4.9
Finance leases	29.0	29.9
<i>Weighted-average discount rate⁽¹⁾</i>		
Operating leases	4.48 %	4.34 %
Finance leases	19.91 %	19.91 %

⁽¹⁾ When an implicit rate is not readily determinable, an incremental borrowing rate is utilized, determining the present value of lease payments. The rate is determined based on expected term and information available at the commencement date.

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Supplemental cash flow information related to leases was as follows:

<i>(In millions)</i>	For the Years Ended December 31,		
	2025	2024	2023
<i>Cash paid for amounts included in the measurement of lease liabilities:</i>			
Operating cash flows from operating leases	\$ 6	\$ 6	\$ 5
Operating cash flows from finance leases	—	—	—
Finance cash flows from finance leases	—	—	—
<i>Right-of-use assets obtained in exchange for lease obligations:</i>			
Operating leases	\$ 4	\$ 8	\$ 2
Finance leases	—	1	—

Maturities of lease liabilities as of December 31, 2025, were as follows:

<i>(In millions)</i>	Operating Leases	Finance Leases	Total
2026	\$ 6	\$ —	\$ 6
2027	5	—	5
2028	4	—	4
2029	3	—	3
2030	1	—	1
Thereafter	1	3	4
<i>Total lease payments</i>	20	3	23
Less imputed interest	3	2	5
<i>Total net present value</i>	<u>\$ 17</u>	<u>\$ 1</u>	<u>\$ 18</u>

As of December 31, 2025, additional operating leases agreements, primarily for vehicles, that have not yet commenced are \$2 million in estimated right-of-use obligation. These leases are expected to commence from 2026-2027 with lease terms of 5 to 8 years.

6. INTANGIBLE ASSETS

As of December 31, 2025, intangible assets classified in Deferred Charges and Other Assets on MP's Consolidated Balance Sheets, include the following:

<i>(In millions)</i>	Intangible Assets			Amortization expense							
	Gross	Accumulated Amortization	Net	Actual	Estimated						
				2025	2026	2027	2028	2029	2030	Thereafter	
NUG contracts ⁽¹⁾	\$ 124	\$ 77	\$ 47	\$ 6	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 22

⁽¹⁾ Purchase accounting adjustments on certain purchased power NUG contracts, which are subject to regulatory accounting, and their amortization does not impact earnings.

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. FAIR VALUE MEASUREMENTS

CASH AND CASH EQUIVALENTS

All temporary cash investments purchased with an initial maturity of three months or less are reported as cash equivalents on MP's Consolidated Balance Sheets at cost, which approximates their fair market value.

RECURRING FAIR VALUE MEASUREMENTS

Authoritative accounting guidance establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. The three levels of the fair value hierarchy and a description of the valuation techniques are as follows:

- Level 1 - Quoted prices for identical instruments in active markets

- Level 2 - Quoted prices for similar instruments in active markets
- Quoted prices for identical or similar instruments in markets that are not active
- Model-derived valuations for which all significant inputs are observable market data

Models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors and current market and contractual prices for the underlying instruments, as well as other relevant economic measures.

- Level 3 - Valuation inputs are unobservable and significant to the fair value measurement

FirstEnergy produces a long-term power and capacity price forecast annually with periodic updates as market conditions change. When underlying prices are not observable, prices from the long-term price forecast are used to measure fair value. A more detailed description of MP's valuation process for FTRs follows:

FTRs are financial instruments that entitle the holder to a stream of revenues (or charges) based on the hourly day-ahead congestion price differences across transmission paths. FTRs are acquired by MP in the annual, monthly and long-term RTO auctions and are initially recorded using the auction clearing price less cost. After initial recognition, FTRs' carrying values are periodically adjusted to fair value using a mark-to-model methodology, which approximates market. The primary inputs into the model, which are generally less observable than objective sources, are the most recent RTO auction clearing prices and the FTRs' remaining hours. The model calculates the fair value by multiplying the most recent auction clearing price by the remaining FTR hours less the prorated FTR cost. Significant increases or decreases in inputs in isolation may have resulted in a higher or lower fair value measurement.

MP primarily applies the market approach for recurring fair value measurements using the best information available. Accordingly, MP maximizes the use of observable inputs and minimizes the use of unobservable inputs. There were no changes in valuation methodologies used as of December 31, 2025, from those used as of December 31, 2024. The determination of the fair value measurements takes into consideration various factors, including but not limited to, nonperformance risk, counterparty credit risk and the impact of credit enhancements (such as cash deposits, LOCs and priority interests). The impact of these forms of risk was not significant to the fair value measurements.

MP records the fair value of derivative instruments on a gross basis. FTR derivative assets as of December 31, 2024 were \$7 million. MP did not have any FTR derivative liabilities as of December 31, 2024. FTR derivative assets and liabilities as of December 31, 2025 were \$21 million and \$1 million, respectively.

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

There were no transfers between levels during the year ended December 31, 2025. The following tables provide a reconciliation of changes in the fair value of FTRs held by MP and classified as Level 3 in the fair value hierarchy during the periods ended December 31, 2025 and December 31, 2024. MP has no level 1 or 2 assets or liabilities that are measured at fair value on the balance sheet.

<i>(In millions)</i>	Net Derivative Asset (Liability) FTRs
Balance, January 1, 2024	\$ 3
Total unrealized gains included in net regulatory assets	—
Purchases	8
Settlements	(4)
Balance, December 31, 2024	\$ 7
Total unrealized losses included in net regulatory assets	17
Purchases	1
Settlements	(5)
Balance, December 31, 2025	\$ 20

Level 3 Quantitative Information

The following table provides quantitative information for FTRs contracts that are classified as Level 3 in the fair value hierarchy for the year ended December 31, 2025:

	Fair Value, Net (In millions)	Valuation Technique	Significant Input	Range	Weighted Average	Units
FTRs	\$ 20	Model	RTO auction clearing prices	\$1.50 to \$7.70	\$4.90	Dollars/MWh

LONG-TERM DEBT

All borrowings with initial maturities of less than one year are defined as short-term financial instruments under GAAP and are reported as Short-term borrowings on MP's Consolidated Balance Sheets at cost. Since these borrowings are short-term in nature, MP believes that its costs approximate their fair market value. The following table provides the approximate fair value and related carrying amounts of long-term debt, which excludes finance lease obligations, net unamortized debt issuance costs, unamortized fair value adjustments and discounts:

<i>(In millions)</i>	December 31, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt	\$ 1,817	\$ 1,801	\$ 1,841	\$ 1,793

The fair value of long-term debt reflects the present value of the cash outflows relating to those securities based on the current call price, the yield to maturity or the yield to call, as deemed appropriate at the end of each respective period. The yields assumed were based on securities with similar characteristics offered by corporations with credit ratings similar to those of MP. MP classified long-term debt as Level 2 in the fair value hierarchy as of December 31, 2025 and December 31, 2024.

8. VARIABLE INTEREST ENTITY

MP performs qualitative analyses based on control and economics to determine whether a variable interest classifies MP as the primary beneficiary (a controlling financial interest) of a VIE. An enterprise has a controlling financial interest if it has both power and economic control, such that an entity has (i) the power to direct the activities of a VIE that most significantly impact the entity's economic performance, and (ii) the obligation to absorb losses of the entity that could potentially be significant to the VIE or the right to receive benefits from the entity that could potentially be significant to the VIE. MP consolidates a VIE when it is determined that it is the primary beneficiary.

Consolidated VIEs

VIEs in which MP is the primary beneficiary included in MP's consolidated financial statements consist of MP Environmental Funding Company. The consolidated financial statements of MP include environmental control bonds issued by a bankruptcy remote, special purpose limited liability company that is an indirect subsidiary of MP. Proceeds from the bonds were used to construct environmental control facilities. The special purpose limited liability company owns the irrevocable right to collect non-bypassable environmental control charges from all customers who receive electric delivery service in MP's West Virginia service

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

territories. Principal and interest owed on the environmental control bonds is secured by, and payable solely from, the proceeds of the environmental control charges. Creditors of MP, other than the special purpose limited liability company, have no recourse to any assets or revenues of the special purpose limited liability company. The cash collected from MP's customers is used to service debt of the funding company and is reflected as Restricted cash on MP's Consolidated Balance Sheets. As of December 31, 2025 and 2024, \$117 million and \$141 million of environmental control bonds were outstanding, respectively.

9. CAPITALIZATION

In addition to paying dividends from retained earnings, AGC has authorization from the FERC to pay cash dividends to MP from paid-in capital accounts, as long as its FERC-defined equity-to-total-capitalization ratio remains above 45%.

PREFERRED STOCK

MP is authorized to issue 940,000 shares of preferred stock, \$100 par value, as of December 31, 2025. As of December 31, 2025 and 2024, there were no preferred shares outstanding.

LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

The following table presents outstanding long-term debt and finance lease obligations for MP as of December 31, 2025 and 2024:

	As of December 31, 2025		As of December 31,	
	Maturity Date	Interest Rate	2025	2024
	<i>(In millions)</i>			
FMBs	2027 - 2049	3.230% - 5.850%	\$ 1,650	\$ 1,650
Secured notes - fixed rate	2026 - 2031	5.127% - 5.523%	117	141
Unsecured note - affiliated company	2029	4.470%	50	50
Finance lease obligations			1	1
Unamortized fair value adjustments			1	2
Unamortized debt premiums/discounts			2	5
Unamortized debt issuance costs			(9)	(11)
Currently payable long-term debt			(26)	(25)
Total long-term debt and other long-term obligations			\$ 1,786	\$ 1,813

MP had no debt redemptions or issuances during the year ended December 31, 2025.

As of December 31, 2025, MP's net deficit in working capital (current assets less current liabilities) was primarily due to short-term borrowings, accounts payable, and other accrued expenses. MP believes its cash from operations and available liquidity will be sufficient to meet its current working capital needs.

The following table presents scheduled debt repayments for outstanding long-term debt, excluding finance leases, fair value purchase accounting adjustments and unamortized debt discounts and premiums, for the next five years as of December 31, 2025.

<i>(In millions)</i>	2026	2027	2028	2029	2030
Scheduled debt repayments	\$25	\$477	\$26	\$235	\$8

Environmental Control Bonds

The consolidated financial statements of MP include environmental control bonds issued by a bankruptcy remote, special purpose limited liability company that is an indirect subsidiary of MP. Proceeds from the bonds were used to construct environmental control facilities. Principal and interest owed on the environmental control bonds is secured by, and payable solely from, the proceeds of the environmental control charges. As of December 31, 2025 and 2024, \$117 million and \$141 million of environmental control bonds were outstanding, respectively.

See Note 8., "Variable Interest Entity" for additional information on securitized bonds.

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FMBs

MP has a first mortgage indenture under which it can issue FMBs secured by a direct first mortgage lien on substantially all of its property and franchises, other than specifically excepted property.

The first mortgage indentures for MP constitute direct first liens on substantially all of the respective physical property, subject only to excepted encumbrances, as defined in the first mortgage indentures.

Debt Covenant Default Provisions

MP has various debt covenants under certain financing arrangements, including its credit facility and term loans. The most restrictive of the debt covenants relate to the nonpayment of interest and/or principal on such debt and the maintenance of certain financial ratios. The failure by MP to comply with the covenants contained in its financing arrangements could result in an event of default, which may have an adverse effect on MP's financial condition. As of December 31, 2025, MP remains in compliance with all debt covenant provisions.

Additionally, there are cross-default provisions in certain financing arrangements of FE and its subsidiaries, including MP. These provisions generally trigger a default in the applicable financing arrangement of an entity if it or any of its significant subsidiaries default under another financing arrangement in excess of a certain principal amount, typically \$100 million. Although such defaults by MP would cross-default FE financing arrangements containing these provisions, defaults by FE would generally not cross-default applicable MP financing arrangements.

10. SHORT-TERM BORROWINGS AND BANK LINES OF CREDIT

MP had \$283 million and \$276 million of associated short-term borrowings as of December 31, 2025 and 2024, respectively.

Short-Term Borrowings / Revolving Credit Facility

On October 27, 2025, MP and PE entered into amendments to their \$400 million credit facility to, among other things: (i) remove the 10 basis point credit spread adjustment from the interest rate calculation; (ii) permit a one-week interest period for any Term Benchmark Advance (as defined under each of the Amended Credit Facilities) based upon daily simple SOFR; and (iii) extend the maturity date for an additional one-year period, from October 18, 2028 to October 18, 2029.

Borrowings under the MP and PE credit facility may be used for working capital and other general corporate purposes. Generally, borrowings under their credit facility are available to each borrower separately and mature on the earlier of 364 days from the date of borrowing or the commitment termination date, as the same may be extended. The credit facility contains financial covenants requiring each borrower to maintain a consolidated debt-to-total-capitalization ratio (as defined under their credit facility) of no more than 65% measured at the end of each fiscal quarter.

Certain amounts are available for the issuance of LOCs (subject to borrowings drawn under their credit facility) expiring up to one year from the date of issuance. The stated amount of outstanding LOCs will count against total commitments available under their credit facility and against the applicable borrower's borrowing sublimit. As of December 31, 2025, MP had \$47 million in outstanding LOCs, all of which are issued under its revolving credit facility.

Under its credit facility, MP may borrow up to \$250 million, \$203 million of which was available to MP as of December 31, 2025. This short-term debt limitation is subject to the regulatory short-term debt authorization of \$900 million, which also includes amounts that may be borrowed under the regulated companies' money pool.

The MP and PE credit facility does not contain provisions that restrict the ability to borrow or accelerate payment of outstanding advances in the event of any change in credit ratings of the borrowers. Pricing is defined in "pricing grids," whereby the cost of funds borrowed under their credit facility is related to the credit ratings of the company borrowing the funds. Additionally, borrowings under their credit facility are subject to the usual and customary provisions for acceleration upon the occurrence of events of default, including a cross-default for other indebtedness in excess of \$100 million.

As of December 31, 2025, MP had a debt-to-total-capitalization ratio of 49.6% which was in compliance with the applicable covenants under its credit facility.

The annual weighted average interest rate on external short-term borrowings through the year ended December 31, 2025 was 5.92%. There were no external short-term borrowings in 2024.

FirstEnergy Money Pool

As a regulated money pool participant, MP has the ability to borrow from regulated affiliates and FE to meet its short-term working capital requirements. FESC administers these money pools and tracks surplus funds of FE and the respective regulated and unregulated subsidiaries, as the case may be, as well as proceeds available from bank borrowings. Companies receiving a

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

loan under the money pool agreements must repay the principal amount of the loan, together with accrued interest, within 364 days of borrowing the funds. The rate of interest is the same for each company receiving a loan from their respective pool and is based on the average cost of funds available through the pool. The average interest rates for borrowings in 2025 and 2024 were 4.51% and 5.74% per annum, respectively.

11. ASSET RETIREMENT OBLIGATIONS

MP has recognized applicable legal obligations for AROs and the associated cost primarily for reclamation of sludge disposal ponds and closure of coal ash disposal sites. In addition, MP has recognized conditional AROs, primarily for asbestos remediation.

MP recognizes an ARO for its legal obligation to perform asset retirement activities associated with its long-lived assets. The ARO liability represents an estimate of the fair value of MP's current obligation such that the ARO is accreted monthly to reflect the time value of money.

A fair value measurement inherently involves uncertainty in the amount and timing of settlement of the liability. MP uses an expected cash flow approach to measure the fair value of the remediation AROs, taking into account the expected timing of settlement of the ARO based on the expected economic useful life of associated asset and/or regulatory requirements. The fair value of an ARO is recognized in the period in which it is incurred. The associated asset retirement costs are capitalized as part of the carrying value of the long-lived asset and are depreciated over the life of the related asset. For instances where asset retirement costs relate to assets that have no future cash flows, the costs are recorded as an operating expense.

Conditional retirement obligations associated with tangible long-lived assets are recognized at fair value in the period in which they are incurred if a reasonable estimate can be made, even though there may be uncertainty about timing or method of settlement. When settlement is conditional on a future event occurring, it is reflected in the measurement of the liability, not the timing of the liability recognition.

The following table summarizes the changes to MP's ARO balances during 2025 and 2024:

ARO Reconciliation	(In millions)
Balance, January 1, 2024	\$ 84
Accretion	12
Changes in timing and amount of estimated cash flows	21
Liabilities incurred	5
Balance, December 31, 2024	122
Accretion	15
Liabilities incurred	1
Balance, December 31, 2025	\$ 138

As further discussed below, on May 8, 2024, the EPA finalized changes to the CCR rule addressing certain legacy CCR disposal sites which were not included in previous CCR rules. As a result, during 2024, MP performed a preliminary assessment of former CCR disposal sites and calculated an initial estimate applying historical experience in remediating comparable sites. As a result, MP recorded a \$26 million increase to its ARO in 2024, all of which was capitalized as an asset retirement cost.

The ARO increase related to certain legacy CCR disposal sites represents the discounted cash flows for estimated closure costs based upon the potential closure requirements as evaluated on a site-by-site basis. Actual costs to be incurred will be dependent upon factors that vary from site to site. The most significant factors include the method and time frame of closure at the individual sites, which will be determined based on the groundwater monitoring and, if applicable, EPA approval of closure plans. In determining the estimated closure costs for each site, MP has assumed the anticipated applicable closure method, however, alternative closure methods may be required, resulting in greater or lesser cost. As a result, the ARO liability may be adjusted as additional information is gained through the evaluation and closure process, including further inspection of the sites, results of groundwater monitoring and changes in interpretation of the CCR regulations which may change management assumptions, and could result in a material change to the ARO liability balance and MP's results of operations.

12. REGULATORY MATTERS

STATE REGULATION

MP provides electric service to all customers through traditional cost-based, regulated utility ratemaking. MP's retail rates, conditions of service, issuance of securities and other matters are subject to regulation in West Virginia by the WVPSC. MP's current state base rate order has been effective since March 2024, did not disclose a capital structure and allows an ROE of 9.8%.

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

WEST VIRGINIA

MP and PE provide electric service to all customers through traditional cost-based, regulated utility ratemaking and operate under WVPSC-approved rates that became effective March 27, 2024. MP and PE recover net power supply costs, including fuel costs, purchased power costs and related expenses, net of related market sales revenue through the ENEC. MP's and PE's ENEC rate is typically updated annually and MP and PE filed their ENEC filing on August 29, 2025, for rates effective January 1, 2026.

On April 21, 2022, the WVPSC issued an order approving, effective May 1, 2022, a tariff to offer solar power on a voluntary basis to West Virginia customers and requiring MP and PE to subscribe at least 85% of the planned 50 MWs of solar generation before seeking approval for surcharge cost recovery. MP and PE must seek separate approval from the WVPSC to recover any solar generation costs in excess of the approved solar power tariff. On April 24, 2023, MP and PE sought approval for surcharge cost recovery from the WVPSC for three of the five solar sites, representing 30 MWs of generation. On August 23, 2023, the WVPSC approved the customer surcharge and granted approval to construct three of the five solar sites. The surcharge went into effect January 1, 2024. Two of the five solar generation sites went into service in 2024, with the third in April 2025. On December 4, 2024, MP and PE submitted for approval a settlement agreement to increase its solar surcharge rate. The WVPSC approved the settlement without modification on December 27, 2024, and new rates went into effect on January 1, 2025. In November 2025, MP and PE submitted a settlement agreement to the WVPSC seeking approval to adjust the solar surcharge rate, which was approved without modification on January 15, 2026. Pursuant to the settlement agreement, a modest decrease in the solar surcharge rate became effective January 15, 2026.

On August 29, 2025, MP and PE filed with the WVPSC their annual ENEC case requesting an increase in ENEC rates by approximately \$14 million, proposed to be effective January 1, 2026, which represents a 0.8% increase of total revenues. The proposed increase is driven primarily by an under-recovery balance as of June 30, 2025, and higher costs for fuel and reagents. On December 12, 2025, the parties filed a settlement agreement with the WVPSC, which was approved in full without modification on December 23, 2025.

On August 29, 2025, MP and PE filed with the WVPSC their biennial review of their vegetation management program and surcharge. MP and PE have proposed an approximate \$3.2 million decrease in the surcharge rates due to an over-recovery balance as of June 30, 2025, and higher costs for fuel and reagents. The WVPSC held a hearing regarding rate matters on December 15, 2025. The WVPSC issued an order on March 26, 2026, approving the MP and PE vegetation management program and granting rate recovery for its costs.

On October 1, 2025, MP and PE filed their integrated resource plan with the WVPSC. To ensure that MP and PE can meet their PJM adequacy requirements, the plan proposes, among other things, near-term market capacity purchases, and the addition of 70 MWs of solar generation by 2028 and 1,200 MWs of natural gas combined cycle generation by 2031. On November 26, 2025, the WVPSC issued a procedural order setting a hearing in May 2026.

On February 13, 2026, MP and PE filed a CPCN to construct and operate a 1,200 MW combined cycle gas turbine plant and 70 MWs of solar generation capacity for an estimated capital investment totaling approximately \$2.7 billion as of the date of the filing. The request also includes a surcharge designed to recover financing costs during development and construction of the projects, as well as to transition to recovery in base rates once the projects are placed in-service and approved through a base rate case. Hearings have been scheduled for July 16-17, 2026. A final order is expected from the WVPSC in the second half of 2026.

FERC REGULATORY MATTERS

Under the Federal Power Act, FERC regulates rates for interstate wholesale sales and transmission of electric power, regulatory accounting and reporting under the Uniform System of Accounts, and other matters, including construction and operation of hydroelectric projects. With respect to its wholesale services and rates, MP is subject to regulation by FERC. FERC regulations require MP to provide open access transmission service at FERC-approved rates, terms and conditions. MP's transmission facilities are subject to functional control by PJM, and transmission service using MP's transmission facilities is provided by PJM under the PJM Tariff. MP's FERC rate order in effect for transmission customer billings includes a lower of actual (13 month average) or 56% equity capital structure and an allowed ROE of 10.45%.

FERC regulates the sale of power for resale in interstate commerce in part by granting authority to public utilities to sell wholesale power at market-based rates upon showing that the seller cannot exert market power in generation or transmission or erect barriers to entry into markets. MP has been authorized by FERC to sell wholesale power in interstate commerce at market-based rates and has a market-based rate tariff on file with FERC, although major wholesale purchases remain subject to review and regulation by the WVPSC. In addition, pursuant to a full requirements power purchase agreement on file with FERC, MP provides capacity, energy and ancillary service to PE to serve PE's West Virginia load.

Federally-enforceable mandatory reliability standards apply to the bulk electric system and impose certain operating, record-keeping and reporting requirements on MP. NERC is the ERO designated by FERC to establish and enforce these reliability

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

standards, although NERC has delegated day-to-day implementation and enforcement of these reliability standards to six regional entities, including RFC. All of the facilities that MP operates are located within RFC. FirstEnergy actively participates in the NERC and RFC stakeholder processes, and otherwise monitors and manages its companies, including MP, in response to the ongoing development, implementation and enforcement of the reliability standards implemented and enforced by RFC.

MP believes that it is in material compliance with all currently-effective and enforceable reliability standards. Nevertheless, in the course of operating its extensive electric utility systems and facilities, MP occasionally learns of isolated facts or circumstances that could be interpreted as excursions from the reliability standards. If and when such occurrences are found, MP develops information about the occurrence and develops a remedial response to the specific circumstances, including in appropriate cases “self-reporting” an occurrence to RFC. Moreover, it is clear that NERC, RFC and FERC will continue to refine existing reliability standards as well as to develop and adopt new reliability standards. Any inability on MP’s part to comply with the reliability standards for its bulk electric system could result in the imposition of financial penalties, or obligations to upgrade or build transmission facilities, that could have a material adverse effect on MP’s financial condition, results of operations and cash flows.

FERC Audit

FERC’s Division of Audits and Accounting initiated a nonpublic audit of FESC in February 2019. Among other matters, the audit is evaluating FirstEnergy’s compliance with certain accounting and reporting requirements under various FERC regulations. On February 4, 2022, FERC filed the final audit report for the period of January 1, 2015 through September 30, 2021, which included several findings and recommendations that FirstEnergy has accepted. The audit report included a finding and related recommendation on FirstEnergy’s methodology for allocation of certain corporate support costs to regulatory capital accounts under certain FERC regulations and reporting. Effective in the first quarter of 2022 and in response to the finding, FirstEnergy implemented a new methodology for the allocation of these corporate support costs to regulatory capital accounts for its regulated distribution and transmission companies on a prospective basis. With the assistance of an independent outside firm, FirstEnergy completed an analysis during the third quarter of 2022 of these costs and how it impacted certain FERC-jurisdictional wholesale transmission customer rates for the audit period of 2015 through 2021. As a result of this analysis, MP recorded less than \$1 million in expected customer refunds, plus interest, due to its wholesale transmission customers.

In December 8, 2023, FERC audit staff issued a letter advising that two unresolved audit matters, related to FirstEnergy’s plan to recover the reclassified operating expenses in formula transmission rates and a since terminated fuel consulting contract, were being referred to other offices within FERC for further review. On July 5, 2024, and September 26, 2024, the FERC Office of Enforcement issued additional data requests related to the 2022 reclassification of operating expenses, to which FirstEnergy replied. On September 10, 2024, and January 13, 2025, the FERC Office of Enforcement issued further data requests related to the classification and recovery of a since terminated fuel consulting contract to which MP was a party, to which FirstEnergy responded. The FERC Office of Enforcement took no action with respect to the referred matters, and on December 23, 2025, FERC staff notified FirstEnergy that the audit is concluded.

FERC Hydroelectric Project Relicensing Proceeding

The Bath Power Station operates pursuant to a FERC hydroelectric license that was issued in 1977 and expires on December 31, 2026. On October 19, 2021, Dominion – on behalf of itself and two other co-licensees, AGC and Bath County Energy, LLC – initiated the process to relicense the station. On January 15, 2026, FERC issued a notice accepting the application for filing and soliciting interventions. Initial comments were submitted by the Virginia Department of Conservation and Recreation and the U.S. Department of Interior. Reply comments are due by April 30, 2026. This license application remains pending before FERC. In the unlikely event that FERC were not to authorize an extension of the hydroelectric license, there would be a material impact to MP.

Transmission ROE Methodology

A proposed rulemaking proceeding concerning transmission rate incentives provisions of Section 219 of the 2005 Energy Policy Act was initiated in March of 2020 and remains pending before FERC. Among other things, the rulemaking explored whether utilities should collect an “RTO membership” ROE incentive adder for more than three years. FirstEnergy is a member of PJM, and its transmission subsidiaries could be affected by the proposed rulemaking. FirstEnergy participated in comments on the supplemental rulemaking that were submitted by a group of PJM transmission owners and by various industry trade groups. If there were to be any changes to FirstEnergy’s transmission incentive ROE, such changes will be applied on a prospective basis; provided however, due to the Sixth Circuit’s ruling in the Transmission ROE Incentive matter described above, ATSI is collecting the ROE incentive adder subject to refund.

Transmission Planning Supplemental Projects

On September 27, 2023, the OCC filed a complaint against ATSI, PJM and other transmission utilities in Ohio alleging that the PJM Tariff and operating agreement are unjust, unreasonable, and unduly discriminatory because they include no provisions to ensure PJM’s review and approval for the planning, need, prudence and cost-effectiveness of the PJM Tariff Attachment M-3 “Supplemental Projects.” Supplemental Projects are projects that are planned and constructed to address local needs on the transmission system. The OCC demands that FERC: (i) require PJM to review supplemental projects for need, prudence and cost-effectiveness; (ii) appoint an independent transmission monitor to assist PJM in such review; and (iii) require that

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Supplemental Projects go into rate base only through a “stated rate” procedure whereby prior FERC approval would be needed for projects with costs that exceed an established threshold. Subsequently, intervenors expanded the scope of this proceeding to all of the transmission utilities in PJM. ATSI and the other transmission utilities in Ohio and PJM filed comments.

Local Transmission Planning Complaint

On December 19, 2024, the Industrial Energy Consumers of America, a group representing large industrial customers, and state consumer advocates filed a complaint at FERC that asserts that transmission owners are overbuilding “local transmission facilities” with corresponding unjustified increases in transmission rates. The complaint demands that FERC: (i) prohibit transmission owners from planning “local transmission facilities” that are rated at 100 kV or higher; (ii) appoint “independent transmission monitors” to conduct such planning; and (iii) condition construction of local transmission facilities on the facility having been planned by the “independent transmission monitor.” FirstEnergy is participating in this matter through a consortium of PJM transmission owners and through certain trade groups, including EEI. FirstEnergy, together with the PJM transmission owners, filed a motion to dismiss the complaint on March 20, 2025, which is pending before FERC. FirstEnergy is unable to predict the outcome or estimate the impact that this complaint may have on its Transmission Companies, however, whether this lawsuit moves forward could have a material impact on FirstEnergy and its transmission capital investment strategy.

Large Load Interconnection Rulemaking

On October 23, 2025, the U.S. Secretary of Energy directed FERC to conduct a rulemaking procedure to develop regulations that would speed interconnection to the transmission system of large loads, including “Artificial Intelligence” data centers and “hybrid” data center/electric generation facilities. The Energy Secretary advanced 14 principles to guide this outcome, including that such large loads should be responsible for paying the costs of any network transmission system upgrades required for interconnection of such large loads, and that these large loads should have the option for building such network transmission upgrades. The Energy Secretary requested that FERC take final action by April 30, 2026. On October 27, 2025, FERC noticed the Energy Secretary’s directive for comment, and subsequently established November 21, 2025 as the deadline for initial comments and December 5, 2025 as the deadline for reply comments. FET and its transmission affiliates, as well as over 150 other parties, filed comments on the established deadlines. FirstEnergy is unable to predict the outcome of this rulemaking procedure. To the extent the new regulations do not permit transmission utilities to fully recover costs associated with transmission network upgrades required to serve new large loads, our strategy of investing in transmission could be adversely affected.

13. COMMITMENTS, GUARANTEES AND CONTINGENCIES

GUARANTEES AND OTHER ASSURANCES

MP has various financial and performance guarantees and indemnifications which are issued in the normal course of business. These contracts include stand-by LOCs and surety bonds. MP enters into these arrangements to facilitate commercial transactions with third parties by enhancing the value of the transaction to the third party. The maximum potential amount of future payments MP could be required to make under these guarantees as of December 31, 2025 was \$52 million, as summarized below:

Guarantees and Other Assurances	Maximum Exposure	
	<i>(In millions)</i>	
Surety Bonds ⁽¹⁾	\$	5
LOCs		47
Total Guarantees and Other Assurances	\$	52

⁽¹⁾ Surety bonds are not tied to a credit rating, and their impact assumes maximum contractual obligations, which is 100% of the face amount of the surety bond, and typical obligations require 30 days to cure.

Collateral and Contingent-Related Features

In the normal course of business, MP may enter into physical or financially settled contracts for the sale and purchase of electric capacity, energy, fuel and emission allowances. Certain agreements contain provisions that require MP to post collateral. This collateral may be posted in the form of cash or credit support with thresholds contingent upon MP’s credit rating from each of the major credit rating agencies. The collateral and credit support requirements vary by contract and by counterparty. MP has posted \$47 million of collateral in the form of LOCs as of December 31, 2025.

ENVIRONMENTAL MATTERS

Various federal, state and local authorities regulate MP with regard to air and water quality, hazardous and solid waste disposal, and other environmental matters. While MP’s environmental policies and procedures are designed to achieve compliance with applicable environmental laws and regulations, such laws and regulations are subject to periodic review and potential revision by

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

the implementing agencies. MP cannot predict the timing or ultimate outcome of any of these reviews or how any future actions taken as a result thereof may materially impact its business, results of operations, cash flows and financial condition.

On March 12, 2025, the EPA announced its intent to reevaluate or reconsider numerous environmental regulations, many of which apply to MP. The specific timing or outcome of this initiative remains unknown, but regular required rulemaking processes and procedures still apply, and litigation is also anticipated to occur. The disclosures herein do not attempt to discern potential impacts of these deregulatory actions until and unless formal rulemaking or other regulatory actions are announced and the potential impacts to operations can be discerned.

Clean Air Act

FirstEnergy and MP complies with SO₂ and NO_x emission reduction requirements under the CAA and SIP by burning lower-sulfur fuel, utilizing combustion controls and post-combustion controls and/or using emission allowances.

CSAPR requires reductions of NO_x and SO₂ emissions in two phases (2015 and 2017), ultimately capping SO₂ emissions in affected states to 2.4 million tons annually and NO_x emissions to 1.2 million tons annually. CSAPR allows trading of NO_x and SO₂ emission allowances between electric generation facilities located in the same state and interstate trading of NO_x and SO₂ emission allowances with some restrictions. On July 28, 2015, the D.C. Circuit ordered the EPA to reconsider the CSAPR caps on NO_x and SO₂ emissions from electric generation facilities in 13 states, including West Virginia. This followed the 2014 Supreme Court of the U.S. ruling generally upholding the EPA's regulatory approach under CSAPR but questioning whether the EPA required upwind states to reduce emissions by more than their contribution to air pollution in downwind states. The EPA issued a CSAPR Update on September 7, 2016, reducing summertime NO_x emissions from electric generation facilities in 22 states in the eastern U.S., including West Virginia, beginning in 2017. Various states and other stakeholders appealed the CSAPR Update to the D.C. Circuit in November and December 2016. On September 13, 2019, the D.C. Circuit remanded the CSAPR Update to the EPA citing that the rule did not eliminate upwind states' significant contributions to downwind states' air quality attainment requirements within applicable attainment deadlines.

Also in March 2018, the State of New York filed a CAA Section 126 petition with the EPA alleging that NO_x emissions from nine states (including West Virginia) significantly contribute to New York's inability to attain the ozone National Ambient Air Quality Standards. The petition sought suitable emission rate limits for large stationary sources that are allegedly affecting New York's air quality within the three years allowed by CAA Section 126. On September 20, 2019, the EPA denied New York's CAA Section 126 petition. On October 29, 2019, the State of New York appealed the denial of its petition to the D.C. Circuit. On July 14, 2020, the D.C. Circuit reversed and remanded the New York petition to the EPA for further consideration. On March 15, 2021, the EPA issued a revised CSAPR Update that addressed, among other things, the remands of the prior CSAPR Update and the New York Section 126 petition. In December 2021, MP purchased NO_x emissions allowances to comply with 2021 ozone season requirements. On April 6, 2022, the EPA published proposed rules seeking to impose further significant reductions in EGU NO_x emissions in 25 upwind states, including West Virginia, with the stated purpose of allowing downwind states to attain or maintain compliance with the 2015 ozone National Ambient Air Quality Standards. On February 13, 2023, the EPA disapproved 21 SIPs, which was a prerequisite for the EPA to issue a final Good Neighbor Plan or FIP. On June 5, 2023, the EPA issued the final Good Neighbor Plan with an effective date 60 days thereafter. Certain states, including West Virginia, have appealed the disapprovals of their respective SIPs, and some of those states have obtained stays of those disapprovals precluding the Good Neighbor Plan from taking effect in those states. On August 10, 2023, the 4th Circuit granted West Virginia an interim stay of the disapproval of its SIP and on January 10, 2024, after a hearing held on October 27, 2023, granted a full stay which precludes the Good Neighbor Plan from going into effect in West Virginia. In addition to West Virginia, certain other states, and certain trade organizations, including the Midwest Ozone Group of which FE is a member, separately filed petitions for review and motions to stay the Good Neighbor Plan itself at the D.C. Circuit. On September 25, 2023, the D.C. Circuit denied the motions to stay the Good Neighbor Plan. On October 13, 2023, the aggrieved parties filed an Emergency Application for an Immediate Stay of the Good Neighbor Plan with the Supreme Court of the U.S. Oral argument was heard on February 21, 2024. On June 27, 2024, the Supreme Court of the U.S. granted a stay of the Good Neighbor Plan pending disposition of the petition for review in the D.C. Circuit. On February 6, 2025, the EPA filed a motion at the D.C. Circuit to hold the proceedings in abeyance for 60 days to allow the EPA time to familiarize itself with the Good Neighbor Plan and in particular, time to brief the new administration about these consolidated petitions and the underlying Rule to allow them to decide what action, if any, is necessary. On March 10, 2025, the EPA filed a motion for remand with the D.C. Circuit identifying issues with the Good Neighbor Plan that make reconsideration appropriate. The D.C. Circuit granted the motion for remand and cancelled oral argument. Consistent with its March 12, 2025 announcement, the EPA intends to undertake reconsideration of the rule and complete any new rulemaking by the fourth quarter of 2026. On January 27, 2026, the EPA proposed phase 1 of its reconsideration of the rule applicable to eight states outside of FirstEnergy's service area. FirstEnergy will continue to monitor any further actions by the EPA for any potential impact to its business and results of operations.

Climate Change

In recent years, certain regulators in the U.S. have focused efforts on increasing disclosures by companies related to climate change and mitigation efforts. At the federal level, presidential administrations have held differing views on prioritizing actions to address GHG emissions and, by extension, climate change. Those differing views have led to policy changes, creating

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

uncertainty about environmental requirements and associated impacts.

In December 2009, the EPA released its final “Endangerment and Cause or Contribute Findings for GHGs under the Clean Air Act,” known as the 2009 Endangerment Finding, concluding that concentrations of several key GHGs constitute an “endangerment” and may be regulated as “air pollutants” under the CAA and mandated measurement and reporting of GHG emissions from certain sources, including electric generation facilities. The 2009 Endangerment Finding is the basis of the EPA’s authority to regulate GHG emissions under the CAA.

In January 2025, Executive Order 14514 was issued and, among other deregulatory actions, directed the EPA Administrator to make recommendations on the “legality and continuing applicability” of the EPA’s 2009 Endangerment Finding, which forms the basis for the EPA’s GHG regulations. On March 12, 2025, the EPA announced a series of planned deregulatory actions that it would be taking related to such executive order, including reconsideration of the regulations to limit power plant GHG emissions. On July 29, 2025, the EPA announced a proposal to rescind its 2009 Endangerment Finding. On February 12, 2026, the EPA issued a final rule rescinding its 2009 Endangerment Finding, thereby eliminating the basis for much of the EPA’s regulation of GHG emissions. However, depending on the outcome of any appeals and any future EPA actions, compliance with the GHG emissions limits could require additional capital expenditures or changes in operation at the Fort Martin and Harrison power stations.

On May 23, 2023, the EPA published a proposed rule pursuant to CAA Section 111 (b) and (d) in line with the decision in *West Virginia v. Environmental Protection Agency* intended to reduce power sector GHG emissions (primarily CO₂ emissions) from fossil fuel based EGUs. On April 25, 2024, the EPA issued a final rule, which we refer to as the GHG rule, that imposed stringent GHG emissions limitations based on fuel type and unit retirement date. In May 2024, a group of 25 states, including West Virginia, filed a challenge to the rule in the D.C. Circuit. Also in May 2024, other utility groups, including the Midwest Ozone Group and Electric Generators for a Sensible Transition, both of which MP is a member, filed petitions for review of the GHG rule as well as motions to stay the rule in the D.C. Circuit. The D.C. Circuit subsequently granted a motion from the EPA placing the litigation in abeyance until further order of the Court. On June 17, 2025, the EPA published a proposed rule to repeal the GHG rule. The EPA is expected to issue a final rule repealing all or portions of the GHG rule in the second quarter of 2026.

At the state level, there are several initiatives to reduce GHG emissions. Certain northeastern states are participating in the Regional Greenhouse Gas Initiative and western states, including California, have implemented programs to control emissions of certain GHGs and enhance public disclosures relating to the same. Additional policies reducing GHG emissions, such as demand reduction programs, renewable portfolio standards and renewable subsidies have been implemented across the nation.

FirstEnergy has pledged to achieve carbon neutrality by 2050 with respect to GHGs within FirstEnergy’s direct operational control (known as Scope 1 emissions). FirstEnergy’s ability to achieve its GHG reduction goal is subject to its ability to make operational changes and is conditioned upon numerous risks, many of which are outside of its control. With respect to FirstEnergy’s coal-fired facilities in West Virginia, which serve as the primary source of its Scope 1 emissions, it has identified that the end of the useful life date is 2035 for Fort Martin and 2040 for Harrison. MP filed its 10-year integrated resource plan with the WVPSC on October 1, 2025, which highlighted, among other things, the need for new dispatchable generation in West Virginia. Determination of the useful life of the regulated coal-fired generation could result in changes in depreciation, and/or continued collection of net plant in rates after retirement, securitization, sale, impairment, or regulatory disallowances. If FirstEnergy is unable to recover these costs, it could have a material adverse effect on FirstEnergy’s financial condition, results of operations, and cash flow. FirstEnergy cannot currently estimate the financial impact of climate change policies, although potential legislative or regulatory programs restricting CO₂ emissions, or litigation alleging damages from GHG emissions, could require material capital and other expenditures or result in changes to its operations.

FirstEnergy continues to monitor climate change policies at both the federal and state level. Based on the EPA’s final rule rescinding the 2009 Endangerment Finding and other anticipated rulemaking, we may experience a reduction in GHG reporting and other regulatory obligations at the federal level over the near term. Multiple lawsuits opposing the EPA’s rescission were filed after it was finalized and the legal conflict is expected to be extensive. In light of the pending legal challenges, FirstEnergy is unable to predict the impact on its business and operations.

Clean Water Act

Various water quality regulations, the majority of which are the result of the federal Clean Water Act and its amendments, apply to FirstEnergy’s facilities. In addition, the states in which FirstEnergy operates have water quality standards applicable to FirstEnergy’s operations.

On September 30, 2015, the EPA finalized new, more stringent effluent limits for the Steam Electric Power Generating category (40 CFR Part 423) for arsenic, mercury, selenium and nitrogen for wastewater from wet scrubber systems and zero discharge of pollutants in ash transport water. The treatment obligations were to phase-in as permits were renewed on a five-year cycle from 2018 to 2023. However, on April 13, 2017, the EPA granted a Petition for Reconsideration and on September 18, 2017, the EPA postponed certain compliance deadlines for two years. On August 31, 2020, the EPA issued a final rule revising the effluent limits for discharges from wet scrubber systems, retaining the zero-discharge standard for ash transport water, (with some limited discharge allowances), and extending the deadline for compliance to December 31, 2025, for both. In addition, the EPA allows

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

for less stringent limits for sub-categories of generating units based on capacity utilization, flow volume from the scrubber system, and unit retirement date. On March 29, 2023, the EPA published proposed revised ELGs applicable to coal-fired electric generation facilities that include more stringent effluent limitations for wet scrubber systems and ash transport water, and new limits on landfill leachate. The rule was issued as final by the EPA on April 25, 2024. On May 30, 2024, the Utility Water Act Group, of which FirstEnergy is a member, filed a Petition for Review of the 2024 ELG Rule with the U.S. Court of Appeals for the Fifth and Eighth Circuit Courts, and on June 18, 2024, the Utility Water Group filed a motion to stay the rule pending disposition on the merits. A number of other parties have challenged the final rule in various petitions for review across several circuits. Those petitions and motions for stay have been consolidated in the U.S. Court of Appeals for the Eighth Circuit. On October 10, 2024, the U.S. Court of Appeals for the Eighth Circuit denied the motions for stay. Depending on the outcome of appeals and the EPA's review, compliance with the 2024 ELG rule could require additional capital expenditures or changes in operation at closed and active landfills, and at the Ft. Martin and Harrison power stations from what was approved by the WVPSC in September 2022 to comply with the 2020 ELG rule. On February 19, 2025, the U.S. Department of Justice filed a motion on behalf of the EPA in the U.S. Court of Appeals for the Eighth Circuit, seeking to hold the litigation in abeyance for a period of 60 days while the new leadership at the EPA evaluates the rule and determines how it wishes to proceed. On February 28, 2025, U.S. Court of Appeals for the Eighth Circuit granted the EPA's motion. On March 12, 2025, the EPA announced a series of planned deregulatory actions, including reconsideration of the 2024 ELG rule. On December 31, 2025, the EPA published a final ELG Deadline Extensions Rule extending certain compliance deadlines included in the 2024 ELG Rule by five years.

Regulation of Waste Disposal

Federal and state hazardous waste regulations have been promulgated as a result of the Resource Conservation and Recovery Act, as amended, and the Toxic Substances Control Act. Certain CCRs, such as coal ash, were exempted from hazardous waste disposal requirements pending the EPA's evaluation of the need for future regulation.

In April 2015, the EPA finalized regulations for the disposal of CCRs (non-hazardous), establishing national standards for landfill design, structural integrity design and assessment criteria for surface impoundments, groundwater monitoring and protection procedures and other operational and reporting procedures to assure the safe disposal of CCRs from electric generation facilities. On September 13, 2017, the EPA announced that it would reconsider certain provisions of the final regulations. On July 29, 2020, the EPA published a final rule again revising the date that certain CCR impoundments must cease accepting waste and initiate closure to April 11, 2021. The final rule allowed for an extension of the closure deadline based on meeting identified site-specific criteria.

On May 8, 2024, the EPA issued the legacy CCR rule, which finalized changes to the CCR regulations addressing inactive surface impoundments at inactive electric utilities, known as legacy CCR surface impoundments. The rule extends 2015 CCR rule requirements for groundwater monitoring and protection, operational and reporting procedures as well as closure requirements to impoundments and landfills that were not originally included for coverage by the 2015 CCR rule. Furthermore, the EPA's interpretations of the EPA CCR regulations continue to evolve through enforcement and other regulatory actions. FirstEnergy is currently assessing the potential impacts of the final rule, including a review of additional sites to which the new rule might be applicable. On February 13, 2025, the U.S. Department of Justice filed a motion on behalf of the EPA in the D.C. Circuit, seeking to hold the litigation, which was filed on August 8, 2024, by the Utility Solid Waste Act Group with FE as a member, in abeyance for a period of 120 days while the new leadership at the EPA evaluates the rule and determines how it wishes to proceed, which the D.C. Circuit granted. On March 12, 2025, the EPA announced a series of planned deregulatory actions, including reconsideration of the final legacy CCR rule. FirstEnergy continues to monitor the EPA's actions related to CCR regulations; however, the ultimate impact is unknown at this time and is subject to the outcome of the litigation and any future state regulatory actions. Depending on the outcome of appeals and the EPA's rule, compliance with the final legacy CCR rule could require remedial actions, including removal of coal ash. See Note 11., "Asset Retirement Obligations," above for a description of the \$26 million increase to its ARO that MP recorded during 2024 as a result of its analysis.

OTHER LEGAL PROCEEDINGS

United States v. Larry Householder, et al.

On July 21, 2020, a complaint and supporting affidavit containing federal criminal allegations were unsealed against the now former Ohio House Speaker Larry Householder and other individuals and entities allegedly affiliated with Mr. Householder. In March 2023, a jury found Mr. Householder and his co-defendant, Matthew Borges, guilty and in June 2023, the two were sentenced to prison for 20 and five years, respectively. Messrs. Householder and Borges have appealed their sentences; the Sixth Circuit recently rejected their appeal upholding their convictions. Also, on July 21, 2020, and in connection with the U.S. Attorney's Office's investigation, FirstEnergy received subpoenas for records from the U.S. Attorney's Office for the Southern District of Ohio. FirstEnergy was not aware of the criminal allegations, affidavit or subpoenas before July 21, 2020. On January 17, 2025, the U.S. Attorney's Office announced that a federal grand jury charged two former FirstEnergy senior officers with one count of participating in a Racketeer Influenced and Corrupt Organizations Act conspiracy. The allegations in the indictment are largely based on the conduct described in the DPA.

On July 21, 2021, FE entered into a three-year DPA with the U.S. Attorney's Office that, subject to court proceedings, resolves this matter as to FE. Under the DPA, FE agreed to the filing of a criminal information charging FE with one count of conspiracy to

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

commit honest services wire fraud. The DPA required that FirstEnergy, among other obligations: (i) continue to cooperate with the U.S. Attorney's Office in all matters relating to the conduct described in the DPA and other conduct under investigation by the U.S. government; (ii) pay a criminal monetary penalty totaling \$230 million within sixty days, consisting of (x) \$115 million paid by FE to the U.S. Treasury and (y) \$115 million paid by FE to the ODSA to fund certain assistance programs, as determined by the ODSA, for the benefit of low-income Ohio electric utility customers; (iii) publish a list of all payments made in 2021 to either 501(c)(4) entities or to entities known by FirstEnergy to be operating for the benefit of a public official, either directly or indirectly, and update the same on a quarterly basis during the term of the DPA; (iv) issue a public statement, as dictated in the DPA, regarding FE's use of 501(c)(4) entities; and (v) continue to implement and review its compliance and ethics program, internal controls, policies and procedures designed, implemented and enforced to prevent and detect violations of U.S. laws throughout its operations, and to take certain related remedial measures. The \$230 million payment will neither be recovered in rates or charged to FirstEnergy customers, nor will FirstEnergy seek any tax deduction related to such payment. The entire amount of the monetary penalty was recognized as an expense in the second quarter of 2021 and paid in the third quarter of 2021. As of July 22, 2024, FirstEnergy had successfully completed the obligations required within the three-year term of the DPA. Under the DPA, FirstEnergy has an obligation to continue: (i) publishing quarterly a list of all payments to 501(c)(4) entities and all payments to entities known by FirstEnergy operating for the benefit of a public official, either directly or indirectly; (ii) not making any statements that contradict the DPA; (iii) notifying the U.S. Attorney's Office of any changes in FirstEnergy's corporate form; and (iv) cooperating with the U.S. Attorney's Office until the conclusion of any related investigation, criminal prosecution, and civil proceeding brought by the U.S. Attorney's Office, including the aforementioned federal indictment against two former FirstEnergy senior officers. Within 30 days of those matters concluding, and FirstEnergy's successful completion of its remaining obligations, the U.S. Attorney's Office will dismiss the criminal information. On February 26, 2025, the U.S. Attorney's Office filed a status report confirming these commitments.

Legal Proceedings Relating to U.S. v. Larry Householder, et al.

Certain FE stockholders and FirstEnergy customers also filed several lawsuits against FirstEnergy and certain current and former directors, officers and other employees, and the complaints in each of these suits is related to allegations in the complaint and supporting affidavit relating to HB 6 and the now former Ohio House Speaker Larry Householder and other individuals and entities allegedly affiliated with Mr. Householder. The plaintiffs in each of the below cases seek, among other things, to recover an unspecified amount of damages (unless otherwise noted).

- *In re FirstEnergy Corp. Securities Litigation* (S.D. Ohio); on July 28, 2020, and August 21, 2020, purported stockholders of FE filed putative class action lawsuits alleging violations of the federal securities laws. Those actions have been consolidated and a lead plaintiff, the Los Angeles County Employees Retirement Association, has been appointed by the court. A consolidated complaint was filed on February 26, 2021. The consolidated complaint alleges, on behalf of a proposed class of persons who purchased FE securities between February 21, 2017 and July 21, 2020, that FE and certain current or former FE officers violated Sections 10(b) and 20(a) of the Exchange Act by issuing alleged misrepresentations or omissions concerning FE's business and results of operations. The consolidated complaint also alleges that FE, certain current or former FE officers and directors, and a group of underwriters violated Sections 11, 12(a)(2) and 15 of the Securities Act as a result of alleged misrepresentations or omissions in connection with offerings of senior notes by FE in February and June 2020. On March 30, 2023, the court granted plaintiffs' motion for class certification. On April 14, 2023, FE filed a petition in the Sixth Circuit seeking to appeal that order. On August 13, 2025, the Sixth Circuit vacated the S.D. Ohio's order granting class certification. On November 6, 2025, the S.D. Ohio held oral argument to further consider class certification in light of the Sixth Circuit's decision. FE believes that it is probable that it will incur a loss in connection with the resolution of this lawsuit. Given the ongoing nature and complexity of such litigation, FE cannot yet reasonably estimate a loss or range of loss.
- *MFS Series Trust I, et al. v. FirstEnergy Corp., et al. and Brighthouse Funds II – MFS Value Portfolio, et al. v. FirstEnergy Corp., et al.* (S.D. Ohio); on December 17, 2021 and February 21, 2022, purported stockholders of FE filed complaints against FE, certain current and former officers, and certain then-current and former officers of Energy Harbor Corp. The complaints allege that the defendants violated Sections 10(b) and 20(a) of the Exchange Act by issuing alleged misrepresentations or omissions regarding FE's business and its results of operations, and seek the same relief as the *In re FirstEnergy Corp. Securities Litigation* described above. FE believes that it is probable that it will incur losses in connection with the resolution of these lawsuits. Given the ongoing nature and complexity of such litigation, FE cannot yet reasonably estimate a loss or range of loss.

The outcome of any of these lawsuits is uncertain and could have a material adverse effect on FE's or its subsidiaries' reputation, business, financial condition, results of operations, liquidity, and cash flows.

Other Legal Matters

There are various lawsuits, claims (including claims for asbestos exposure) and proceedings related to MP's normal business operations pending against MP or its subsidiaries. The loss or range of loss in these matters is not expected to be material to MP or its subsidiaries. The other potentially material items not otherwise discussed above are described under Note 12., "Regulatory Matters."

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

MP accrues legal liabilities only when it concludes that it is probable that it has an obligation for such costs and can reasonably estimate the amount of such costs. In cases where MP determines that it is not probable, but reasonably possible that it has a material obligation, it discloses such obligations and the possible loss or range of loss if such estimate can be made. If it were ultimately determined that MP or its subsidiaries have legal liability or are otherwise made subject to liability based on any of the matters referenced above, it could have a material adverse effect on MP's or its subsidiaries' financial condition, results of operations and cash flows.

14. TRANSACTIONS WITH AFFILIATED COMPANIES

MP's revenues, expenses, miscellaneous income and interest expenses include transactions with affiliated companies. These affiliated company transactions include affiliated company power sales agreements between FirstEnergy's regulated companies, support service billings, interest on affiliated company notes including the money pool and other transactions.

The primary affiliated company transactions for MP during the years ended December 31, 2025, 2024 and 2023 are as follows:

	For the Years Ended December 31,		
	2025	2024	2023
	<i>(In millions)</i>		
Revenues ⁽¹⁾	\$ 248	\$ 220	\$ 202
Expenses:			
FESC support services ⁽²⁾	111	98	114
Other affiliate support services ⁽²⁾	—	6	1
Interest income	1	1	5
Interest expense	11	8	4

⁽¹⁾ Includes \$239 million, \$210 million and \$192 million as of December 31, 2025, 2024 and 2023, respectively, related to power sold to PE to meet a portion of its Provider of Last Resort and default service requirements as well as provide power to certain facilities. See Note 5., "Leases," for additional information.

⁽²⁾ Includes amounts capitalized of \$42 million, \$43 million and \$34 million for the years ended December 31, 2025, 2024 and 2023, respectively.

FE does not bill directly or allocate any of its costs to any subsidiary company. FESC provides corporate support and other services, including executive administration, accounting and finance, risk management, human resources, corporate affairs, communications, information technology, legal services and other similar services at cost, in accordance with its cost allocation manual, to affiliated FirstEnergy companies under FESC agreements. Allocated costs are for services that are provided on behalf of more than one company, or costs that cannot be precisely identified and are allocated using formulas developed by FESC. Intercompany transactions are generally settled under commercial terms within thirty days. MP can also receive charges from and charge affiliates other than FESC at cost.

MP recognizes an allocation of the net periodic pension and OPEB costs/credits from its affiliates, including FESC. See Note 3., "Pension and Other Postemployment Benefits" for additional information.

In 2024, MP entered into a lease agreement with its affiliate, AE Supply, for a term of 30 years that will be used for MP's Marlowe solar site, which may be extended for up to two additional successive periods of five years. Lease expense during the years ended December 31, 2025 and 2024 was immaterial.

Under the FirstEnergy regulated money pool, MP has the ability to borrow from its regulated affiliates and FE to meet its short-term working capital requirements. Affiliated company notes receivables and payables related to the money pool are reported as Notes receivable from affiliated companies or Short-term borrowings - affiliated companies on MP's Consolidated Balance Sheets. Affiliate accounts receivable and accounts payable balances relate to intercompany transactions that have not yet settled through the FirstEnergy money pool (see Note 1., "Short-Term Borrowings and Bank Lines of Credit").

MP is party to an intercompany income tax allocation agreement with FirstEnergy that provides for the allocation of consolidated tax liabilities. See Note 4., "Taxes" for additional information.