

KEYSTONE APPALACHIAN TRANSMISSION COMPANY
UNAUDITED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

KEYSTONE APPALACHIAN TRANSMISSION COMPANY
STATEMENTS OF INCOME
Unaudited

<i>(In thousands)</i>	For the Three Months Ended March 31,	
	2026	2025
REVENUES	\$ 24,885	\$ 22,766
OPERATING EXPENSES:		
Other operating expenses	6,787	6,368
Provision for depreciation	4,566	4,247
Amortization of regulatory assets, net	98	98
General taxes	509	850
Total operating expenses	11,960	11,563
OPERATING INCOME	12,925	11,203
OTHER INCOME (EXPENSE):		
Miscellaneous income, net	590	1,143
Interest expense	(2,700)	(2,707)
Capitalized financing costs	2,229	1,218
Total other income (expense)	119	(346)
INCOME BEFORE INCOME TAXES	13,044	10,857
INCOME TAXES	2,969	2,555
NET INCOME	<u>\$ 10,075</u>	<u>\$ 8,302</u>

KEYSTONE APPALACHIAN TRANSMISSION COMPANY
BALANCE SHEETS
Unaudited

<i>(In thousands, except share amounts)</i>	March 31, 2026	December 31, 2025
ASSETS		
CURRENT ASSETS:		
Receivables -		
Affiliated companies	\$ 5	\$ 1,800
Other	3,385	2,322
Notes receivable from affiliated companies	36,184	47,435
Prepaid taxes and other	15	1,581
	<u>39,589</u>	<u>53,138</u>
PROPERTY, PLANT AND EQUIPMENT:		
In service	696,176	683,595
Less — Accumulated provision for depreciation	76,284	72,925
	<u>619,892</u>	<u>610,670</u>
Construction work in progress	145,456	128,298
	<u>765,348</u>	<u>738,968</u>
Deferred charges and other assets	2,149	2,901
TOTAL ASSETS	<u><u>\$ 807,086</u></u>	<u><u>\$ 795,007</u></u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable - affiliated companies	\$ 7,337	\$ 7,197
Accrued taxes	3,651	4,562
Accrued interest	2,183	4,768
Other current liabilities	117	54
	<u>13,288</u>	<u>16,581</u>
NONCURRENT LIABILITIES:		
Long-term debt and other long-term obligations	198,906	198,874
Accumulated deferred income taxes, net	74,289	70,529
Regulatory liabilities	27,852	26,347
	<u>301,047</u>	<u>295,750</u>
TOTAL LIABILITIES	<u>314,335</u>	<u>312,331</u>
COMMON STOCKHOLDER'S EQUITY:		
Class A Common stock, \$1 par value, 1,000 shares authorized, 1,000 shares outstanding	1	1
Other paid-in capital	451,380	451,380
Retained earnings	41,370	31,295
TOTAL COMMON STOCKHOLDER'S EQUITY	<u>492,751</u>	<u>482,676</u>
TOTAL LIABILITIES AND COMMON STOCKHOLDER'S EQUITY	<u><u>\$ 807,086</u></u>	<u><u>\$ 795,007</u></u>

KEYSTONE APPALACHIAN TRANSMISSION COMPANY
STATEMENTS OF CASH FLOWS
Unaudited

<i>(In thousands)</i>	For the Three Months Ended March 31,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 10,075	\$ 8,302
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	4,728	4,345
Deferred income taxes, net	3,052	1,472
Transmission revenues collections, net	2,036	615
Allowance for funds used during construction - equity	(1,791)	(996)
Changes in current assets and liabilities-		
Receivables	732	6,898
Prepaid taxes and other current assets	1,566	10
Accounts payable - affiliated companies	(1,202)	(2,794)
Accrued taxes	(911)	832
Accrued interest	(2,585)	2,585
Other current liabilities	69	2
Other	703	(100)
Net cash provided from operating activities	<u>16,472</u>	<u>21,171</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital investments	(26,825)	(28,488)
Loans to affiliated companies, net	11,251	7,297
Asset removal costs	(935)	(682)
Other	40	724
Net cash used for investing activities	<u>(16,469)</u>	<u>(21,149)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Other	(3)	(22)
Net cash used for financing activities	<u>(3)</u>	<u>(22)</u>
Net change in cash and cash equivalents	—	—
Cash and cash equivalents at beginning of period	—	—
Cash and cash equivalents at end of period	<u>\$ —</u>	<u>\$ —</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Significant non-cash transactions:		
Accrued capital investments	\$ 12,294	\$ 10,036