

FIRSTENERGY TRANSMISSION, LLC AND SUBSIDIARIES
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020

**FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)**

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2021	2020
REVENUES	\$ 338	\$ 325
OPERATING EXPENSES:		
Other operating expenses	45	34
Provision for depreciation	63	59
Amortization of regulatory assets, net	5	3
General taxes	60	59
Total operating expenses	<u>173</u>	<u>155</u>
OPERATING INCOME	<u>165</u>	<u>170</u>
OTHER INCOME (EXPENSE):		
Miscellaneous income, net	7	3
Pension and OPEB mark-to-market adjustment	—	(19)
Interest expense	(57)	(47)
Capitalized financing costs	1	8
Total other expense	<u>(49)</u>	<u>(55)</u>
INCOME BEFORE INCOME TAXES	116	115
INCOME TAXES	<u>25</u>	<u>24</u>
NET INCOME	91	91
Income attributable to noncontrolling interest	<u>13</u>	<u>15</u>
EARNINGS AVAILABLE TO PARENT	<u>\$ 78</u>	<u>\$ 76</u>

**FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)**

<i>(In millions)</i>	March 31, 2021	December 31, 2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 222	\$ 221
Receivables-		
Affiliated companies	22	37
Other, net of allowance for uncollectible accounts of \$3 in 2021 and 2020	70	65
Notes receivable from affiliated companies	1,000	1,034
Prepaid taxes and other	19	17
	<u>1,333</u>	<u>1,374</u>
PROPERTY, PLANT AND EQUIPMENT:		
In service	9,874	9,756
Less — Accumulated provision for depreciation	1,949	1,899
	<u>7,925</u>	<u>7,857</u>
Construction work in progress	592	521
	<u>8,517</u>	<u>8,378</u>
INVESTMENTS AND OTHER NONCURRENT ASSETS:		
Goodwill	224	224
Investment in non-affiliated companies	18	19
Regulatory assets	3	3
Property taxes	167	230
Operating lease right-of-use asset	413	413
Other	19	18
	<u>844</u>	<u>907</u>
	<u>\$ 10,694</u>	<u>\$ 10,659</u>
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 400	\$ —
Short-term borrowings-		
Affiliated companies	426	409
Other	500	1,000
Accounts payable - affiliated companies	10	9
Accrued taxes	233	226
Accrued interest	56	60
Other	6	6
	<u>1,631</u>	<u>1,710</u>
CAPITALIZATION:		
Member's equity	1,057	1,057
Retained earnings	1,069	991
Total member's equity	<u>2,126</u>	<u>2,048</u>
Noncontrolling interest	766	753
Total equity	<u>2,892</u>	<u>2,801</u>
Long-term debt and other long-term obligations	4,192	4,096
	<u>7,084</u>	<u>6,897</u>
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	1,064	1,037
Property taxes	111	230
Regulatory liabilities	355	334
Noncurrent operating lease obligation	407	407
Other	42	44
	<u>1,979</u>	<u>2,052</u>
	<u>\$ 10,694</u>	<u>\$ 10,659</u>

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

For the Three Months
 Ended March 31,

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 91	\$ 91
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	63	63
Pension and OPEB mark-to-market adjustment	—	19
Deferred income taxes and investment tax credits, net	29	12
Allowance for equity funds used during construction	1	(6)
Transmission revenue collections, net	30	(6)
Changes in current assets and liabilities-		
Receivables	10	(10)
Prepaid taxes and other current assets	(2)	(1)
Accounts payable	(2)	(71)
Accrued taxes	(49)	(23)
Accrued interest	(4)	(3)
Other	(3)	(8)
Net cash provided from operating activities	164	57
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Long-term debt	500	250
Short-term borrowings - affiliated companies, net	59	118
Redemptions and Repayments-		
Short-term borrowings -		
Affiliated companies, net	(42)	(319)
Other, net	(500)	—
Common stock dividend payments	—	(250)
Other	(5)	(1)
Net cash provided from (used for) financing activities	12	(202)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(196)	(194)
Loans to affiliated companies, net	34	350
Asset removal costs	(14)	(11)
Other	1	—
Net cash provided from (used for) investing activities	(175)	145
Net change in cash, cash equivalents, and restricted cash	1	—
Cash, cash equivalents, and restricted cash at beginning of period	221	71
Cash, cash equivalents, and restricted cash at end of period	\$ 222	\$ 71

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATING STATEMENTS OF INCOME
(UNAUDITED)

For the Three Months Ended March 31, 2021	FET	ATSI	TrAIL	MAIT	PATH	Eliminations	Consolidated
<i>(In millions)</i>							
REVENUES	\$ —	\$ 208	\$ 61	\$ 69	\$ 1	\$ (1)	\$ 338
OPERATING EXPENSES:							
Operation and maintenance expenses	—	26	3	17	—	(1)	45
Provision for depreciation	—	37	13	13	—	—	63
Amortization of regulatory assets, net	—	4	—	1	—	—	5
General taxes	—	56	4	—	—	—	60
Total operating expenses	—	123	20	31	—	(1)	173
OPERATING INCOME	—	85	41	38	1	—	165
OTHER INCOME (EXPENSE):							
Miscellaneous income, including net income from equity investees	95	2	—	1	—	(91)	7
Interest expense	(25)	(18)	(6)	(8)	—	—	(57)
Capitalized financing costs	—	2	2	(3)	—	—	1
Total other income (expense)	70	(14)	(4)	(10)	—	(91)	(49)
INCOME BEFORE INCOME TAXES (BENEFITS)	70	71	37	28	1	(91)	116
INCOME TAXES (BENEFITS)	(8)	15	10	7	1	—	25
NET INCOME	78	56	27	21	—	(91)	91
Income attributable to noncontrolling interest	—	—	—	—	—	13	13
EARNINGS AVAILABLE TO PARENT	\$ 78	\$ 56	\$ 27	\$ 21	\$ —	\$ (104)	\$ 78

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATING STATEMENTS OF INCOME
(UNAUDITED)

For the Three Months Ended March 31, 2020	FET	ATSI	TrAIL	MAIT	PATH	Eliminations	Consolidated
	<i>(In millions)</i>						
REVENUES	\$ —	\$ 204	\$ 65	\$ 57	\$ —	\$ (1)	\$ 325
OPERATING EXPENSES:							
Operation and maintenance expenses	—	23	3	9	—	(1)	34
Provision for depreciation	—	35	13	11	—	—	59
Amortization of regulatory assets, net	—	2	—	1	—	—	3
General taxes	—	56	3	—	—	—	59
Total operating expenses	—	116	19	21	—	(1)	155
OPERATING INCOME	—	88	46	36	—	—	170
OTHER INCOME (EXPENSE):							
Miscellaneous income, net, including net income from equity investees	87	1	—	1	—	(86)	3
Pension and OPEB mark-to-market adjustment	—	(12)	(2)	(5)	—	—	(19)
Interest expense	(18)	(16)	(7)	(6)	—	—	(47)
Capitalized financing costs	—	4	—	4	—	—	8
Total other income (expense)	69	(23)	(9)	(6)	—	(86)	(55)
INCOME BEFORE INCOME TAXES (BENEFITS)	69	65	37	30	—	(86)	115
INCOME TAXES (BENEFITS)	(7)	13	10	8	—	—	24
NET INCOME	76	52	27	22	—	(86)	91
Income attributable to noncontrolling interest	—	—	—	—	—	15	15
EARNINGS AVAILABLE TO PARENT	<u>\$ 76</u>	<u>\$ 52</u>	<u>\$ 27</u>	<u>\$ 22</u>	<u>\$ —</u>	<u>\$ (101)</u>	<u>\$ 76</u>

**FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATING BALANCE SHEETS
(UNAUDITED)**

As of March 31, 2021	FET	ATSI	TRAIL	MAIT	PATH	Eliminations	Consolidated
	<i>(In millions)</i>						
ASSETS							
CURRENT ASSETS:							
Cash and cash equivalents	\$ —	\$ 150	\$ —	\$ —	\$ 72	\$ —	\$ 222
Receivables-							
Affiliated companies	6	9	8	4	1	(6)	22
Other	—	36	21	13	—	—	70
Notes receivable from affiliated companies	1,000	—	—	—	—	—	1,000
Prepaid taxes and other	—	3	15	1	—	—	19
	<u>1,006</u>	<u>198</u>	<u>44</u>	<u>18</u>	<u>73</u>	<u>(6)</u>	<u>1,333</u>
PROPERTY, PLANT AND EQUIPMENT:							
In service	—	5,433	2,203	2,238	—	—	9,874
Less — Accumulated provision for depreciation	—	1,251	302	396	—	—	1,949
	—	4,182	1,901	1,842	—	—	7,925
Construction work in progress	—	275	110	207	—	—	592
	—	4,457	2,011	2,049	—	—	8,517
INVESTMENTS AND OTHER NONCURRENT ASSETS:							
Goodwill	—	—	—	224	—	—	224
Accumulated deferred income tax benefits	34	—	—	—	1	(35)	—
Investment in affiliated companies	3,439	—	—	—	—	(3,439)	—
Investment in non-affiliated companies	—	—	—	—	18	—	18
Regulatory assets	—	—	—	—	3	—	3
Property taxes	—	167	—	—	—	—	167
Operating lease right-of-use asset	—	413	—	—	—	—	413
Other	2	8	7	2	—	—	19
	<u>3,475</u>	<u>588</u>	<u>7</u>	<u>226</u>	<u>22</u>	<u>(3,474)</u>	<u>844</u>
	<u>\$ 4,481</u>	<u>\$ 5,243</u>	<u>\$ 2,062</u>	<u>\$ 2,293</u>	<u>\$ 95</u>	<u>\$ (3,480)</u>	<u>\$ 10,694</u>
LIABILITIES AND CAPITALIZATION							
CURRENT LIABILITIES:							
Currently payable long-term debt	\$ —	\$ 400	\$ —	\$ —	\$ —	\$ —	\$ 400
Short-term borrowings-							
Affiliated companies	—	331	18	76	1	—	426
Other	350	150	—	—	—	—	500
Accounts payable - affiliated companies	—	5	1	3	1	—	10
Accrued taxes	—	221	17	1	—	(6)	233
Accrued interest	23	14	8	11	—	—	56
Other	—	6	—	—	—	—	6
	<u>373</u>	<u>1,127</u>	<u>44</u>	<u>91</u>	<u>2</u>	<u>(6)</u>	<u>1,631</u>
CAPITALIZATION:							
Member's equity	1,057	1,267	928	1,183	90	(3,468)	1,057
Retained earnings	1,069	668	37	30	2	(737)	1,069
Total member's equity	<u>2,126</u>	<u>1,935</u>	<u>965</u>	<u>1,213</u>	<u>92</u>	<u>(4,205)</u>	<u>2,126</u>
Noncontrolling interest	—	—	—	—	—	766	766
Total equity	<u>2,126</u>	<u>1,935</u>	<u>965</u>	<u>1,213</u>	<u>92</u>	<u>(3,439)</u>	<u>2,892</u>
Long-term debt and other long-term obligations	1,982	891	623	696	—	—	4,192
	<u>4,108</u>	<u>2,826</u>	<u>1,588</u>	<u>1,909</u>	<u>92</u>	<u>(3,439)</u>	<u>7,084</u>
NONCURRENT LIABILITIES:							
Accumulated deferred income taxes	—	556	281	262	—	(35)	1,064
Property taxes	—	111	—	—	—	—	111
Regulatory liabilities	—	181	144	29	1	—	355
Noncurrent operating lease obligation	—	407	—	—	—	—	407
Other	—	35	5	2	—	—	42
	—	1,290	430	293	1	(35)	1,979
	<u>\$ 4,481</u>	<u>\$ 5,243</u>	<u>\$ 2,062</u>	<u>\$ 2,293</u>	<u>\$ 95</u>	<u>\$ (3,480)</u>	<u>\$ 10,694</u>

**FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATING BALANCE SHEETS
(UNAUDITED)**

As of December 31, 2020	FET	ATSI	TrAIL	MAIT	PATH	Eliminations	Consolidated
	<i>(In millions)</i>						
ASSETS							
CURRENT ASSETS:							
Cash and cash equivalents	\$ —	\$ 150	\$ —	\$ —	\$ 71	\$ —	\$ 221
Receivables-							
Affiliated companies	2	22	4	8	1	—	37
Other	—	33	21	11	—	—	65
Notes receivable from affiliated companies	1,034	—	—	—	—	—	1,034
Prepaid taxes and other	—	3	13	1	—	—	17
	<u>1,036</u>	<u>208</u>	<u>38</u>	<u>20</u>	<u>72</u>	<u>—</u>	<u>1,374</u>
PROPERTY, PLANT AND EQUIPMENT:							
In service	—	5,382	2,194	2,180	—	—	9,756
Less — Accumulated provision for depreciation	—	1,226	291	382	—	—	1,899
	—	4,156	1,903	1,798	—	—	7,857
Construction work in progress	—	222	100	199	—	—	521
	—	4,378	2,003	1,997	—	—	8,378
INVESTMENTS AND OTHER NONCURRENT ASSETS:							
Goodwill	—	—	—	224	—	—	224
Accumulated deferred income tax benefits	31	—	—	—	1	(32)	—
Investment in affiliated companies	3,348	—	—	—	—	(3,348)	—
Investment in non-affiliated companies	1	—	—	—	18	—	19
Regulatory assets	—	—	—	—	3	—	3
Property taxes	—	225	5	—	—	—	230
Operating lease right-of-use asset	—	413	—	—	—	—	413
Other	—	8	8	2	—	—	18
	<u>3,380</u>	<u>646</u>	<u>13</u>	<u>226</u>	<u>22</u>	<u>(3,380)</u>	<u>907</u>
	<u>\$ 4,416</u>	<u>\$ 5,232</u>	<u>\$ 2,054</u>	<u>\$ 2,243</u>	<u>\$ 94</u>	<u>\$ (3,380)</u>	<u>\$ 10,659</u>
LIABILITIES AND CAPITALIZATION							
CURRENT LIABILITIES:							
Short-term borrowings-							
Affiliated companies	\$ —	\$ 287	\$ 60	\$ 62	\$ —	\$ —	\$ 409
Other	850	150	—	—	—	—	1,000
Accounts payable - affiliated companies	—	6	1	1	1	—	9
Accrued taxes	—	209	17	—	—	—	226
Accrued interest	31	22	2	5	—	—	60
Other	—	6	—	—	—	—	6
	<u>881</u>	<u>680</u>	<u>80</u>	<u>68</u>	<u>1</u>	<u>—</u>	<u>1,710</u>
CAPITALIZATION:							
Member's equity	1,057	1,267	928	1,183	90	(3,468)	1,057
Retained earnings	991	612	10	9	2	(633)	991
Total member's equity	<u>2,048</u>	<u>1,879</u>	<u>938</u>	<u>1,192</u>	<u>92</u>	<u>(4,101)</u>	<u>2,048</u>
Noncontrolling interest	—	—	—	—	—	753	753
Total equity	<u>2,048</u>	<u>1,879</u>	<u>938</u>	<u>1,192</u>	<u>92</u>	<u>(3,348)</u>	<u>2,801</u>
Long-term debt and other long-term obligations	1,487	1,291	622	696	—	—	4,096
	<u>3,535</u>	<u>3,170</u>	<u>1,560</u>	<u>1,888</u>	<u>92</u>	<u>(3,348)</u>	<u>6,897</u>
NONCURRENT LIABILITIES:							
Accumulated deferred income taxes	—	548	264	257	—	(32)	1,037
Property taxes	—	225	5	—	—	—	230
Regulatory liabilities	—	167	138	28	1	—	334
Noncurrent operating lease obligation	—	407	—	—	—	—	407
Other	—	35	7	2	—	—	44
	—	<u>1,382</u>	<u>414</u>	<u>287</u>	<u>1</u>	<u>(32)</u>	<u>2,052</u>
	<u>\$ 4,416</u>	<u>\$ 5,232</u>	<u>\$ 2,054</u>	<u>\$ 2,243</u>	<u>\$ 94</u>	<u>\$ (3,380)</u>	<u>\$ 10,659</u>

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATING STATEMENTS OF CASH FLOWS
(UNAUDITED)

For the Three Months Ended March 31, 2021	FET	ATSI	TrAIL	MAIT	PATH	Eliminations	Consolidated
<i>(In millions)</i>							
CASH FLOWS FROM OPERATING ACTIVITIES:							
Net income	\$ 78	\$ 56	\$ 27	\$ 21	\$ —	\$ (91)	\$ 91
Adjustments to reconcile net income to net cash from operating activities-							
Depreciation and amortization	—	36	13	14	—	—	63
Deferred income taxes and investment tax credits, net	(3)	10	16	6	—	—	29
Allowance for funds used during construction	—	(1)	(2)	4	—	—	1
Transmission revenue collections, net	—	14	5	11	—	—	30
Equity earnings of subsidiaries	(91)	—	—	—	—	91	—
Changes in current assets and liabilities-							
Receivables	(4)	10	(4)	2	—	6	10
Prepaid taxes and other current assets	—	—	(2)	—	—	—	(2)
Accounts payable	—	(3)	—	1	—	—	(2)
Accrued taxes	—	(44)	—	1	—	(6)	(49)
Accrued interest	(8)	(8)	6	6	—	—	(4)
Other	(1)	(1)	—	(1)	—	—	(3)
Net cash provided from (used for) operating activities	(29)	69	59	65	—	—	164
CASH FLOWS FROM FINANCING ACTIVITIES:							
New financing-							
Long-term debt	500	—	—	—	—	—	500
Short-term borrowings - affiliated companies, net	—	44	—	14	1	—	59
Redemptions and repayments							
Short-term borrowings -							
Affiliated companies, net	—	—	(42)	—	—	—	(42)
Other, net	(500)	—	—	—	—	—	(500)
Other	(5)	—	—	—	—	—	(5)
Net cash provided from (used for) financing activities	(5)	44	(42)	14	1	—	12
CASH FLOWS FROM INVESTING ACTIVITIES:							
Property additions	—	(107)	(17)	(72)	—	—	(196)
Loans to affiliated companies, net	34	—	—	—	—	—	34
Asset removal costs	—	(7)	—	(7)	—	—	(14)
Other	—	1	—	—	—	—	1
Net cash provided from (used for) investing activities	34	(113)	(17)	(79)	—	—	(175)
Net change in cash, cash equivalents and restricted cash	—	—	—	—	1	—	1
Cash, cash equivalents, and restricted cash at beginning of period	—	150	—	—	71	—	221
Cash, cash equivalents, and restricted cash at end of period	\$ —	\$ 150	\$ —	\$ —	\$ 72	\$ —	\$ 222

FIRSTENERGY TRANSMISSION, LLC
CONSOLIDATING STATEMENTS OF CASH FLOWS
(UNAUDITED)

For the Three Months Ended March 31, 2020	FET	ATSI	TrAIL	MAIT	PATH	Eliminations	Consolidated
<i>(In millions)</i>							
CASH FLOWS FROM OPERATING ACTIVITIES:							
Net income	\$ 76	\$ 52	\$ 27	\$ 22	\$ —	\$ (86)	\$ 91
Adjustments to reconcile net income to net cash from operating activities-							
Depreciation and amortization	—	38	13	12	—	—	63
Pensions and OPEB mark-to-market adjustments	—	12	2	5	—	—	19
Deferred income taxes and investment tax credits, net	(6)	10	2	6	—	—	12
Allowance for funds used during construction	—	(3)	—	(3)	—	—	(6)
Transmission revenue collections, net	—	(12)	1	5	—	—	(6)
Equity earnings of subsidiaries	(86)	—	—	—	—	86	—
Dividends received from equity investees	30	—	—	—	—	(30)	—
Changes in current assets and liabilities-							
Receivables	(1)	(7)	—	(2)	—	—	(10)
Prepaid taxes and other current assets	—	—	(4)	3	—	—	(1)
Accounts payable	—	(46)	(11)	(15)	—	1	(71)
Accrued taxes	—	(32)	9	1	—	(1)	(23)
Accrued interest	(6)	(8)	6	5	—	—	(3)
Other	—	(5)	(1)	(2)	—	—	(8)
Net cash provided from (used for) operating activities	<u>7</u>	<u>(1)</u>	<u>44</u>	<u>37</u>	<u>—</u>	<u>(30)</u>	<u>57</u>
CASH FLOWS FROM FINANCING ACTIVITIES:							
New financing-							
Long-term debt	—	—	—	250	—	—	250
Short-term borrowings - affiliated companies	86	32	—	—	—	—	118
Redemptions and repayments-							
Short-term borrowings - affiliated companies	—	—	(34)	(285)	—	—	(319)
Parent company equity contribution	—	—	—	265	—	(265)	—
Common stock dividend payments	(250)	(30)	—	—	—	30	(250)
Other	—	—	—	(1)	—	—	(1)
Net cash provided from (used for) financing activities	<u>(164)</u>	<u>2</u>	<u>(34)</u>	<u>229</u>	<u>—</u>	<u>(235)</u>	<u>(202)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:							
Property additions	—	(89)	(10)	(95)	—	—	(194)
Loans to affiliated companies, net	423	93	—	(166)	—	—	350
Investment in subsidiary	(265)	—	—	—	—	265	—
Asset removal costs	(1)	(5)	—	(5)	—	—	(11)
Net cash provided from (used for) investing activities	<u>157</u>	<u>(1)</u>	<u>(10)</u>	<u>(266)</u>	<u>—</u>	<u>265</u>	<u>145</u>
Net change in cash, cash equivalents and restricted cash							
	—	—	—	—	—	—	—
Cash, cash equivalents, and restricted cash at beginning of period							
	—	—	—	—	71	—	71
Cash, cash equivalents, and restricted cash at end of period							
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 71</u>	<u>\$ —</u>	<u>\$ 71</u>