

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2021	2020
REVENUES:		
Electric sales	\$ 365	\$ 362
Excise and gross receipts tax collections	2	2
Total revenues	367	364
OPERATING EXPENSES:		
Fuel	117	98
Purchased power	44	54
Other operating expenses	86	83
Provision for depreciation	38	38
Amortization (deferral) of regulatory assets, net	(6)	12
General taxes	18	17
Total operating expenses	297	302
OPERATING INCOME	70	62
OTHER INCOME (EXPENSE):		
Miscellaneous income, net	8	5
Pension and OPEB mark-to-market adjustment	—	(28)
Interest expense	(21)	(21)
Capitalized financing costs	1	1
Total other expense	(12)	(43)
INCOME BEFORE INCOME TAXES	58	19
INCOME TAXES	13	5
NET INCOME	\$ 45	\$ 14

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

<i>(In millions, except share amounts)</i>	March 31, 2021	December 31, 2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ —	\$ 100
Restricted cash	14	20
Receivables-		
Customers	111	135
Less — Allowance for uncollectible customer receivables	12	13
	99	122
Affiliated companies	48	40
Other, net of allowance for uncollectible accounts of \$2 in 2021 and 2020	15	10
Notes receivable from affiliated companies	91	—
Materials and supplies, at average cost	86	93
Prepaid taxes and other	36	34
	389	419
UTILITY PLANT:		
In service	4,922	4,857
Less — Accumulated provision for depreciation	761	736
	4,161	4,121
Construction work in progress	111	146
	4,272	4,267
DEFERRED CHARGES AND OTHER ASSETS:		
Intangible assets	72	73
Other	68	83
	140	156
	\$ 4,801	\$ 4,842
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 94	\$ 94
Short-term borrowings - affiliated companies	—	82
Accounts payable-		
Affiliated companies	9	21
Other	56	53
Accrued taxes	47	47
Accrued interest	27	13
Other	53	53
	286	363
CAPITALIZATION:		
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	899	897
Retained earnings	188	143
Total common stockholder's equity	1,382	1,335
Long-term debt and other long-term obligations	1,688	1,698
	3,070	3,033
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	517	501
Regulatory liabilities	623	627
Retirement benefits	39	42
Asset retirement obligations	59	57
Purchased power liability	60	62
Other	147	157
	1,445	1,446
COMMITMENTS AND CONTINGENCIES		
	\$ 4,801	\$ 4,842

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 45	\$ 14
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	32	50
Deferred income taxes and investment tax credits, net	15	(3)
Retirement benefits, net of payments	(4)	(1)
Pension and OPEB mark-to-market adjustment	—	28
Change in current assets and liabilities-		
Receivables	10	75
Materials and supplies	7	12
Prepaid taxes and other current assets	(6)	(6)
Accounts payable	(9)	(40)
Accrued taxes	—	10
Accrued interest	14	13
Other current liabilities	(9)	(3)
Other	15	—
Net cash provided from operating activities	110	149
CASH FLOWS FROM FINANCING ACTIVITIES:		
Redemptions and repayments-		
Long-term debt	(9)	(9)
Short-term borrowings - affiliated companies, net	(82)	(38)
Common stock dividend payments	—	(22)
Net cash used for financing activities	(91)	(69)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(33)	(48)
Loans to affiliated companies, net	(91)	(59)
Asset removal costs	(2)	(4)
Other	1	(1)
Net cash used for investing activities	(125)	(112)
Net change in cash, cash equivalents, and restricted cash	(106)	(32)
Cash, cash equivalents, and restricted cash at beginning of period	120	42
Cash, cash equivalents, and restricted cash at end of period	\$ 14	\$ 10