

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

THE TOLEDO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2021	2020
REVENUES:		
Electric sales	\$ 97	\$ 113
Excise and gross receipts tax collections	7	6
Total revenues	<u>104</u>	<u>119</u>
OPERATING EXPENSES:		
Purchased power from affiliates	—	1
Purchased power from non-affiliates	14	14
Other operating expenses	48	48
Provision for depreciation	11	10
Amortization (deferral) of regulatory assets, net	3	(1)
General taxes	16	15
Total operating expenses	<u>92</u>	<u>87</u>
OPERATING INCOME	<u>12</u>	<u>32</u>
OTHER INCOME (EXPENSE):		
Miscellaneous income, net	3	2
Pension and OPEB mark-to-market adjustment	—	(11)
Interest expense	(6)	(9)
Capitalized financing costs	1	—
Total other expense	<u>(2)</u>	<u>(18)</u>
INCOME BEFORE INCOME TAXES (BENEFITS)	<u>10</u>	<u>14</u>
INCOME TAXES (BENEFITS)	<u>1</u>	<u>(3)</u>
NET INCOME	<u>\$ 9</u>	<u>\$ 17</u>

THE TOLEDO EDISON 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	\$ 40	\$ 100
Restricted cash	2	2
Receivables-		
Customers	45	58
Less — Allowance for uncollectible customer receivables	9	10
	<u>36</u>	<u>48</u>
Affiliated companies	35	26
Other, net of allowance for uncollectible accounts	12	12
Prepaid taxes and other	2	1
	<u>127</u>	<u>189</u>
UTILITY PLANT:		
In service	1,319	1,300
Less — Accumulated provision for depreciation	641	632
	<u>678</u>	<u>668</u>
Construction work in progress	30	33
	<u>708</u>	<u>701</u>
DEFERRED CHARGES AND OTHER ASSETS:		
Goodwill	501	501
Regulatory assets	26	32
Property taxes	27	37
Other	13	15
	<u>567</u>	<u>585</u>
	<u>\$ 1,402</u>	<u>\$ 1,475</u>
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 3	\$ 3
Short-term borrowings		
Affiliated companies	23	83
Other	100	100
Accounts payable-		
Affiliated companies	23	19
Other	6	6
Accrued taxes	42	38
Other	25	24
	<u>222</u>	<u>273</u>
CAPITALIZATION:		
Common stockholder's equity-		
Common stock, \$5 par value, authorized 60,000,000 shares - 29,402,054 shares outstanding	147	147
Other paid-in capital	320	320
Retained earnings	85	86
Total common stockholder's equity	<u>552</u>	<u>553</u>
Long-term debt and other long-term obligations	332	333
	<u>884</u>	<u>886</u>
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	84	84
Retirement benefits	52	54
Property taxes	18	37
Other	142	141
	<u>296</u>	<u>316</u>
	<u>\$ 1,402</u>	<u>\$ 1,475</u>

THE TOLEDO EDISON 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	\$ 9	\$ 17
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	21	(6)
Deferred income taxes and investment tax credits, net	(1)	(7)
Pension and OPEB mark-to-market adjustment	—	11
Change in current assets and liabilities-		
Receivables	3	1
Prepaid taxes and other current assets	(1)	1
Accounts payable	4	2
Accrued taxes	(5)	(5)
Other current liabilities	—	4
Other	1	4
Net cash provided from operating activities	31	22
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Short-term borrowings - affiliated companies, net	—	1
Redemptions and repayments-		
Long-term debt	(1)	(1)
Short-term borrowings - affiliated companies, net	(60)	—
Common stock dividend payments	(10)	(10)
Net cash used for financing activities	(71)	(10)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(18)	(12)
Asset removal costs	(2)	(1)
Net cash used for investing activities	(20)	(13)
Net change in cash, cash equivalents, and restricted cash	(60)	(1)
Cash, cash equivalents, and restricted cash at beginning of period	102	2
Cash, cash equivalents, and restricted cash at end of period	\$ 42	\$ 1