

TRANS-ALLEGHENY INTERSTATE LINE COMPANY
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020

TRANS-ALLEGHENY INTERSTATE LINE COMPANY
STATEMENTS OF INCOME
(UNAUDITED)

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2021	2020
REVENUES	\$ 61	\$ 65
OPERATING EXPENSES:		
Other operating expenses	3	3
Provision for depreciation	13	13
General taxes	4	3
Total operating expenses	20	19
OPERATING INCOME	41	46
OTHER INCOME (EXPENSE):		
Pension and OPEB mark-to-market adjustment	—	(2)
Interest expense	(6)	(7)
Capitalized financing costs	2	—
Total other expense	(4)	(9)
INCOME BEFORE INCOME TAXES	37	37
INCOME TAXES	10	10
NET INCOME	\$ 27	\$ 27

TRANS-ALLEGHENY INTERSTATE LINE COMPANY
BALANCE SHEETS
(UNAUDITED)

<i>(In millions)</i>	March 31, 2021	December 31, 2020
ASSETS		
CURRENT ASSETS:		
Receivables-		
Affiliated companies	\$ 8	\$ 4
Other	21	21
Prepaid taxes and other	15	13
	<u>44</u>	<u>38</u>
UTILITY PLANT:		
In service	2,203	2,194
Less — Accumulated provision for depreciation	302	291
	<u>1,901</u>	<u>1,903</u>
Construction work in progress	110	100
	<u>2,011</u>	<u>2,003</u>
DEFERRED CHARGES AND OTHER ASSETS:		
Property taxes	—	5
Other	7	8
	<u>7</u>	<u>13</u>
	<u>\$ 2,062</u>	<u>\$ 2,054</u>
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Short-term borrowings - affiliated companies	\$ 18	\$ 60
Accounts payable - affiliated companies	1	1
Accrued taxes	17	17
Accrued interest	8	2
	<u>44</u>	<u>80</u>
CAPITALIZATION:		
Common stockholder's equity-		
Common stock and other paid-in capital, \$1 par value, authorized 5,000 shares - 1,000 shares outstanding	928	928
Retained earnings	37	10
Total common stockholder's equity	<u>965</u>	<u>938</u>
Long-term debt and other long-term obligations	623	622
	<u>1,588</u>	<u>1,560</u>
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	281	264
Regulatory liabilities	144	138
Property taxes	—	5
Other	5	7
	<u>430</u>	<u>414</u>
	<u>\$ 2,062</u>	<u>\$ 2,054</u>

TRANS-ALLEGHENY INTERSTATE LINE COMPANY
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	\$ 27	\$ 27
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	13	13
Deferred income taxes and investment tax credits, net	16	2
Transmission revenue collections, net	5	1
Pension and OPEB mark-to-market adjustment	—	2
Allowance for funds used during construction - equity	(2)	—
Changes in current assets and liabilities-		
Receivables	(4)	—
Prepaid taxes and other current assets	(2)	(4)
Accounts payable	—	(11)
Accrued taxes	—	9
Accrued interest	6	6
Other	—	(1)
Net cash provided from operating activities	59	44
CASH FLOWS FROM FINANCING ACTIVITIES:		
Redemptions and repayments-		
Short-term borrowings - affiliated companies, net	(42)	(34)
Net cash used for financing activities	(42)	(34)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(17)	(10)
Net cash used for investing activities	(17)	(10)
Net change in cash, cash equivalents, and restricted cash	—	—
Cash, cash equivalents, and restricted cash at beginning of period	—	—
Cash, cash equivalents, and restricted cash at end of period	\$ —	\$ —