

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

WEST PENN 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	\$ 243	\$ 249
Excise tax collections	13	15
Total revenues	256	264
OPERATING EXPENSES:		
Purchased power	101	91
Other operating expenses	66	63
Provision for depreciation	25	24
Amortization (deferral) of regulatory assets, net	(10)	31
General taxes	16	17
Total operating expenses	198	226
OPERATING INCOME	58	38
OTHER INCOME (EXPENSE):		
Miscellaneous income, net	7	5
Pension and OPEB mark-to-market adjustment	—	(21)
Interest expense	(12)	(11)
Capitalized financing costs	1	1
Total other expense	(4)	(26)
INCOME BEFORE INCOME TAXES	54	12
INCOME TAXES	10	2
NET INCOME	\$ 44	\$ 10

WEST PENN 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	\$ 150	\$ 150
Receivables-		
Customers	151	162
Less — Allowance for uncollectible customer receivables	21	21
	130	141
Affiliated companies	42	39
Other, net of allowance for uncollectible accounts of \$1 in 2021 and \$12 in 2020	10	10
Prepaid taxes and other	39	5
	371	345
UTILITY PLANT:		
In service	2,715	2,685
Less — Accumulated provision for depreciation	461	445
	2,254	2,240
Construction work in progress	150	131
	2,404	2,371
INVESTMENTS AND OTHER NONCURRENT ASSETS:		
Regulatory assets	62	48
Investments	11	11
Other	59	55
	132	114
	<u>\$ 2,907</u>	<u>\$ 2,830</u>
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 1	\$ 1
Short-term borrowings		
Affiliated companies	83	68
Other	150	150
Accounts payable-		
Affiliated companies	13	4
Other	64	63
Accrued interest	9	8
Accrued taxes	16	19
Customer deposits	27	27
Other	19	21
	382	361
CAPITALIZATION:		
Common stockholder's equity-		
Common stock, no par value, 32,000,000 shares authorized - 24,361,586 shares outstanding	558	557
Accumulated other comprehensive income	5	5
Retained earnings	402	358
Total common stockholder's equity	965	920
Long-term debt and other long-term obligations	970	971
	1,935	1,891
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	485	471
Retirement benefits	19	20
Asset retirement obligations	8	8
Other	78	79
	590	578
	<u>\$ 2,907</u>	<u>\$ 2,830</u>

WEST PENN 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	\$ 44	\$ 10
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization of regulatory assets, net	13	55
Deferred income taxes and investment tax credits, net	10	(5)
Retirement benefits, net of payments	(7)	(4)
Pension and OPEB mark-to-market adjustment	—	21
Change in current assets and liabilities-		
Receivables	8	1
Prepaid taxes and other current assets	(34)	(36)
Accounts payable	10	(29)
Accrued taxes	(3)	4
Accrued interest	1	2
Other current liabilities	(5)	(2)
Other	2	—
Net cash provided from operating activities	<u>39</u>	<u>17</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Short-term borrowings - affiliated companies, net	15	47
Net cash provided from financing activities	<u>15</u>	<u>47</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(51)	(60)
Asset removal costs	(3)	(4)
Net cash used for investing activities	<u>(54)</u>	<u>(64)</u>
Net change in cash, cash equivalents, and restricted cash	—	—
Cash, cash equivalents, and restricted cash at beginning of period	150	—
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 150</u>	<u>\$ —</u>