

**THE CLEVELAND ELECTRIC ILLUMINATING COMPANY AND SUBSIDIARIES**  
**UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021 AND 2020**

**THE CLEVELAND ELECTRIC ILLUMINATING COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**  
**(UNAUDITED)**

<i>(In millions)</i>	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
<b>REVENUES:</b>				
Electric sales	\$ 255	\$ 230	\$ 478	\$ 479
Excise and gross receipts tax collections	15	15	31	31
Total revenues	270	245	509	510
<b>OPERATING EXPENSES:</b>				
Purchased power from affiliates	—	—	—	2
Purchased power from non-affiliates	26	28	54	53
Other operating expenses	97	95	201	194
Provision for depreciation	30	27	59	55
Amortization of regulatory assets, net	23	4	22	3
General taxes	50	46	101	95
Total operating expenses	226	200	437	402
<b>OPERATING INCOME</b>	44	45	72	108
<b>OTHER INCOME (EXPENSE):</b>				
Miscellaneous income, net	2	4	7	8
Pension and OPEB mark-to-market adjustment	—	—	—	(19)
Interest expense	(19)	(17)	(38)	(35)
Capitalized financing costs	1	1	3	1
Total other expense	(16)	(12)	(28)	(45)
<b>INCOME BEFORE INCOME TAXES (BENEFITS)</b>	28	33	44	63
<b>INCOME TAXES (BENEFITS)</b>	3	6	5	(4)
<b>NET INCOME</b>	\$ 25	\$ 27	\$ 39	\$ 67
<b>STATEMENTS OF COMPREHENSIVE INCOME</b>				
<b>NET INCOME</b>	\$ 25	\$ 27	\$ 39	\$ 67
<b>OTHER COMPREHENSIVE LOSS:</b>				
Pension and OPEB prior service costs	—	—	—	(1)
Other comprehensive loss	—	—	—	(1)
Income tax benefits on other comprehensive loss	—	—	—	—
Other comprehensive loss, net of tax	—	—	—	(1)
<b>COMPREHENSIVE INCOME</b>	\$ 25	\$ 27	\$ 39	\$ 66

**THE CLEVELAND ELECTRIC ILLUMINATING COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

<i>(In millions, except share amounts)</i>	June 30, 2021	December 31, 2020
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 50	\$ 150
Restricted cash	13	14
Receivables-		
Customers	131	131
Less — Allowance for uncollectible customer receivables	17	18
	114	113
Affiliated companies	17	43
Other, net of allowance for uncollectible accounts of \$1 in 2021 and 2020	19	19
Notes receivable from affiliated companies	28	—
Prepaid taxes and other	3	2
	<u>244</u>	<u>341</u>
<b>UTILITY PLANT:</b>		
In service	3,579	3,503
Less — Accumulated provision for depreciation	1,460	1,426
	2,119	2,077
Construction work in progress	99	98
	<u>2,218</u>	<u>2,175</u>
<b>DEFERRED CHARGES AND OTHER ASSETS:</b>		
Goodwill	1,689	1,689
Property taxes	66	134
Other	42	38
	<u>1,797</u>	<u>1,861</u>
	<u>\$ 4,259</u>	<u>\$ 4,377</u>
<b>LIABILITIES AND CAPITALIZATION</b>		
<b>CURRENT LIABILITIES:</b>		
Currently payable long-term debt	\$ 14	\$ 21
Short-term borrowings - affiliated companies	—	45
Accounts payable-		
Affiliated companies	67	38
Other	16	15
Accrued taxes	91	135
Accrued interest	16	17
Other	47	50
	<u>251</u>	<u>321</u>
<b>CAPITALIZATION:</b>		
Common stockholder's equity-		
Common stock, without par value, authorized 105,000,000 shares - 67,930,743 shares outstanding	1,246	1,244
Accumulated other comprehensive loss	(4)	(4)
Retained earnings	347	348
Total common stockholder's equity	1,589	1,588
Long-term debt and other long-term obligations	1,567	1,570
	<u>3,156</u>	<u>3,158</u>
<b>NONCURRENT LIABILITIES:</b>		
Accumulated deferred income taxes	274	277
Retirement benefits	125	129
Regulatory liabilities	156	128
Property taxes	66	134
Other	231	230
	<u>852</u>	<u>898</u>
	<u>\$ 4,259</u>	<u>\$ 4,377</u>

**THE CLEVELAND ELECTRIC ILLUMINATING COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

For the Six Months  
 Ended June 30,

<i>(In millions)</i>	<u>2021</u>		<u>2020</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Net income	\$	39	\$	67
Adjustments to reconcile net income to net cash from operating activities-				
Depreciation and amortization		98		8
Deferred income taxes and investment tax credits, net		(9)		(20)
Retirement benefits, net of payments		(9)		(5)
Pension and OPEB mark-to-market adjustment		—		19
Change in current assets and liabilities-				
Receivables		25		(3)
Prepaid taxes and other current assets		(1)		—
Accounts payable		30		3
Accrued taxes		(44)		5
Accrued interest		(1)		—
Other current liabilities		(7)		2
Other		1		(3)
Net cash provided from operating activities		<u>122</u>		<u>73</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
New financing-				
Short-term borrowings - affiliated companies, net		—		60
Redemptions and repayments-				
Long-term debt		(10)		(10)
Short-term borrowings - affiliated companies, net		(45)		—
Common stock dividend payments		(40)		(45)
Other		(1)		(1)
Net cash provided from (used for) financing activities		<u>(96)</u>		<u>4</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Property additions		(92)		(73)
Loans to affiliated companies, net		(28)		—
Asset removal costs		(7)		(7)
Other		—		1
Net cash used for investing activities		<u>(127)</u>		<u>(79)</u>
Net change in cash, cash equivalents, and restricted cash		(101)		(2)
Cash, cash equivalents, and restricted cash at beginning of period		164		13
Cash, cash equivalents, and restricted cash at end of period	\$	<u>63</u>	\$	<u>11</u>