

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021 AND 2020

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

<i>(In millions)</i>	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
REVENUES:				
Electric sales	\$ 348	\$ 323	\$ 713	\$ 685
Excise and gross receipts tax collections	1	2	3	4
Total revenues	349	325	716	689
OPERATING EXPENSES:				
Fuel	112	76	229	174
Purchased power	53	45	97	99
Other operating expenses	87	95	173	178
Provision for depreciation	39	37	77	75
Amortization (deferral) of regulatory assets, net	(16)	5	(22)	17
General taxes	16	16	34	33
Total operating expenses	291	274	588	576
OPERATING INCOME	58	51	128	113
OTHER INCOME (EXPENSE):				
Miscellaneous income, net	5	6	13	11
Pension and OPEB mark-to-market adjustment	—	—	—	(28)
Interest expense	(22)	(22)	(43)	(43)
Capitalized financing costs	1	1	2	2
Total other expense	(16)	(15)	(28)	(58)
INCOME BEFORE INCOME TAXES	42	36	100	55
INCOME TAXES	10	9	23	14
NET INCOME	\$ 32	\$ 27	\$ 77	\$ 41

MONONGAHELA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

<i>(In millions, except share amounts)</i>	June 30, 2021	December 31, 2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 150	\$ 100
Restricted cash	20	20
Receivables-		
Customers	114	135
Less — Allowance for uncollectible customer receivables	12	13
	102	122
Affiliated companies	160	40
Other, net of allowance for uncollectible accounts of \$1 in 2021 and \$2 in 2020	12	10
Notes receivable from affiliated companies	9	—
Materials and supplies, at average cost	77	93
Prepaid taxes and other	33	34
	563	419
UTILITY PLANT:		
In service	4,964	4,857
Less — Accumulated provision for depreciation	784	736
	4,180	4,121
Construction work in progress	109	146
	4,289	4,267
DEFERRED CHARGES AND OTHER ASSETS:		
Intangible assets	71	73
Other	66	83
	137	156
	\$ 4,989	\$ 4,842
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 94	\$ 94
Short-term borrowings - affiliated companies	1	82
Accounts payable-		
Affiliated companies	5	21
Other	47	53
Accrued taxes	46	47
Accrued interest	14	13
Other	52	53
	259	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	900	897
Retained earnings	190	143
Total common stockholder's equity	1,385	1,335
Long-term debt and other long-term obligations	1,902	1,698
	3,287	3,033
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	515	501
Regulatory liabilities	625	627
Retirement benefits	36	42
Asset retirement obligations	61	57
Purchased power liability	59	62
Other	147	157
	1,443	1,446
	\$ 4,989	\$ 4,842

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

<i>(In millions)</i>	For the Six Months Ended June 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 77	\$ 41
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	55	91
Deferred income taxes and investment tax credits, net	25	(4)
Retirement benefits, net of payments	(9)	(5)
Pension and OPEB mark-to-market adjustment	—	28
Change in current assets and liabilities-		
Receivables	(102)	84
Materials and supplies	16	7
Prepaid taxes and other current assets	2	1
Accounts payable	(22)	(20)
Accrued taxes	(1)	1
Accrued interest	1	(1)
Other current liabilities	(7)	(2)
Other	18	(23)
Net cash provided from operating activities	53	198
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Long-term debt	200	—
Redemptions and repayments-		
Long-term debt	(10)	(9)
Short-term borrowings - affiliated companies, net	(81)	(38)
Common stock dividend payments	(30)	(22)
Premium on long-term debt	16	—
Other	(2)	—
Net cash provided from (used for) financing activities	93	(69)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(81)	(98)
Loans to affiliated companies, net	(9)	(41)
Asset removal costs	(6)	(8)
Net cash used for investing activities	(96)	(147)
Net change in cash, cash equivalents, and restricted cash	50	(18)
Cash, cash equivalents, and restricted cash at beginning of period	120	42
Cash, cash equivalents, and restricted cash at end of period	\$ 170	\$ 24