

TRANS-ALLEGHENY INTERSTATE LINE COMPANY
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021 AND 2020

TRANS-ALLEGHENY INTERSTATE LINE COMPANY
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	\$ 60	\$ 60	\$ 121	\$ 125
OPERATING EXPENSES:				
Other operating expenses	3	3	6	6
Provision for depreciation	13	13	26	26
General taxes	4	4	8	7
Total operating expenses	20	20	40	39
OPERATING INCOME	40	40	81	86
OTHER INCOME (EXPENSE):				
Miscellaneous income (expense), net	(1)	—	(1)	—
Pension and OPEB mark-to-market adjustment	—	—	—	(2)
Interest expense	(7)	(6)	(13)	(13)
Capitalized financing costs	2	1	4	1
Total other expense	(6)	(5)	(10)	(14)
INCOME BEFORE INCOME TAXES	34	35	71	72
INCOME TAXES	9	10	19	20
NET INCOME	\$ 25	\$ 25	\$ 52	\$ 52

TRANS-ALLEGHENY INTERSTATE LINE COMPANY
BALANCE SHEETS
(UNAUDITED)

<i>(In millions)</i>	June 30, 2021	December 31, 2020
ASSETS		
CURRENT ASSETS:		
Receivables-		
Affiliated companies	\$ 1	\$ 4
Other	20	21
Notes receivable from affiliated companies	34	—
Prepaid taxes and other	12	13
	<u>67</u>	<u>38</u>
UTILITY PLANT:		
In service	2,207	2,194
Less — Accumulated provision for depreciation	313	291
	<u>1,894</u>	<u>1,903</u>
Construction work in progress	115	100
	<u>2,009</u>	<u>2,003</u>
INVESTMENTS AND OTHER NONCURRENT ASSETS:		
Property taxes	—	5
Other	7	8
	<u>7</u>	<u>13</u>
	<u>\$ 2,083</u>	<u>\$ 2,054</u>
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Short-term borrowings - affiliated companies	\$ —	\$ 60
Accounts payable - affiliated companies	—	1
Accrued taxes	17	17
Accrued interest	2	2
	<u>19</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	62	10
Total common stockholder's equity	<u>990</u>	<u>938</u>
Long-term debt and other long-term obligations	623	622
	<u>1,613</u>	<u>1,560</u>
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	301	264
Regulatory liabilities	150	138
Property taxes	—	5
Other	—	7
	<u>451</u>	<u>414</u>
	<u>\$ 2,083</u>	<u>\$ 2,054</u>

TRANS-ALLEGHENY INTERSTATE LINE COMPANY
STATEMENTS OF CASH FLOWS
(UNAUDITED)

For the Six Months
 Ended June 30,

<i>(In millions)</i>	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 52	\$ 52
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	25	26
Deferred income taxes and investment tax credits, net	34	4
Transmission revenue collections, net	11	7
Pension and OPEB mark-to-market adjustment	—	2
Allowance for equity funds used during construction	(3)	(1)
Changes in current assets and liabilities-		
Receivables	4	(1)
Prepaid taxes and other current assets	1	(1)
Accounts payable	(6)	(11)
Accrued taxes	—	1
Other	1	—
Net cash provided from operating activities	<u>119</u>	<u>78</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Redemptions and repayments-		
Short-term borrowings - affiliated companies, net	(60)	(39)
Net cash used for financing activities	<u>(60)</u>	<u>(39)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(25)	(31)
Loans to affiliated companies, net	(34)	(8)
Net cash used for investing activities	<u>(59)</u>	<u>(39)</u>
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	<u>\$ —</u>	<u>\$ —</u>