

**METROPOLITAN EDISON COMPANY**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020**

**METROPOLITAN EDISON COMPANY**  
**STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**  
**(UNAUDITED)**

<i>(In millions)</i>	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
<b>REVENUES:</b>				
Electric sales	\$ 228	\$ 208	\$ 608	\$ 579
Gross receipts tax collections	14	13	37	35
Total revenues	242	221	645	614
<b>OPERATING EXPENSES:</b>				
Purchased power	97	77	243	210
Other operating expenses	50	45	127	139
Provision for depreciation	21	25	62	75
Deferral of regulatory assets, net	(11)	(11)	(21)	(15)
General taxes	16	14	44	41
Total operating expenses	173	150	455	450
<b>OPERATING INCOME</b>	69	71	190	164
<b>OTHER INCOME (EXPENSE):</b>				
Miscellaneous income, net	8	7	26	31
Equity earnings from MAIT	5	7	18	19
Pension and OPEB mark-to-market adjustment	—	—	—	(31)
Interest expense	(13)	(12)	(38)	(37)
Capitalized financing costs	—	1	1	3
Total other income (expense)	—	3	7	(15)
<b>INCOME BEFORE INCOME TAXES</b>	69	74	197	149
<b>INCOME TAXES</b>	14	13	39	28
<b>NET INCOME</b>	<u>\$ 55</u>	<u>\$ 61</u>	<u>\$ 158</u>	<u>\$ 121</u>
<b>STATEMENTS OF COMPREHENSIVE INCOME</b>				
<b>NET INCOME</b>	<u>\$ 55</u>	<u>\$ 61</u>	<u>\$ 158</u>	<u>\$ 121</u>
<b>OTHER COMPREHENSIVE LOSS:</b>				
Pension and OPEB prior service costs	—	—	(1)	(1)
Other comprehensive loss	—	—	(1)	(1)
Income tax benefits on other comprehensive loss	—	—	—	—
Other comprehensive loss, net of tax	—	—	(1)	(1)
<b>COMPREHENSIVE INCOME</b>	<u>\$ 55</u>	<u>\$ 61</u>	<u>\$ 157</u>	<u>\$ 120</u>

**METROPOLITAN EDISON COMPANY**  
**BALANCE SHEETS**  
**(UNAUDITED)**

<i>(In millions, except share amounts)</i>	September 30, 2021	December 31, 2020
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Receivables-		
Customers	\$ 150	\$ 161
Less — Allowance for uncollectible customer receivables	21	21
	129	140
Affiliated companies	25	24
Other, net of allowance for uncollectible accounts of \$1 in 2020	21	20
Notes receivable from associated companies	—	96
Prepaid taxes and other	22	13
	197	293
<b>UTILITY PLANT:</b>		
In service	3,065	2,970
Less — Accumulated provision for depreciation	965	929
	2,100	2,041
Construction work in progress	66	71
	2,166	2,112
<b>INVESTMENTS AND OTHER NONCURRENT ASSETS:</b>		
Goodwill	324	324
Investment in affiliate	306	302
Other	33	38
	663	664
	\$ 3,026	\$ 3,069
<b>LIABILITIES AND CAPITALIZATION</b>		
<b>CURRENT LIABILITIES:</b>		
Currently payable long-term debt	\$ 2	\$ 2
Short-term borrowings-		
Affiliated companies	2	—
Other	—	100
Accounts payable-		
Affiliated companies	1	1
Other	53	54
Accrued taxes	11	12
Accrued interest	10	15
Customer deposits	30	29
Other	37	28
	146	241
<b>CAPITALIZATION:</b>		
Common stockholder's equity-		
Common stock, without par value, authorized 900,000 shares - 740,905 shares outstanding	841	839
Accumulated other comprehensive income	—	1
Retained earnings	251	178
Total common stockholder's equity	1,092	1,018
Long-term debt and other long-term obligations	1,045	1,046
	2,137	2,064
<b>NONCURRENT LIABILITIES:</b>		
Accumulated deferred income taxes	422	394
Nuclear fuel disposal costs	47	47
Retirement benefits	49	66
Regulatory liabilities	12	49
Other	213	208
	743	764
	\$ 3,026	\$ 3,069

**METROPOLITAN EDISON COMPANY**  
**STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

<i>(In millions)</i>	<b>For the Nine Months Ended September 30,</b>	
	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 158	\$ 121
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	42	61
Deferred income taxes and investment tax credits, net	17	11
Retirement benefits, net of payments	(25)	(20)
Pension and OPEB mark-to-market adjustment	—	31
Nuclear decommissioning trust income	—	3
Undistributed earnings from subsidiary company	(4)	(18)
Changes in current assets and liabilities-		
Receivables	11	9
Prepaid taxes and other current assets	(8)	(11)
Accounts payable	(1)	(6)
Accrued taxes	(1)	4
Accrued interest	(5)	(5)
Customer deposits	1	—
Other current liabilities	9	2
Other	10	(10)
Net cash provided from operating activities	204	172
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
New financing-		
Short-term borrowings - affiliated companies, net	2	—
Redemptions and repayments-		
Short-term borrowings - other, net	(100)	—
Common stock dividend payments	(85)	(40)
Other	(2)	(2)
Net cash used for financing activities	(185)	(42)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property additions	(104)	(113)
Sales of investment securities held in trusts	—	1
Purchases of investment securities held in trusts	—	(4)
Loans to affiliated companies, net	96	(2)
Asset removal costs	(11)	(12)
Net cash used for investing activities	(19)	(130)
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	\$ —	\$ —