

**MONONGAHELA POWER COMPANY AND SUBSIDIARIES**  
**UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020**

**MONONGAHELA POWER COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF 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	\$ 400	\$ 364	\$ 1,113	\$ 1,049
Excise and gross receipts tax collections	2	2	5	6
Total revenues	402	366	1,118	1,055
<b>OPERATING EXPENSES:</b>				
Fuel	133	101	362	275
Purchased power	82	43	179	142
Other operating expenses	109	98	282	276
Provision for depreciation	39	38	116	113
Amortization (deferral) of regulatory assets, net	(30)	9	(52)	26
General taxes	13	19	47	52
Total operating expenses	346	308	934	884
<b>OPERATING INCOME</b>	56	58	184	171
<b>OTHER INCOME (EXPENSE):</b>				
Miscellaneous income, net	12	6	25	17
Pension and OPEB mark-to-market adjustment	—	—	—	(28)
Interest expense	(23)	(21)	(66)	(64)
Capitalized financing costs	2	1	4	3
Total other expense	(9)	(14)	(37)	(72)
<b>INCOME BEFORE INCOME TAXES</b>	47	44	147	99
<b>INCOME TAXES</b>	11	10	34	24
<b>NET INCOME</b>	\$ 36	\$ 34	\$ 113	\$ 75

**MONONGAHELA POWER COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

<i>(In millions, except share amounts)</i>	September 30, 2021	December 31, 2020
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 135	\$ 100
Restricted cash	12	20
Receivables-		
Customers	105	135
Less — Allowance for uncollectible customer receivables	12	13
	93	122
Affiliated companies	29	40
Other, net of allowance for uncollectible accounts of \$2 in 2020	13	10
Notes receivable from affiliated companies	140	—
Materials and supplies, at average cost	54	93
Prepaid taxes and other	36	34
	512	419
<b>UTILITY PLANT:</b>		
In service	4,981	4,857
Less — Accumulated provision for depreciation	794	736
	4,187	4,121
Construction work in progress	120	146
	4,307	4,267
<b>DEFERRED CHARGES AND OTHER ASSETS:</b>		
Intangible assets	69	73
Other	60	83
	129	156
	<u>\$ 4,948</u>	<u>\$ 4,842</u>
<b>LIABILITIES AND CAPITALIZATION</b>		
<b>CURRENT LIABILITIES:</b>		
Currently payable long-term debt	\$ 95	\$ 94
Short-term borrowings - affiliated companies	3	82
Accounts payable-		
Affiliated companies	22	21
Other	65	53
Accrued taxes	33	47
Accrued interest	30	13
Other	53	53
	301	363
<b>CAPITALIZATION:</b>		
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	906	897
Retained earnings	120	143
Total common stockholder's equity	1,321	1,335
Long-term debt and other long-term obligations	1,891	1,698
	3,212	3,033
<b>NONCURRENT LIABILITIES:</b>		
Accumulated deferred income taxes	529	501
Regulatory liabilities	606	627
Retirement benefits	34	42
Asset retirement obligations	63	57
Purchased power liability	58	62
Other	145	157
	1,435	1,446
	<u>\$ 4,948</u>	<u>\$ 4,842</u>

**MONONGAHELA POWER COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED 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	\$ 113	\$ 75
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	65	139
Deferred income taxes and investment tax credits, net	38	(2)
Retirement benefits, net of payments	(14)	(8)
Pension and OPEB mark-to-market adjustment	—	28
Change in current assets and liabilities-		
Receivables	41	100
Materials and supplies	39	10
Prepaid taxes and other current assets	6	5
Accounts payable	13	(17)
Accrued taxes	(14)	(6)
Accrued interest	17	13
Other current liabilities	(3)	4
Other	28	(23)
Net cash provided from operating activities	<u>329</u>	<u>318</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
New financing-		
Long-term debt	200	—
Redemptions and repayments-		
Long-term debt	(19)	(18)
Short-term borrowings - affiliated companies, net	(79)	(38)
Common stock dividend payments	(136)	(22)
Premium on long-term debt	16	—
Other	(3)	(1)
Net cash used for financing activities	<u>(21)</u>	<u>(79)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property additions	(129)	(143)
Loans to affiliated companies, net	(140)	(117)
Asset removal costs	(12)	(9)
Net cash used for investing activities	<u>(281)</u>	<u>(269)</u>
Net change in cash, cash equivalents, and restricted cash	27	(30)
Cash, cash equivalents, and restricted cash at beginning of period	120	42
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 147</u>	<u>\$ 12</u>