

THE TOLEDO EDISON COMPANY AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

THE TOLEDO EDISON 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
REVENUES:				
Electric sales	\$ 129	\$ 124	\$ 337	\$ 340
Excise and gross receipts tax collections	8	8	22	20
Total revenues	137	132	359	360
OPERATING EXPENSES:				
Purchased power from affiliates	—	—	—	1
Purchased power from non-affiliates	16	16	40	41
Other operating expenses	49	48	143	141
Provision for depreciation	12	10	34	31
Amortization of regulatory assets, net	15	9	30	13
General taxes	18	17	51	47
Total operating expenses	110	100	298	274
OPERATING INCOME	27	32	61	86
OTHER INCOME (EXPENSE):				
Miscellaneous income, net	4	2	10	7
Pension and OPEB mark-to-market adjustment	—	—	—	(11)
Interest expense	(7)	(5)	(19)	(21)
Capitalized financing costs	1	—	2	1
Total other expense	(2)	(3)	(7)	(24)
INCOME BEFORE INCOME TAXES	25	29	54	62
INCOME TAXES	4	5	8	5
NET INCOME	<u>\$ 21</u>	<u>\$ 24</u>	<u>\$ 46</u>	<u>\$ 57</u>
STATEMENTS OF COMPREHENSIVE INCOME				
NET INCOME	<u>\$ 21</u>	<u>\$ 24</u>	<u>\$ 46</u>	<u>\$ 57</u>
OTHER COMPREHENSIVE LOSS:				
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)
COMPREHENSIVE INCOME	<u>\$ 21</u>	<u>\$ 23</u>	<u>\$ 46</u>	<u>\$ 56</u>

THE TOLEDO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

<i>(In millions, except share amounts)</i>	September 30, 2021	December 31, 2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 85	\$ 100
Restricted cash	2	2
Receivables-		
Customers	46	58
Less — Allowance for uncollectible customer receivables	10	10
	36	48
Affiliated companies	20	26
Other, net of allowance for uncollectible accounts	9	12
Prepaid taxes and other	1	1
	153	189
UTILITY PLANT:		
In service	1,346	1,300
Less — Accumulated provision for depreciation	655	632
	691	668
Construction work in progress	32	33
	723	701
DEFERRED CHARGES AND OTHER ASSETS:		
Goodwill	501	501
Regulatory assets	8	32
Property taxes	9	37
Other	13	15
	531	585
	\$ 1,407	\$ 1,475
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 3	\$ 3
Short-term borrowings		
Affiliated companies	1	83
Other	—	100
Accounts payable-		
Affiliated companies	23	19
Other	5	6
Accrued taxes	43	38
Other	33	24
	108	273
CAPITALIZATION:		
Common stockholder's equity-		
Common stock, \$5 par value, authorized 60,000,000 shares - 29,402,054 shares outstanding	147	147
Other paid-in capital	323	320
Retained earnings	78	86
Total common stockholder's equity	548	553
Long-term debt and other long-term obligations	477	333
	1,025	886
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	82	84
Retirement benefits	49	54
Property taxes	—	37
Other	143	141
	274	316
	\$ 1,407	\$ 1,475

THE TOLEDO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<i>(In millions)</i>	For the Nine Months Ended September 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 46	\$ 57
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	65	19
Deferred income taxes and investment tax credits, net	(5)	(9)
Retirement benefits, net of payments	(7)	(3)
Pension and OPEB mark-to-market adjustment	—	11
Change in current assets and liabilities-		
Receivables	22	(2)
Prepaid taxes and other current assets	—	1
Accounts payable	3	(2)
Accrued taxes	(5)	(6)
Other current liabilities	7	13
Other	4	2
Net cash provided from operating activities	<u>130</u>	<u>81</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Long-term debt	150	—
Short-term borrowings - affiliated companies, net	—	44
Redemptions and repayments-		
Long-term debt	(1)	(51)
Short-term borrowings-		
Affiliated companies, net	(82)	—
Other, net	(100)	—
Common stock dividend payments	(54)	(25)
Other	(4)	(1)
Net cash used for financing activities	<u>(91)</u>	<u>(33)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(49)	(44)
Asset removal costs	(5)	(5)
Net cash used for investing activities	<u>(54)</u>	<u>(49)</u>
Net change in cash, cash equivalents, and restricted cash	(15)	(1)
Cash, cash equivalents, and restricted cash at beginning of period	102	2
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 87</u>	<u>\$ 1</u>