

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

TRANS-ALLEGHENY INTERSTATE LINE COMPANY
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	\$ 61	\$ 63	\$ 182	\$ 188
OPERATING EXPENSES:				
Other operating expenses	4	4	10	10
Provision for depreciation	13	13	39	39
General taxes	3	4	11	11
Total operating expenses	20	21	60	60
OPERATING INCOME	41	42	122	128
OTHER INCOME (EXPENSE):				
Miscellaneous expense, net	—	—	(1)	—
Pension and OPEB mark-to-market adjustment	—	—	—	(2)
Interest expense	(7)	(6)	(20)	(19)
Capitalized financing costs	3	1	7	2
Total other expense	(4)	(5)	(14)	(19)
INCOME BEFORE INCOME TAXES	37	37	108	109
INCOME TAXES	9	10	28	30
NET INCOME	\$ 28	\$ 27	\$ 80	\$ 79

TRANS-ALLEGHENY INTERSTATE LINE COMPANY
BALANCE SHEETS
(UNAUDITED)

<i>(In millions)</i>	September 30, 2021	December 31, 2020
ASSETS		
CURRENT ASSETS:		
Receivables-		
Affiliated companies	\$ 1	\$ 4
Other	20	21
Notes receivable from affiliated companies	7	—
Prepaid taxes and other	9	13
	<u>37</u>	<u>38</u>
UTILITY PLANT:		
In service	2,208	2,194
Less — Accumulated provision for depreciation	324	291
	<u>1,884</u>	<u>1,903</u>
Construction work in progress	137	100
	<u>2,021</u>	<u>2,003</u>
DEFERRED CHARGES AND OTHER ASSETS:		
Property taxes	—	5
Other	7	8
	<u>7</u>	<u>13</u>
	<u>\$ 2,065</u>	<u>\$ 2,054</u>
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Short-term borrowings - affiliated companies	\$ —	\$ 60
Accounts payable - affiliated companies	1	1
Accrued taxes	35	17
Accrued interest	8	2
	<u>44</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	931	928
Retained earnings	20	10
Total common stockholder's equity	<u>951</u>	<u>938</u>
Long-term debt and other long-term obligations	623	622
	<u>1,574</u>	<u>1,560</u>
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	294	264
Regulatory liabilities	153	138
Property taxes	—	5
Other	—	7
	<u>447</u>	<u>414</u>
	<u>\$ 2,065</u>	<u>\$ 2,054</u>

TRANS-ALLEGHENY INTERSTATE LINE COMPANY
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	\$ 80	\$ 79
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	38	38
Deferred income taxes and investment tax credits, net	27	—
Transmission revenue collections, net	12	10
Pension and OPEB mark-to-market adjustment	—	2
Allowance for equity funds used during construction	(5)	(2)
Changes in current assets and liabilities-		
Receivables	7	18
Prepaid taxes and other current assets	4	1
Accounts payable	(6)	(12)
Accrued taxes	18	(4)
Accrued interest	6	6
Other	1	1
Net cash provided from operating activities	182	137
CASH FLOWS FROM FINANCING ACTIVITIES:		
Redemptions and repayments-		
Short-term borrowings - affiliated companies, net	(60)	(39)
Common stock dividend payments	(70)	—
Other	(1)	—
Net cash used for financing activities	(131)	(39)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(44)	(57)
Loans to affiliated companies, net	(7)	(41)
Net cash used for investing activities	(51)	(98)
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	\$ —	\$ —