

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

**WEST PENN 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	\$ 248	\$ 242	\$ 702	\$ 716
Excise tax collections	15	14	40	42
Total revenues	263	256	742	758
<b>OPERATING EXPENSES:</b>				
Purchased power from affiliates	—	—	1	1
Purchased power from non-affiliates	106	92	284	258
Other operating expenses	70	79	195	203
Provision for depreciation	24	24	74	73
Amortization (deferral) of regulatory assets, net	(5)	5	(21)	56
General taxes	17	17	47	49
Total operating expenses	212	217	580	640
<b>OPERATING INCOME</b>	51	39	162	118
<b>OTHER INCOME (EXPENSE):</b>				
Miscellaneous income, net	7	6	17	17
Pension and OPEB mark-to-market adjustment	—	—	—	(21)
Interest expense	(11)	(11)	(35)	(32)
Capitalized financing costs	2	1	5	4
Total other expense	(2)	(4)	(13)	(32)
<b>INCOME BEFORE INCOME TAXES</b>	49	35	149	86
<b>INCOME TAXES</b>	13	6	34	16
<b>NET INCOME</b>	<u>\$ 36</u>	<u>\$ 29</u>	<u>\$ 115</u>	<u>\$ 70</u>
<b>STATEMENTS OF COMPREHENSIVE INCOME</b>				
<b>NET INCOME</b>	<u>\$ 36</u>	<u>\$ 29</u>	<u>\$ 115</u>	<u>\$ 70</u>
<b>OTHER COMPREHENSIVE LOSS:</b>				
Pension and OPEB prior service costs	(1)	(1)	(2)	(2)
Other comprehensive loss	(1)	(1)	(2)	(2)
Income tax benefits on other comprehensive loss	(1)	(1)	(1)	(1)
Other comprehensive loss, net of tax	—	—	(1)	(1)
<b>COMPREHENSIVE INCOME</b>	<u>\$ 36</u>	<u>\$ 29</u>	<u>\$ 114</u>	<u>\$ 69</u>

**WEST PENN 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	\$ —	\$ 150
Receivables-		
Customers	149	162
Less — Allowance for uncollectible customer receivables	20	21
	129	141
Affiliated companies	32	39
Other, net of allowance for uncollectible accounts of \$12 in 2020	10	10
Prepaid taxes and other	17	5
	188	345
<b>UTILITY PLANT:</b>		
In service	2,792	2,685
Less — Accumulated provision for depreciation	489	445
	2,303	2,240
Construction work in progress	164	131
	2,467	2,371
<b>INVESTMENTS AND OTHER NONCURRENT ASSETS:</b>		
Regulatory assets	80	48
Investments	11	11
Other	69	55
	160	114
	<u>\$ 2,815</u>	<u>\$ 2,830</u>
<b>LIABILITIES AND CAPITALIZATION</b>		
<b>CURRENT LIABILITIES:</b>		
Currently payable long-term debt	\$ 101	\$ 1
Short-term borrowings		
Affiliated companies	110	68
Other	—	150
Accounts payable-		
Affiliated companies	19	4
Other	67	63
Accrued interest	9	8
Accrued taxes	11	19
Customer deposits	28	27
Other	60	21
	405	361
<b>CAPITALIZATION:</b>		
Common stockholder's equity-		
Common stock, no par value, 32,000,000 shares authorized - 24,361,586 shares outstanding	560	557
Accumulated other comprehensive income	4	5
Retained earnings	359	358
Total common stockholder's equity	923	920
Long-term debt and other long-term obligations	870	971
	1,793	1,891
<b>NONCURRENT LIABILITIES:</b>		
Accumulated deferred income taxes	511	471
Retirement benefits	18	20
Asset retirement obligations	8	8
Other	80	79
	617	578
	<u>\$ 2,815</u>	<u>\$ 2,830</u>

**WEST PENN 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	\$ 115	\$ 70
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization of regulatory assets, net	49	129
Deferred income taxes and investment tax credits, net	35	4
Retirement benefits, net of payments	(21)	(15)
Pension and OPEB mark-to-market adjustment	—	21
Change in current assets and liabilities-		
Receivables	21	25
Prepaid taxes and other current assets	(11)	(12)
Accounts payable	19	(23)
Accrued taxes	(8)	—
Accrued interest	1	2
Customer deposits	1	—
Other current liabilities	(1)	3
Collateral, net	35	—
Other	(2)	10
Net cash provided from operating activities	<u>233</u>	<u>214</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
New financing-		
Short-term borrowings - affiliated companies, net	42	53
Redemptions and repayments-		
Short-term borrowings - other, net	(150)	—
Common stock dividend payments	(114)	(70)
Net cash used for financing activities	<u>(222)</u>	<u>(17)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property additions	(150)	(183)
Asset removal costs	(11)	(14)
Net cash used for investing activities	<u>(161)</u>	<u>(197)</u>
Net change in cash, cash equivalents, and restricted cash	(150)	—
Cash, cash equivalents, and restricted cash at beginning of period	150	—
Cash, cash equivalents, and restricted cash at end of period	<u>\$ —</u>	<u>\$ —</u>