

**THE CLEVELAND ELECTRIC ILLUMINATING COMPANY AND SUBSIDIARIES**  
**UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021**

**THE CLEVELAND ELECTRIC ILLUMINATING COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**(UNAUDITED)**

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2022	2021
<b>REVENUES:</b>		
Electric sales	\$ 215	\$ 223
Excise and gross receipts tax collections	16	16
Total revenues	231	239
<b>OPERATING EXPENSES:</b>		
Purchased power	24	28
Other operating expenses	108	104
Provision for depreciation	31	29
Deferral of regulatory assets, net	(6)	(1)
General taxes	54	51
Total operating expenses	211	211
<b>OPERATING INCOME</b>	20	28
<b>OTHER INCOME (EXPENSE):</b>		
Miscellaneous income, net	4	5
Interest expense	(20)	(19)
Capitalized financing costs	1	2
Total other expense	(15)	(12)
<b>INCOME BEFORE INCOME TAXES</b>	5	16
<b>INCOME TAXES</b>	1	2
<b>NET INCOME</b>	\$ 4	\$ 14

**THE CLEVELAND ELECTRIC ILLUMINATING COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

<i>(In millions, except share amounts)</i>	March 31, 2022	December 31, 2021
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Restricted cash	\$ 3	\$ 6
Receivables-		
Customers	98	94
Less — Allowance for uncollectible customer receivables	17	17
	81	77
Affiliated companies	33	38
Other	21	22
Notes receivable from affiliated companies	—	95
Prepaid taxes and other	12	11
	150	249
<b>UTILITY PLANT:</b>		
In service	3,698	3,664
Less — Accumulated provision for depreciation	1,509	1,494
	2,189	2,170
Construction work in progress	94	86
	2,283	2,256
<b>DEFERRED CHARGES AND OTHER ASSETS:</b>		
Goodwill	1,689	1,689
Property taxes	109	146
Other	49	44
	1,847	1,879
	<u>\$ 4,280</u>	<u>\$ 4,384</u>
<b>LIABILITIES AND CAPITALIZATION</b>		
<b>CURRENT LIABILITIES:</b>		
Currently payable long-term debt	\$ 7	\$ 7
Short-term borrowings - affiliated companies	117	—
Accounts payable-		
Affiliated companies	43	43
Other	11	12
Accrued taxes	150	141
Accrued interest	20	16
Other	55	57
	403	276
<b>CAPITALIZATION:</b>		
Common stockholder's equity-		
Common stock, without par value, authorized 105,000,000 shares - 67,930,743 shares outstanding	1,252	1,251
Accumulated other comprehensive loss	(4)	(4)
Retained earnings	342	338
Total common stockholder's equity	1,590	1,585
Long-term debt and other long-term obligations	1,412	1,564
	3,002	3,149
<b>NONCURRENT LIABILITIES:</b>		
Accumulated deferred income taxes	296	293
Retirement benefits	103	104
Regulatory liabilities	172	186
Property taxes	73	146
Other	231	230
	875	959
	<u>\$ 4,280</u>	<u>\$ 4,384</u>

**THE CLEVELAND ELECTRIC ILLUMINATING COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 4	\$ 14
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	26	44
Deferred income taxes and investment tax credits, net	(1)	(6)
Retirement benefits, net of payments	(4)	(4)
Change in current assets and liabilities-		
Receivables	2	7
Prepaid taxes and other current assets	—	(1)
Accounts payable	(1)	(1)
Accrued taxes	(27)	(22)
Accrued interest	4	3
Other current liabilities	(7)	(7)
Other	(4)	(2)
Net cash provided from (used for) operating activities	(8)	25
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
New financing-		
Short-term borrowings - affiliated companies, net	117	—
Redemptions and repayments-		
Long-term debt	(152)	(10)
Short-term borrowings - affiliated companies, net	—	(45)
Common stock dividend payments	—	(15)
Net cash used for financing activities	(35)	(70)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property additions	(51)	(46)
Loans to affiliated companies, net	95	(12)
Asset removal costs	(4)	(2)
Net cash provided from (used for) investing activities	40	(60)
Net change in cash, cash equivalents, and restricted cash	(3)	(105)
Cash, cash equivalents, and restricted cash at beginning of period	6	164
Cash, cash equivalents, and restricted cash at end of period	\$ 3	\$ 59